This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale or subscription is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

Preliminary Placement Document
Subject to Completion and not for circulation
Private and confidential
Serial Number________

KAYNES TECHNOLOGY INDIA LIMITED

Our Company was incorporated on March 28, 2008 as 'Kaynes Technology India Private Limited', at Mysuru, Karnataka, a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Registrar of the Companies, Karnataka at Bengaluru ("**RoC**"). Subsequently, the name of our Company was changed to 'Kaynes Technology India Limited' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on March 24, 2022 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on March 31, 2022. For further details of changes in the names of our Company and a brief history of our Company, see "*Organisational Structure of our Company*" and "*General Information*" on pages 224 and 540, respectively.

Corporate Identity Number: L29128KA2008PLC045825
Registered and Corporate Office: 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysuru – 570 016, Karnataka, India
Telephone: +91 82125 82595; **Email**: kaynestechcs@kaynestechnology.net; **Website:** www.kaynestechnology.co.in
Company Secretary and Compliance Officer: S M Adithya Jain

Issue of up to [●] equity shares of face value of ₹10 each of our Company (the "**Equity Shares**") at a price of ₹[●] per Equity Share, including a premium of ₹[●] per Equity Share (the "**Issue Price**"), aggregating to ₹[●] million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 47.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on December 15, 2023 were ₹ 2,580.45 and ₹ 2,582.90 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, each dated December 18, 2023. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 56 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 230. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company, Subsidiaries, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, or the website of the Book Running Lead Managers (as defined hereinafter) or their respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections *"Selling Restrictions"* and *"Transfer Restrictions and Purchaser Representations"* on pages 245 and 253, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "**QIBs**".

This Preliminary Placement Document is dated December 18, 2023.

BOOK RUNNING LEAD MANAGERS			
DAM CAPITAL ADVISORS LIMITED	**AXIS CAPITAL LIMITED**	**IIFL SECURITIES LIMITED**	**NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the BRLMs *(as defined hereinafter)* have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. DAM Capital Advisors Limited, Axis Capital Limited, IIFL Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited (collectively, the "**Book Running Lead Managers**" or the "**BRLMs**") have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Issue of the Equity Shares or the distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of the BRLMs. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission ("**SEC**"), any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and

"*Transfer Restrictions and Purchaser Representations*" on pages 4, 245 and 253 respectively of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the BRLMs which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction other than India where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 245 and 253, respectively.

In making an investment decision, investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLMs are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations.

Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42 (read with Rule 14 of the PAS Rules) and other applicable provisions of the Companies Act, 2013, and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled "*Risk Factors*" on page 56.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document.

The information on our Company's website at www.kaynestechnology.co.in, the websites of any of its Subsidiaries or any website directly or indirectly linked to our Company's website or the website of each of the BRLMs, their respective associates or affiliates, does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES HAVE NOT BEEN RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PRELIMINARY PLACEMENT DOCUMENT OR APPROVED OR DISAPPROVED THE EQUITY SHARES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFER, INCLUDING THE MERITS AND RISKS INVOLVED.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE LAW OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO U.S. QIBS AND IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND (B) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS", AS DEFINED, AND IN RELIANCE ON, REGULATION S UNDER AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES ARE MADE. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER THE SECTIONS "*SELLING RESTRICTIONS*" AND "*TRANSFER RESTRCITIONS AND PURCHASE REPRESENTATIONS*" ON PAGES 245 AND 253, RESPECTIVELY.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 245 and 253, respectively.

Any information about our Company available on any website of the Stock Exchanges, our Company or the BRLMs, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representation*" on pages 1, 245 and 253, respectively and have represented, warranted and acknowledged to and agreed to our Company and the Book Running Lead Managers, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

2. You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, to the extent applicable, and all other applicable laws; and (ii) comply with all requirements under applicable law, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document, you have a valid and existing registration with SEBI under the applicable laws in India and can participate in the Issue only under Schedule II of FEMA Rules, or (ii) a multilateral or bilateral development financial institution. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities including to the Equity Shares or otherwise accessing the capital markets. You confirm that you are not a FVCI;

5. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the FDI Policy and FEMA Rules, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules. You confirm that neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route);

6. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

7. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchanges. Please note additional requirements or requirements apply if you are within the United States. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 245 and 253, respectively;

8. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Eligible QIBs. You acknowledge that this Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document is filed and the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

9. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied with and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

10. Neither our Company, nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

11. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. Neither our Company, nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

12. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

13. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 245 and 253, respectively and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

14. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including the "*Risk Factors*" on page 56;

15. If you are within the United States, you are a U.S. QIB, who is or are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB in terms of Rule 144A of the U.S. Securities Act, for investment purposes only, and not with a view to, or for offer or sale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;

16. If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction" within the meaning of Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

17. You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S of the U.S. Securities Act) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) thereof. You understand and agree that the Equity Shares are transferrable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser* Representations" on pages 245 and 253, respectively;

18. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

19. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, its Subsidiaries and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

20. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from sale of the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

21. You are a sophisticated investor and have such knowledge and experience in financial business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

22. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to ‘you’ to include such accounts;

23. You are not a ‘promoter’ of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to the Promoters (as defined hereinafter), either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

24. You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

25. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the levels permissible as per any applicable law;

26. Your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

   (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

   (b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

27. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

28. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

29. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

30. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

31. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

32. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted 5% or more of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

33. You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

34. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the

Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

35. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

36. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

37. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013;

38. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue ("**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

39. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

40. You acknowledge that our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and such representations, warranties, acknowledgements and undertakings are irrevocable;

41. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

42. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations; and

43. You have no right to withdraw your Application Form or revise your Bid downwards after the Issue Closing Date (as defined hereinafter).

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI Regulations and the SEBI circular dated November 5, 2019 on operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), FPIs, including the affiliates of the Book Running Lead Managers, who are registered as Category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such P-Notes. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs or to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of our post-Issue Equity Share capital on a fully diluted basis. SEBI has issued the FPI Operational Guidelines to facilitate implementation of the SEBI FPI Regulations. In terms of the FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by and are the sole obligations of third parties that are unrelated to our Company. Our Company, and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 245 and 253, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(a) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(b) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(c) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs and references to the "Issuer", "Kaynes", "the Company", "our Company" refers to Kaynes Technology India Limited and references to "we", "us", or "our" are to our Company together with its Subsidiaries on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document to (i) the 'US' or 'U.S.' or the 'United States' or the 'U.S.A' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. In this Preliminary Placement Document, references to "lakh" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and "billion" represents "1,000,000,000".

Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal", "Financial Year", "Fiscals" or "Fiscal Year", refer to the 12-month period ending March 31 of that particular year (as the case may be).

As required under the applicable regulations, and for the convenience of prospective investors, we have included in this Preliminary Placement Document, the following financial statements:

(a) the audited consolidated financial statements of our Company as at and for the years ended March 31, 2023 and March 31, 2022, comprising of the consolidated balance sheet as at March 31, 2023 and March 31, 2022, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the years ended March 31, 2023 and March 31, 2022 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) rules 2015, as amended, and other accounting principles generally accepted in India.;

(b) the special purpose audited consolidated financial statements of our Company in accordance Ind AS as at and for the year ended March 31, 2021, comprising of the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2021 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory statements ("**2021 Ind AS Financial Statements"**). The 2021 Ind AS Financial Statements were originally prepared by the management in accordance with Indian GAAP and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India ("**GAAP Financial Statements**"). Such GAAP Financial Statements have been subjected to a special purpose audit by the Statutory Auditors in accordance with Ind AS, consequent to which, the Statutory Auditors has issued a special purpose audit report dated April 4, 2022. We have included such 2021 Ind AS Financial Statements in this Preliminary Placement Document in order to ensure that the 2021 Ind AS Financial

Statements is comparable to the financial statements referred to in (a) and provides a reader with a true and fair understanding of our business and results of operations during this period.

((a) and (b) are collectively referred to in this Preliminary Placement Document as the "**Audited Consolidated Financial Statements**"). The Audited Consolidated Financial Statements should be read along with the respective audit reports.

Further, in this Preliminary Placement Document, we have also included the statement of unaudited special purpose condensed interim consolidated Ind AS financial results of our Company, as at and for the six months ended September 30, 2023 and September 30, 2022, comprising of the consolidated balance sheet as at September 30, 2023 and September 30, 2022, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the six months ended September 30, 2023 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India (the "**Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results**"). The Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results should be read along with the review report issued by the Statutory Auditor.

In accordance with Regulation 33 of the SEBI Listing Regulations, our Company is required to publish its quarterly financial results on a consolidated basis, which are subjected to limited review by our Statutory Auditors, within 45 days from the completion of the relevant quarter. Accordingly, our Company has prepared statements of unaudited consolidated financial results for six months ended September 30, 2023 (including comparative as at and for the six months ended September 30, 2022) (the "**Unaudited Consolidated Financial Results**"), on which our Statutory Auditors have issued a separate auditor's review report dated October 31, 2023. The Unaudited Consolidated Financial Results have been incorporated in the Preliminary Placement Document. Unless stated otherwise, the financial data in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements and the Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Our Audited Consolidated Financial Statements and Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results are prepared in millions and have been presented in this Preliminary Placement Document in millions and have been rounded off or expressed in two decimals. Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP financial measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as Gross Margins, EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, Net Worth, Asset Turnover Ratio, Net Working Capital Days, Debt to Equity Ratio, Net Debt to Equity Ratio and Inventory Turnover Ratio have been included in this Preliminary Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities and are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" on page 283.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Preliminary Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled "*Industry Overview"* on page 149.

The industry, market and economic data included in this Preliminary Placement Document has been derived from the report titled *"Industry Report on Indian ESDM Market – Focus on OSAT and BARE PCB Markets"* dated December 14, 2023 by Frost & Sullivan (India) Private Limited ("**F&S**") (the "**F&S Report**"). Our Company has commissioned and paid for the F&S Report pursuant to the engagement letter dated November 30, 2023. F&S is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or our Promoters.

This data in the F&S Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the BRLMs can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors – Certain sections of this Preliminary Placement Document disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks"* on page 76.

Disclaimer of the F&S Report

The F&S Report is subject to the following disclaimer:

"*Industry Report on Indian ESDM Market – Focus on OSAT and BARE PCB Markets" has been prepared for the proposed qualified institutional placement by Kaynes Technology India Limited (the "**Company**").*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely *on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*"

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "expected to", "intend", "is/are likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "will continue", "would", "will likely result", or any other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, among other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. The forward-looking statements also include statements as to our Company's planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Loss of our top customers or a reduction in demand for their products due to lack of firm commitments with our customers;
- Increasing competition in the electronics system design and manufacturing industry may create pressures of pricing and market share;
- Any slowdown, shutdown or disruption in our manufacturing facilities caused by natural and other disasters may cause unforeseen damages;
- Inability to manage our business and growth strategy; and
- Acquisitions, investments, joint ventures or other strategic alliances, could have a material adverse effect on our ability to manage our business, and such undertakings may be unsuccessful.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 56, 149, 176 and 111, respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, nor the BRLMs or any of their respective affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. Except Heinz Franz Moitzi, who is an Independent Director, all our Directors and our Key Managerial Personnel and Senior Management are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the BRLMs cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), the Pound (in ₹ per GBP) and the Euro (in ₹ per EUR) for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the websites of RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

1. US$

				(₹ per US$)
	Period end (^)	**Average** (1)	**High** (2)	**Low** (3)
Financial Year:				
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
2021	73.50	74.20	76.81	72.29
Month ended:				
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.68	82.79	83.13	82.28
July 31, 2023	82.25	82.15	82.68	81.81
June 30, 2023	82.04	82.23	82.64	81.88

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

(^) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

(1) *Average of the official rate for each Working Day of the relevant period.*

(2) *Maximum of the official rate for each Working Day of the relevant period.*

(3) *Minimum of the official rate for each Working Day of the relevant period.*

2. GBP

				(₹ per GBP)
	Period end (^)	**Average** (1)	**High** (2)	**Low** (3)
Financial Year:				
2023	101.87	96.83	102.23	86.62
2022	99.55	101.78	104.58	99.36
2021	100.95	97.06	102.66	91.95
Month ended:				
November 30, 2023	105.87	103.36	105.92	101.12
October 31, 2023	101.16	101.23	102.56	100.39
September 30, 2023	101.67	103.03	104.64	100.92
August 31, 2023	105.09	105.25	106.25	103.93
July 31, 2023	105.76	105.81	107.64	103.78
June 30, 2023	103.51	103.81	105.04	102.40

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

(^) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

(1) *Average of the official rate for each Working Day of the relevant period.*

(2) *Maximum of the official rate for each Working Day of the relevant period.*

(3) *Minimum of the official rate for each Working Day of the relevant period.*

3. EUR

				(₹ per EUR)
	Period end (^)	**Average** (1)	**High** (2)	**Low** (3)
Financial Year:				
2023	89.61	83.72	90.26	78.34
2022	84.66	86.56	90.51	83.48
2021	86.10	86.67	90.31	81.50

	(₹ per EUR)			
	Period end (^)	**Average (1)**	**High (2)**	**Low (3)**
Month ended:				
November 30, 2023	91.48	89.99	91.64	88.04
October 31, 2023	88.32	87.88	88.49	87.08
September 30, 2023	87.94	88.74	89.62	87.34
August 31, 2023	90.22	90.37	91.06	89.17
July 31, 2023	90.58	90.84	92.29	89.15
June 30, 2023	89.13	89.07	89.97	88.07

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

(^) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

(1) *Average of the official rate for each Working Day of the relevant period.*

(2) *Maximum of the official rate for each Working Day of the relevant period.*

(3) *Minimum of the official rate for each Working Day of the relevant period.*

***Notes**:*

- *If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *The exchange rates are rounded off to two decimal places.*

4. JPY

	(₹ per EUR)			
	Period end (^)	**Average (1)**	**High (2)**	**Low (3)**
Financial Year:				
2023	61.80	59.41	63.94	55.09
2022	62.23	66.32	69.43	61.57
2021	66.36	70.02	71.64	66.26
Month ended:				
November 30, 2023	56.68	55.61	56.68	54.90
October 31, 2023	55.42	55.65	55.95	55.22
September 30, 2023	55.81	56.26	56.79	55.66
August 31, 2023	56.63	57.23	58.18	56.45
July 31, 2023	58.06	58.26	59.51	56.56
June 30, 2023	56.77	58.26	59.28	56.77

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

(^) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

(1) *Average of the official rate for each Working Day of the relevant period.*

(2) *Maximum of the official rate for each Working Day of the relevant period.*

(3) *Minimum of the official rate for each Working Day of the relevant period.*

***Notes**:*

- *If the exchange rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *The exchange rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled "Taxation", "Industry Overview", "Financial Information" and "Legal Proceedings" on pages 264, 149, 283 and 278, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer", "Kaynes" or "KTIL"	Kaynes Technology India Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysuru – 570 016, Karnataka, India
"We", "Our", or "Us"	Unless the context otherwise indicates or implies, refers to our Company along with its Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 222
Audited Consolidated Financial Statements	Collectively, the 2021 Ind AS Financial Statements, the Fiscal 2022 Audited Consolidated Financial Statements and the Fiscal 2023 Audited Consolidated Financial Statements
Auditors or Statutory Auditors	The current statutory auditors of our Company namely, K. P. Rao & Co, Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in "*Board of Directors and Senior Management*" on page 216
CCPS	Compulsory convertible preference shares
CCPS Series A	Fully paid-up compulsorily convertible preference shares of our Company of face value of ₹10 each, allotted to Freny Firoze Irani on December 27, 2021
CCPS Series B	Fully paid-up compulsorily convertible preference shares of our Company of face value of ₹10 each, allotted by our Company to Ganesh Cherapuram Balasubramanian and Freny Firoze Irani on October 22, 2021 and November 1, 2021, respectively
CCPS Series C	Fully paid-up compulsorily convertible preference shares of our Company of face value of ₹10 each, allotted by our Company to Bharadwaj Turlapati on December 25, 2021
Chairperson and Whole-Time Director/ Chairperson	The Chairperson and whole-time director of our Company being Savitha Ramesh
Chief Executive Officer	The chief executive officer of our Company being Rajesh Sharma
Company Secretary and Compliance/ Company Secretary/ Compliance Officer	The company secretary and compliance officer of our Company being S M Adithya Jain
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 222
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
Equity Shares	The equity shares of face value of ₹10 each of our Company
ESOP Scheme 2022	The employee stock option plan of our Company titled "Kaynes ESOP 2022"
ESOP Scheme 2023	The employee stock option plan of our Company titled "Kaynes ESOP 2023"

Term	Description
Fiscal 2021 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2021, comprising of the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2021 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Indian GAAP and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) rules 2015, as amended, and other accounting principles generally accepted in India ("**GAAP Financial Statements**"). Such GAAP Financial Statements have been subjected to a special purpose audit by the Statutory Auditors in accordance with Ind AS, consequent to which, the Statutory Auditors has issued a special purpose audit report dated December 18, 2023 ("**2021 Ind AS Financial Statements").** The term "Fiscal 2021 Audited Consolidated Financial Statements" mean such 2021 Ind AS Financial Statements.
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2022, comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2022 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) rules 2015, as amended, and other accounting principles generally accepted in India along with the report dated May 21, 2022 issued thereon by our Statutory Auditors
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2023, comprising of the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2023 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) rules 2015, as amended, and other accounting principles generally accepted in India along with the report dated May 16, 2023 issued thereon by our Statutory Auditors
Fund Raising Committee	The Fund Raising Committee constituted for the purposes of the Issue by our Board, on November 18, 2023
Independent Director(s)	Independent directors of our Company, unless otherwise specified
Key Managerial Personnel	The key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel*" on page 221
Managing Director	The managing director of our Company being Ramesh Kunhikannan
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 222
Preference Shares/ CCPS	The preference shares of face value of ₹10 each of our Company
Promoter Group	The individuals and entities forming part of the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company, namely Ramesh Kunhikannan, Savitha Ramesh and RK Family Trust
Registered and Corporate Office	The registered and corporate office of our Company located at 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysuru – 570 016, Karnataka, India
Risk Management Committee	The Risk Management Committee constituted by our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 222
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations as disclosed in the section titled "*Board of Directors and Senior Management – Members of Senior Management*" on page 221

Term	Description
Shareholders	Shareholders of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board as disclosed in the section titled "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 222
Subsidiaries	The subsidiaries of our Company (including two step-down subsidiaries) in accordance with the Companies Act, 2013 as on the date of this Preliminary Placement Document, namely: • Kaynes Circuits India Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited); • Kaynes Electronics Manufacturing Private Limited; • Kaynes Embedded Systems Private Limited; • Kaynes International Design & Manufacturing Private Limited; • Kaynes Semicon Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited); • Kaynes Technology Europe GmbH; and • Kemsys Technologies Private Limited. The term "Subsidiary/Subsidiaries" shall be construed accordingly
Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results	The unaudited special purpose condensed interim consolidated Ind AS financial results of our Company as at and for the six months ended September 30, 2023 and September 30, 2022, comprising of the consolidated balance sheet as at September 30, 2023 and September 30, 2022, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the six months ended September 30, 2023 and September 30, 2022 and the report dated December 18, 2023 issued thereon by our Statutory Auditors
Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company, and its Subsidiaries as at and for the six months ended September 30, 2023 (including comparative as at and for the six months ended September 30, 2022) prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations
Whole-time Director	The whole-time director(s) of our Company, namely, Ramesh Kunhikannan, Savitha Ramesh and Jairam Parvastu Sampath
Whole-time Director and Chief Financial Officer/ Chief Financial Officer	The whole-time director and chief financial officer of our Company being Jairam Parvastu Sampath

Issue related terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue at the time of submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	DAM Capital Advisors Limited, Axis Capital Limited, IIFL Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited

Term	Description
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. Further, FVCIs are not permitted to participate in the Issue and accordingly, are not Eligible QIBs. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 230, 245 and 253, respectively.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "KAYNES TECHNOLOGY INDIA LTD – QIP ESCROW A/C" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited by the Bidders
Escrow Agreement	Agreement dated December 18, 2023, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	HDFC Bank Limited
Floor Price	Floor price of ₹ 2,449.96 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of our Board dated November 18, 2023 and the Shareholders dated December 16, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. The net price after discount on the Floor Price is ₹ [●]
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	December [●], 2023, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	December 18, 2023, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹[●] million
Monitoring Agency	ICRA Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated December 18, 2023, entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated December 18, 2023 by and among our Company and the Book Running Lead Managers
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	This Preliminary Placement Document along with the Application Form dated December 18, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder

Term	Description
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Regulation D	Regulation D under the U.S. Securities Act
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	December 18, 2023, which is the date of the meeting in which our Fund Raising Committee decided to open the Issue
Securities Act / U.S. Securities Act / United States Securities Act	The United States Securities Act of 1933, as amended
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue
U.S. / United States	The United States of America
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India

Business, technical and industry related terms

Term	Description
Asset Turnover Ratio	Asset Turnover Ratio is calculated as revenue from operations divided by gross block of assets.
Average Net Worth	Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.
BLDC	Brush less Direct Current
CAGR	Compound annual growth rate
Debt to Equity Ratio	Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowing
DLI	Design Linked Incentive
EBIT	EBIT is calculated as profit before tax plus finance cost.
EBITDA	EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income
EBITDA Margin	EBITDA margin is calculated as EBITDA divided by revenue from operations
ESDM	Electronics system design and manufacturing services
EV	Electric vehicle
Gross Margin	Gross margin is calculated as revenue from operations less cost of materials consumed and changes in inventories of finished goods and traded goods divided by revenue from operations.
HDI PCBs	High Density Interconnect Print Circuit Board
HPCS	High performance computing servers
ICT	In-Circuit Tester
IRIS	International Railway Industry Standard
IoT	Internet of Things
Inventory Turnover Ratio	Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory
IT	Information Technology
KLD	Kilo litres per day
Net Debt to Equity Ratio	Net Debt to Equity Ratio is calculated as net debt divided by Net Worth. Net debt is calculated as non-current borrowings plus current borrowing less Cash and cash equivalents less Bank balances other than cash and cash equivalents.
Net Worth	Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of

Term	Description
	depreciation and amalgamation, debenture redemption reserve and foreign currency translation reserve
Net Working Capital Days	Net Working Capital Days is calculated as average inventory days plus average receivable days less average payable days
ODM	Original Design Manufacturing
OEM	Original Equipment Manufacturer
OEM – Box Build	OEM – Turnkey Solutions – Box Build
OEM – Turnkey Solutions	OEM – Turnkey Solutions – Printed Circuit Board Assemblies
OSAT	Outsourced Semiconductor Assembly and Testing
PCB	Print Circuit Board
PLI	Production Linked Incentive Scheme
Profit After Tax Margin	Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.
RoCE	ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost. Total capital employed is calculated as tangible net worth plus non-current borrowings plus current borrowings. Tangible net worth is calculated as total assets less total non-current liabilities (except non-current lease liabilities and deferred tax liabilities), total current liabilities (except current lease liabilities), intangible assets, intangible assets under development, goodwill and right of use asset.
RoE	ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth.
SMT	Surface mount technology
SPECs	The Scheme of Manufacturing of Electronic Components and Semiconductors by the Ministry of Electronics and Information Technology
Subsidies	The subsidies that: (a) the OSAT facility is eligible to avail from the Central Government under the India Semiconductor Mission and from the Government of Telangana; and (b) the PCB facility is eligible to avail from the Central Government under the SPECS and from the Government of Karnataka under Electronic System Design and Manufacturing policy. For details, see "*Use of Proceeds*" on page 97

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
CrPC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
EU	European Union
FBIL	Financial Benchmarks India Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder

Term	Description
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
HNI	High net-worth individual
HUF	Hindu Undivided Family
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
IRDAI	Insurance Regulatory and Development Authority of India
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoEF	Ministry of Finance, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, Karnataka at Bengaluru
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

Term	Description
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S.	The United States of America and its territories and possessions
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

SUMMARY OF BUSINESS

OVERVIEW

We are an end-to-end integrated and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of electronics system design and manufacturing ("**ESDM**") services. We have experience in providing conceptual design, process engineering, integrated manufacturing and life-cycle support for major players in the automotive, industrial including electric vehicle ("**EV**"), aerospace, outer-space and strategic electronics, medical, railways, Internet of Things ("**IoT**"), Information Technology ("**IT**"), and IT hardware – high performance computing servers ("**HPCS**").

Our business is classified based on the stage of services that we provide to our customers. We classify our operations primarily under the following business verticals:

*OEM – Turnkey Solutions – Box Build ("**OEM – Box Build**")*: We undertake "Build To Print" or "Build to Specifications" of complex box builds, sub-systems and products across various industry verticals.

*OEM – Turnkey Solutions – Printed Circuit Board Assemblies ("**PCBAs**") ("**OEM – Turnkey Solutions**")*: We undertake turnkey electronics manufacturing services of PCBAs, cable harness, magnetics and plastics ranging from prototyping to product realization including mass manufacturing.

ODM: We offer ODM services in smart metering technology, smart street lighting, brush less DC ("**BLDC**") technology, inverter technology, gallium nitride based charging technology and providing IoT solutions for making smart consumer appliances or devices IoT connected.

Product Design and Engineering and IoT Solutions: We offer conceptual design and product engineering services in industrial and consumer segments. Our services include PCB cladding or electrical schematics to embedded design and submitting proof of concept to prototyping. We also offer connected product engineering and solutions. We have a portfolio of hardware, software accelerators and proprietary sensors along with cloud platform based service and solution offerings in asset tracking, remote device management and smart product development. Our digital engineering offerings leverage latest technologies including IoT, big data, machine learning, cloud and media to improve customers' efficiency. We also provide end-to-end IoT and cloud enablement solutions and offer IoT data and analytics platform and vertical IoT solutions.

The table below shows our revenue from operations across various business verticals for the periods indicated:

Services	**Fiscal**						**Six months ended September 30**			
	2021		**2022**		**2023**		**2022**		**2023**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount ₹ million**	**Percentage of Revenue from Operations (%)**
OEM – Turnkey Solutions – Box Build	1,276.25	30.34%	1,988.21	28.15%	3,322.36	29.50%	1,366.16	28.92%	2,629.59	39.96%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	2,509.07	59.65%	4,436.19	62.81%	7,008.48	62.24%	2,894.35	61.26%	3,532.97	53.69%
ODM	184.21	4.38%	278.04	3.94%	381.32	3.39%	185.67	3.93%	168.32	2.56%
Product Engineering and IoT solutions	236.74	5.63%	360.06	5.10%	548.99	4.88%	278.18	5.89%	249.33	3.79%
Total	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**11,261.14**	**100.00%**	**4,724.36**	**100.00%**	**6,580.22**	**100.00%**

We operate 10 strategically located manufacturing facilities across India with eight of them being operated by our Company in the states of Karnataka (four facilities, namely, Mysuru – Unit I, and Unit – II, Bengaluru – Unit I and Unit II), Haryana (Manesar – Unit I and Unit - II), Himachal Pradesh (one facility at Parwanoo), and Tamil Nadu (one facility at Chennai); and two manufacturing facilities operated by our Subsidiaries, at Chamarajanagar, Karnataka (operated by our Subsidiary Kaynes Electronics Manufacturing Private Limited); and Mysuru, Karnataka (operated by our Subsidiary Kaynes International Design & Manufacturing Private Limited). We have recently completed phase-I of our new manufacturing facility at Chamarajanagar, Karnataka which commenced commercial operations on May 5, 2023. Our facilities are located in proximity to our customers, allowing us to service their requirements efficiently and cost-effectively. Certain of our manufacturing facilities are approved under the Electronics Hardware Technology Park Scheme of Software Technology Park of India, Bengaluru and 100% Export Oriented Unit Scheme of Madras Export Processing Zone, Chennai, Tamil Nadu that offer incentives similar to a special economic zone. As of September 30, 2023, our manufacturing infrastructure also included two design facilities at Bengaluru, Karnataka and Ahmedabad, Gujarat and two service centres at Navi Mumbai, Maharashtra and Kochi, Kerala.

We lay significant emphasis on research and development. This has enabled us to address our consumers' diverse needs, enhance existing products with emerging technologies, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. We have a dedicated research and development facility located within our facility at Mysuru, Karnataka – Unit – I and a separate research and development facility located at Ahmedabad, Gujarat. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities and original design manufacturing capabilities. As of September 30, 2023, our research and development team comprised 28 employees, including engineers, designers and other workers.

Over the years, we have focused on creating robust manufacturing systems and processes that comply with health and safety, as well as environmental and social and governance requirements. Our operations comply with global standards and our facilities have 12 global accreditations. We are an ISO 9001/14001/45001 BVCI certified company. Our facilities are approved by global product certification agencies including Underwriters Laboratories, Canadian Standards Association and TUV Rhineland. In addition, we have separate vertical specific certifications including EN/AS 9100 for defence and aerospace products, International Railway Industry Standard ("**IRIS**") (ISO/TS 22613) for railway signalling, IATF 16949 for automotive, and ISO:13485 for medical systems. We have also been recognized in the "*Great Place to Work India*" list in February 2023. Further, we were a manufacturing partner for soft landing of Chandrayaan-3 and launch of Aditya-L1 missions.

We have long-term relationships with a large customer base diversified across verticals and geographies. In the six months ended September 30, 2023, we served 278 customers in 18 countries globally and multiple industry verticals such as automotive, aerospace, outer-space and strategic electronics, industrial including EV, railways, medical, IT / ITES and HPCS. Of the customers contributing 80.00% of our revenue from operations for the six months ended September 30, 2023, 56.59% of our customers (by value) have been associated with us for over seven years and accounted for 47.32%, 50.63%, 54.46%, 57.62% and 45.38%, respectively, of our revenue from operations for Fiscal 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023, respectively. We collaborate with our customers through the entire product life-cycle and after-sales and end-of-life services including assisting with concept creation, product development, prototyping, testing and mass manufacturing. This results in customers shortening their product development and time-to-market cycles. We are well positioned to increase the number of different products that we manufacture for them, increase the volume of our shipments to them of each particular product and expand our coverage to other areas where they require similar solutions.

We are led by experienced Promoters with significant experience in the ESDM industry. Our Promoter and Managing Director, Ramesh Kunhikannan, started Kaynes Technology as a sole proprietorship in 1989. Ramesh Kunhikannan is a technocrat and has over 34 years of experience in the electronic manufacturing services industry. Savitha Ramesh, our Promoter and Whole-time Director has been associated with our Company since 1996 and is responsible for the overall implementation of process and control across our operations. Under their leadership we have been able to expand our operations and have established a significant presence in India. We also have qualified and experienced Key Managerial Personnel that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

Particulars	As of and for the year ended March 31,			As of and for the six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
Revenue from Operations	4,206.27	7,062.49	11,261.14	4,724.36	6,580.22
Gross Margins(1)	31.98%	30.70%	30.73%	29.75%	29.20%
EBITDA(2)	408.91	936.71	1,683.18	678.08	890.54
EBITDA Margin(3)	9.7%	13.3%	14.9%	14.4%	13.5%
Profit After Tax for the Year/Period	97.33	416.75	951.96	310.47	569.58
Profit After Tax Margin(4)	2.31%	5.90%	8.45%	6.57%	8.66%
Return on Equity ("**ROE**") (adjusted for unutilised initial public offering proceeds)(5)	8.08%	24.50%	24.94%	14.18%* 28.29%#	9.05%* 18.05#
Return on Capital Employed ("**ROCE**") (adjusted for unutilised initial public offering proceeds)(6)	13.47%	24.44%	24.18%	13.45%* 26.82%#	10.20%* 20.35%#
Net Worth(7)	1,365.10	2,018.18	9,576.65	2,337.95	10,141.45
Asset Turnover Ratio(8)	3.68	4.79	6.22	3.05%* 6.09#	2.87%* 5.72#
Net Working Capital Days(9)	117.19	97.57	99.25	116.42#	118.74#
Debt to Equity Ratio(10)	1.02	0.84	0.14	1.01	0.26
Net Debt to Equity Ratio (adjusted for unutilised initial public offering proceeds)(11)	0.92	0.73	0.05	0.93	0.12
Inventory Turnover Ratio(12)	2.67	3.62	3.52	3.38#	2.72#

Notes:

* *Not annualized*

 # Annualised

(1) *Gross margin is calculated as revenue from operations less cost of materials consumed and changes in inventories of finished goods and traded goods divided by revenue from operations.*

(2) *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income.*

(3) *EBITDA margin is calculated as EBITDA divided by revenue from operations.*

(4) *Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.*

(5) *ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*

(6) *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost. Total capital employed is calculated as tangible net worth plus non-current borrowings plus current borrowings. Tangible net worth is calculated as total assets less total non-current liabilities (except non-current lease liabilities and deferred tax liabilities), total current liabilities (except current lease liabilities), intangible assets, intangible assets under development, goodwill and right of use asset.*

(7) *Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, debenture redemption reserve and foreign currency translation reserve.*

(8) *Asset Turnover Ratio is calculated as revenue from operations divided by gross block of assets.*

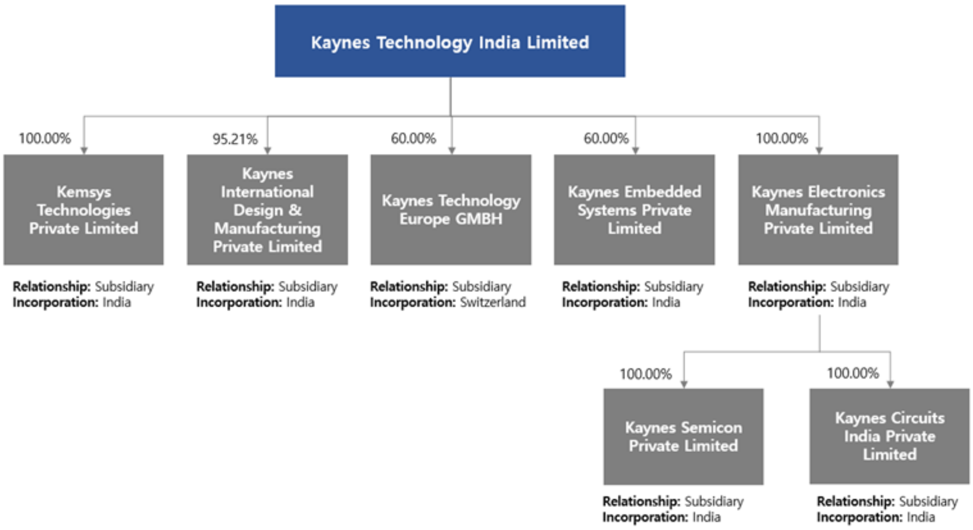
(9) *Net Working Capital Days is calculated as average inventory days plus average receivable days less average payable days.*

(10) *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowing.*

(11) *Net Debt to Equity Ratio is calculated as net debt divided by Net Worth. Net debt is calculated as non-current borrowings plus current borrowing less Cash and cash equivalents less Bank balances other than cash and cash equivalents.*

(12) *Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.*

Organizational Structure

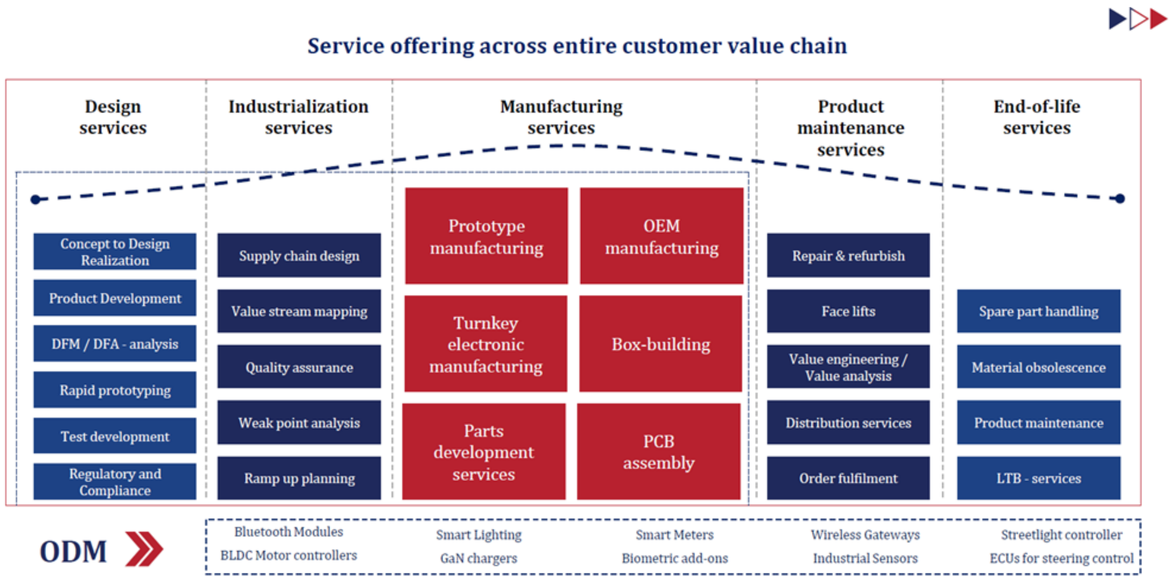


STRENGTHS

The following competitive strengths have contributed to and will continue to drive our business growth:

Internet of Things ("IoT") solutions enabled integrated electronics manufacturing player with end-to-end capabilities across the Electronics System Design and Manufacturing spectrum

We are an end-to-end integrated and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the spectrum of ESDM services (*Source: F&S Report*). We are engaged in concept co-creation with our customers followed by product realization and life-cycle support.

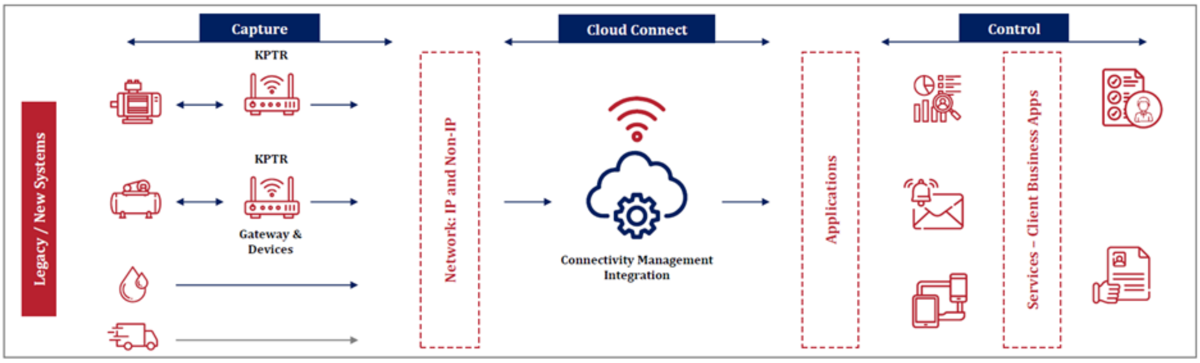


We also provide various value-added services such as obsolescence management, warehousing support, value engineering and value analysis, last time buy services that include purchase of electronic components that are either being discontinued or have been discontinued in larger quantities than immediately required for manufacturing continuity, regulatory and compliance and DFM / DFA analysis. Our ODM capabilities include hardware, software and firmware design, mechanical design, product integration and testing, amongst others. We have also evolved to offer customers in-house developed IoT technology consisting of hardware, software, and firmware design and tools which accelerate time-to-market and de-risk our customer's product development lifecycle. We have developed designs for miniaturized Bluetooth modules, smart lighting with embedded

Bluetooth, ceiling fans and remotes with embedded Bluetooth, various industrial sensors, wireless gateways with Bluetooth, Wi-Fi and 4G, streetlight controller working on wireless area network ("**WAN**") technology, smart meters compliance 4G WAN and connected vending machines.

We possess the ability to manufacture complex products through innovative engineering across various industry verticals. We offer optimised product realization solutions to customers in flexible volumes and higher complexity products across industry verticals (*Source: F&S Report*). Further, we were a manufacturing partner for soft landing of Chandrayaan-3 and launch of Aditya-L1 missions. We also provide integrated manufacturing that include manufacturing plastics, wiring and cable harnesses, magnetics, PCB assemblies and box builds. In addition, we also implement testing solutions. Our technology infrastructure complements our in-house testing capabilities to ensure quality products.

End-to-end connected asset platform, including business applications, managed cloud service, and ODM Device solution



We operate our canvas-to-cloud industrial internet of things ("**IIoT**") solutions through our Subsidiary, Kemsys. Our value proposition is to assist OEMs to transform their legacy products into smart systems by incorporating combination of sensors, micro-processors, software, and connectivity technologies in multiple ways. We differentiate our self by providing in-house developed IoT IPs and tools which accelerate time to market and de-risk our customer's product development lifecycle. As of September 30, 2023, we have a dedicated facility with a team of 36 engineers and employees who possess in-depth technical knowledge and expertise in assisting customers of our Subsidiary, Kemsys, in their solutions.

Kemsys Platform Product: Snapshots

We have portfolio of hardware and software accelerators, cloud platform based service and solution offerings which includes ODM product design, IoT data and analytics platform, and vertical IoT solutions.
Our key capabilities are as below:

Platform: We offer a customizable remote device and data management platform, ready to white label, making it convenient for OEMs to securely register, organize, monitor, collect and remotely manage IoT devices and all relevant data at scale.

Solutions: We offer IoT solutions in vertical applications for asset tracking, asset performance monitoring, and predictive maintenance solutions targeting industrial OEMs both in Asia Pacific region, and USA.

Devices: We have built IoT ODM products including sensors, gateways, HMIs, connectivity modules targeting industrial and consumer IoT market.

Diversified business model with portfolio having applications across industry verticals

We have a wide-ranging product portfolio having applications across industry verticals such as automotive, telecom, aerospace, outerspace and strategic electronics, medical, IoT and industrial including EV, each of which are individually growing (*Source: F&S Report*). Our diverse portfolio limits our exposure to downturns associated with a particular vertical. It also ensures that our revenues are consistent across periods on account of our customers serving different industry verticals with different business or industry cycles. The table below sets forth our revenue from operations across the various end-use industry verticals we serve for the periods indicated:

Industry	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Automotive	1,003.59	23.86%	2,370.38	33.56%	4,322.48	38.38%	1,809.56	38.30%	2,198.13	33.41%
Industrial including EV	1,393.85	33.14%	2,104.78	29.80%	3,096.06	27.49%	1,289.08	27.29%	2,427.83	36.90%
Aerospace, Outer-space and Strategic Electronics	135.53	3.22%	177.71	2.52%	199.98	1.78%	40.26	0.85%	174.34	2.65%
Medical	462.17	10.99%	711.74	10.08%	692.54	6.15%	304.52	6.45%	281.12	4.27%
Railways	596.03	14.17%	731.12	10.35%	1,347.22	11.96%	577.48	12.22%	856.17	13.01%
IoT / IT, Consumer and Others	615.10	14.62%	966.76	13.69%	1,602.86	14.23%	703.46	14.89%	642.63	9.77%
Total	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**11,261.14**	**100.00%**	**4,724.36**	**100.00%**	**6,580.22**	**100.00%**

Long-standing relationships with marquee customer base

We have, through our business operations, established long-term relationships with well-known customers across industries we cater to. We have a diversified customer base and we served 278 customers in 18 countries across four continents, during the six months ended September 30, 2023. Our customers span multiple sectors, ranging from electronics, to automotive, to healthcare, industrial and IoT. We have a balanced mix of domestic and international customers including certain Fortune 500 companies, multinational corporations and start-ups. We believe that our continued success is, in part, due to our customer centric practices such as open book costing, internal and external audits, and direct shipments to end-customers. Our customers include a leading company which manufactures headlamps, rear combination lamps, fog lamps, and other signal/indicator lamps for auto applications; a leading global manufacturer of electronic instruments and electromechanical devices; a leading provider of global digital infrastructure; a leading company specializing in advanced imaging and sensor solutions for applications in defense, security, and industrial sectors; one of the one of the world's leading suppliers of avionic-standard aircraft communications, navigation and audio/intercom systems; a company dedicated to the development, manufacturing, and distribution of diagnostic reagents, instruments, and other medical solutions; a leading company specializing in advanced rail signaling and automation solutions for efficient and safe railway transportation; a leading owner of consumer audio accessories; a leading company specializing rail signaling and traffic management solutions; and a leading company operating in the field of energy solutions and services.

The table below sets out certain information about our various customers in different industry verticals for the periods indicated:

Industry Vertical	Number of Customers (Fiscal 2023)		Number of Customers (For the six months ended September 30, 2023)		Average period of business relationship of top 10 customers (years)*
	Domestic	International	Domestic	International	
Automotive	55	7	45	3	7.93
Industrial including EV	169	23	133	16	8.39
Aerospace, Outer-space and Strategic Electronics	16	5	13	4	7.57
Medical	24	5	18	2	8.78
Railways	14	4	10	3	8.33

Industry Vertical	Number of Customers (Fiscal 2023)		Number of Customers (For the six months ended September 30, 2023)		Average period of business relationship of top 10 customers (years)*
	Domestic	International	Domestic	International	
IoT / IT, Consumer and Others	38	12	30	9	7.55

Notes: Certain customers are present across multiple verticals.
** Average period of business relationship is determined based on the length of relationship of top 10 customers in each vertical.*

We have low customer revenue concentration and our reliance on any single customer is limited. No customer contributed to over 15% of our revenue from operations for the last three Fiscals and the six months ended September 30, 2022 and September 30, 2023. For Fiscal 2021, 2022 and 2023, and six months ended September 30, 2022 and September 30, 2023, our top 10 customers generated ₹ 1,936.20 million, ₹ 3,603.07 million, ₹ 6,802.97 million, ₹ 3,020.44 million and ₹ 4,178.34 million, of our revenue from operations, respectively and accounted for 46.03%, 51.02%, 60.41%, 63.93% and 63.50%, respectively, of our revenue from operations in such periods. The value of each customer order has been increasing from an average order size of ₹ 1.63 million for Fiscal 2021 to an average order size of ₹ 7.21million for Fiscal 2023, at a CAGR of 110.55%. Further, our average order value (*defined as order book value divided by the number of sales outstanding*) for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2023, were ₹ 1.63 million, ₹ 5.53 million, ₹ 7.21 million, and ₹ 8.51 million, respectively.

Our business footprint spans across geographies and as of September 30, 2023, we serve customers across 18 countries and we have a sales and business development team of 50 employees that allow us to generate business across such geographies. The table below sets forth details of our exports and revenues generated from export sales for the periods indicated:

Particulars	As of / for the year ended March 31,			As of / for the six months ended September 30,	
	2021	2022	2023	2022	2023
No. of Countries Products Exported	18	20	25	21	17
Revenue from Operations (₹ million)	1,078.48	1,411.77	1,661.50	628.93	668.74
Percentage of Total Revenue from Operations (%)	25.64%	19.99%	14.75%	13.31%	10.16%

The table below sets forth details of the geographies where we export our products and revenues generated for the periods indicated:

Particulars	Fiscal			Six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
North America	306.45	443.20	349.28	98.56	164.86
Europe	360.67	790.68	973.33	382.87	372.01
South East Asia	62.92	51.66	78.35	26.89	71.43
Others[(1)]	348.44	126.22	260.54	120.62	60.44
Total	**1,078.48**	**1,411.27**	**1,661.50**	**628.93**	**668.74**

[(1)] *Others primarily include China, Kingdom of Saudi Arabia, United Arab Emirates, Taiwan, and Japan.*

Our manufacturing capabilities allow us to develop designs which are based on customer specific requirements through our ODM capabilities. We believe our quality products, internationally recognized and certified manufacturing facilities, and customized services have enabled us to serve and retain our customers. Our customer acquisition process involves analyses of the market to understand OEMs looking at ESDM players for either conceptual designing or OEM turnkey manufacturing or OEM box build and thereafter engaging our vertical specialist business development executives with such potential clients. Our customer acquisition process requires understanding customer requirements and pitching our capabilities to design both product and process for either design or manufacturing with detailed techno-commercial proposal, undergoing customer audits, preparing proto-builds or proof of concepts, undertaking joint review of quality standards, preparation of production plans to include first article for inspection and ensuring long-term engagement with customers for the complete life cycle of the product.

Global certifications for each industry vertical catered to and multiple facilities across India with advanced infrastructure

Global Certifications

Over the years, we have focused on creating robust manufacturing systems and processes. We adhere to global standards and have obtained various global certifications. This ensures that our processes comply with customer specific, industry specific, statutory health and safety, as well as environmental and social and governance requirements.

Our systems and processes are also certified by global certification bodies that helps us to serve our customers stringent quality specifications and assists in new customer acquisition. For further information regarding our certifications, see " – *Quality Control, Testing and Certifications*" on page 206. We are also part of the Maruti Center For Excellence ("**MACE**") and have been consistently participating and getting approved as part of the Supplier Excellence Programme. This allows us to be seen by potential customers as a MACE approved supplier for electronic assemblies. Further, we have qualified as a "Green" partner for a certain customer and accredited for electronic assemblies for space craft applications from U.R. Rao Satellite Centre, ISRO. We have also received the Certification of Military Airworthiness documents or CEMILAC for instrumentation electronics repair, which enables us to perform avionics repair. We are also certified by the Center for Design and Development of Chittaranjan Locomotive Works of the Indian Railways for the repair and rehabilitation of three phase locomotives.

As part of our services offerings, we undertake repairs and provide rehabilitation of electronic cards in the railways, aerospace and defense and industrial verticals at our servicing and maintenance business unit at Navi Mumbai. The said business unit also specializes in re-engineering at component and PCBA level in order to meet obsolescence and discontinuance issues, along with design and development of cards edge level test set up for electronic assemblies. This third-party service support is extended in electronics repair for railways, and aerospace and defence establishments. In addition to our Mysuru – Unit I, Karnataka which is EN 9100/ AS 9100 D certified, this business unit is EN 9110/ AS 9110 certified for avionics repairs. This certification allows for critical electronics repair and maintenance of commercial, private, and military aircrafts.

Within each facility, all of our systems and processes are backed by our own fully customized full-stack ERP that assists in automating our business operations. Our ERP platform is comprehensive, and has modules to manage lead generation, engineering, material requirement planning, purchase, inventory and costing, manufacturing, dispatch and logistics, servicing and accounting and finance, real-time management dashboards for analysis, review and monitoring, amongst other functions. Our ERP platform also enables us to track all processes from procurement to production, handle batch and series production, and other processes in terms of the number of component parts and complexity of products within the same system. Across facilities, we have an integrated management system which allows us to continually comply with the standards expected with our certifications. We are able to face our customers' system audits or compliance requirements quickly and successfully. Our focus on internal systems and processes have provided us with ease of customer acquisition, and culminated in our obtaining of various certifications and awards, which acts as potential entry barriers for future competitors.

Manufacturing Facilities

As of September 30, 2023, we operated 10 manufacturing facilities, two design facilities, and two service centers located in Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, Kerala and Maharashtra. Our facilities at Manesar, Haryana; Chennai, Tamil Nadu; and Parwanoo, Himachal Pradesh are strategically located in close proximity to our customers which in our experience helps reduce logistics costs, increase our efficiency and ensure minimal capital expenditures. Major automotive OEMs are located in Gurugram, Haryana; and Chennai, Tamil Nadu. This helps in reducing the logistics time and support our clients in their operations to the OEM. Our Mysuru – Unit I, Karnataka, facility is approved under Electronics Hardware Technology Park Scheme of Software Technology Park of India, Bengaluru our manufacturing facility at Chennai, Tamil Nadu is approved under 100% Export Oriented Unit Scheme of Madras Export Processing Zone, Chennai, both such schemes offer incentives similar to a special economic zone. Being a part of the ESDM Cluster of Reliability Lab that was started under the modified cluster scheme by the Ministry of Electronics and Information Technology, we benefit from access to electromagnetic interference testing and electromagnetic compatibility testing, component testing, reliability testing, and environmental testing laboratories.

We have capability in manufacturing RoHS compliant products and have set up an environmentally friendly and exclusive "lead free" manufacturing line for PCBAs at our Mysuru – Unit I, Karnataka, Mysuru – Unit II, Karnataka and Manesar, Haryana facilities. We also have the capability to make engineering changes through component engineering to convert a product into being RoHS compliant.

As of September 30, 2023, our manufacturing infrastructure includes 361,335 square feet of electrostatic discharge free facilities with 18 robotics surface mount lines, 70 through-hole devices ("**THD**") and exclusive clearance lines, class 10,000 cleanrooms, humidity controlled component stores, flying probes, in-circuit testers, X-ray machines, automatic optical testing machines and walk-in thermal cycling chambers. have obtained product approvals on behalf of customers for several safety related requirements, for example, Underwriters Laboratories, Canadian Standards Association and TUV Rhineland approved for supplying toggle switches, dental chair control units and medical diagnostic machines.

We possess customised lines for box building, integration and testing, with facilities for manufacturing cable forms and harnesses, plastic moulding and fabrication facility infrastructure as well as a burn-in / soak-test facility. We also possess build-capabilities for customised designing of testing hardware for a wide range of automated test equipment, functional testers right from firmware flashing fixture, PCBA fixture, end of line tester and product functional testers. These test equipment are designed and built in-house and custom firmware supporting various platforms, processors and microcontrollers. Test application software for automated testing, analysis, report generation, alert generation and data push to the server is also in-house designed based on specific requirements. These advanced service of in-house development of test fixture, provides customers with increase in productivity by reduction of time and skilled resources.

- ✓ **18** SMT Lines
- ✓ **70** THD Lines
- ✓ **26** Cable Harness Lines
- ✓ **15** plastic moulding machines
- ✓ **10,000** class clean room
- ✓ Most manufacturing at **low-cost locations**
- ✓ Dedicated humidity-controlled stores
- ✓ Fungible infrastructure
- ✓ **2** exclusive RoHS compliant lines for green manufacturing

Note: Number of SMT lines as of September 30, 2023

Our facilities are scalable allowing us to expand our capacity within a short time period without incurring significant capital expenditure This is primarily on account of relatively short procurement and installation time for surface mount technology ("**SMT**") lines and ability to augment manual lines without requiring incremental real estate. As such, our capacity can be scaled. All our manufacturing lines are fungible with the flexibility to service customers across industry verticals and across diverse product requirements. We also have the capability to manufacture the new generation SMT technology-based boards containing ceramic columnar grid array, ball grid array, land grid array and quad flat package.

Strong supply chain and sourcing network

We possess a mature and reliable supply chain network. We have long-term relationships with our vendors within India and outside India, that has led to improvement in credit terms over the years. As of September 30, 2023, we work with over 1,352 vendors and source materials from various regions including Asia, Europe and North

America as well as locally within India. Our top 10 suppliers have an average relationship period of 11 years, as of September 30, 2023.

We do not rely on a single source or vendor for components, instead, have alternative sources for vendors for each component category. This offers us leverage to ensure availability of materials and negotiate better credit terms at cost-effective rates. As of September 30, 2023, we had over 1,000 suppliers with multiple sources for a single component and utilise specialized dealers for niche verticals. For example, for railway projects, there are only a select few vendors who have the requisite sourcing network to supply the required components to us. In such verticals, we foster good relationships with these suppliers for us to get the required components without any disruption or issues. We also possess the technical expertise to re-engineer components that are difficult to source, or components that are on the verge of becoming obsolete or has been discontinued by the various vendors.

Track record of consistent financial performance

We have been delivering consistent financial performance and our revenue from operations has grown at a CAGR of 63.62% from ₹ 4,206.27 million for Fiscal 2021 to ₹ 11,261.14 million for Fiscal 2023 and was ₹ 4,724.36 million and ₹ 6,580.22 million for the six months ended September 30, 2022 and September 30, 2023, while our EBITDA has grown at a CAGR of 102.89% from ₹ 408.91 million for Fiscal 2021 to ₹ 1,683.18 million for Fiscal 2023 and was ₹ 678.08 million and ₹ 890.54 million for the six months ended September 30, 2022 and September 30, 2023.

We have been profitable for every year since inception. We believe that our operational and financial performance will allow us to capitalize on the tailwinds in the electronics industry. The following table sets forth certain information relating to certain key financial performance metrics as of the dates and for the periods indicated:

Particulars	As of and for the year ended March 31,			As of and for the six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
Revenue from Operations	4,206.27	7,062.49	11,261.14	4,724.36	6,580.22
Gross Margins(1)	31.98%	30.70%	30.73%	29.75%	29.20%
EBITDA(2)	408.91	936.71	1,683.18	678.08	890.54
EBITDA Margin(3)	9.7%	13.3%	14.9%	14.4%	13.5%
Profit After Tax for the Year/Period	97.33	416.75	951.96	310.47	569.58
Profit After Tax Margin(4)	2.31%	5.90%	8.45%	6.57%	8.66%
Return on Equity ("**ROE**") (adjusted for unutilised initial public offering proceeds)(5)	8.08%	24.50%	24.94%	14.18%* 28.29%#	9.05%* 18.05#
Return on Capital Employed ("**ROCE**") (adjusted for unutilised initial public offering proceeds)(6)	13.47%	24.44%	24.18%	13.45%* 26.82%#	10.20%* 20.35%#
Net Worth(7)	1,365.10	2,018.18	9,576.65	2,337.95	10,141.45
Asset Turnover Ratio(8)	3.68	4.79	6.22	3.05%* 6.09#	2.87%* 5.72#
Net Working Capital Days(9)	117.19	97.57	99.25	116.42#	118.74#
Debt to Equity Ratio(10)	1.02	0.84	0.14	1.01	0.26
Net Debt to Equity Ratio (adjusted for unutilised initial public offering proceeds)(11)	0.92	0.73	0.05	0.93	0.12
Inventory Turnover Ratio(12)	2.67	3.62	3.52	3.38#	2.72#

Notes:

* *Not annualized*

 # Annualised

(1) *Gross margin is calculated as revenue from operations less cost of materials consumed and changes in inventories of finished goods and traded goods divided by revenue from operations.*

(2) *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income.*

(3) *EBITDA margin is calculated as EBITDA divided by revenue from operations.*

(4) *Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.*

(5) *ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*

(6) *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost. Total capital employed is calculated as tangible net worth plus non-current borrowings plus current borrowings. Tangible net worth is calculated as total assets less total non-current liabilities (except non-current lease liabilities and deferred tax liabilities), total current liabilities (except current lease liabilities), intangible assets, intangible assets under development, goodwill and right of use asset.*

(7) *Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created*

out of revaluation of assets, write-back of depreciation and amalgamation, debenture redemption reserve and foreign currency translation reserve.

(8) *Asset Turnover Ratio is calculated as revenue from operations divided by gross block of assets.*

(9) *Net Working Capital Days is calculated as average inventory days plus average receivable days less average payable days.*

(10) *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowing.*

(11) *Net Debt to Equity Ratio is calculated as net debt divided by Net Worth. Net debt is calculated as non-current borrowings plus current borrowing less Cash and cash equivalents less Bank balances other than cash and cash equivalents.*

(12) *Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.*

Experienced Promoters and senior management with extensive knowledge of the sector

We are led by an experienced management team. Our Managing Director and Promoter, Ramesh Kunhikannan, is a first-generation entrepreneur, and has more than three decades of experience in the ESDM industry. Our management team includes our Chairperson and Whole-time Director, Savitha Ramesh, who has over two decades of experience in operations management, and our Whole-time Director and Chief Financial Officer, Jairam Paravastu Sampath, who possesses over three decades of experience in manufacturing, operations, sales and marketing. Our other key management personnel have been with our Company for more than 15 years and head the functions of Market Development, Plant Operations and Commercial and have been instrumental in managing our rapidly expanding growth, implementing strategic marketing with overseas business initiatives and improving financial performance. We have a well-qualified senior management team with extensive experience in the EMS industry, which positions us well to capitalize on future growth opportunities. The quality of our management team is enhanced with specific yet extensive industry experience. For further information, see "*Board of Directors and Senior Management*" on page 216.

Strategies

Improve operational efficiency through backward integration into OSAT and Bare PCB Fabrication Manufacturing

In order to improve our operational efficiency, we intend to implement comprehensive backward integration measures by manufacturing in-house components like bare printed circuit boards and get into deep competencies in design of integrated circuits, chip sets and system on chips to leverage complete backward integration for supporting semiconductor component and module development. We believe these backward integration measures will allow us to reduce our dependence on third party components, reduce lead time on account of synchronization of actual requirements leading to faster utilization of remaining components, better management of our material inventory, and contribute to higher margins while making us a comprehensive and integrated ESDM company.

Further, semiconductors are known for selective conductivity, are crucial in electronic devices such as smartphone *(Source: F&S Report)*. The semiconductor industry has witnessed significant growth, driven by 5G adoption, increased demand for processing units in cryptocurrency mining, and government initiatives towards digitalization. Global supply chain challenges, exacerbated by strained U.S.-China relations, have contributed to a semiconductor shortage. The Indian semiconductor market, valued at around US$ 33.0 billion, in Fiscal 2023 growing at a CAGR of 12.4% between Fiscal 2017 and Fiscal 2023. With a population of over 1.4 billion and a strong education system, India has the potential to emerge as a semiconductor talent hub *(Source: F&S Report)*. Considering this growth opportunity, our Company through our step-down subsidiary, Kaynes Semicon Private Limited, we are in the process of expanding our operations by setting-up of an outsourced semiconductor assembly and testing ("**OSAT**") and compound semiconductor manufacturing facility at Kongara Kalan, Telangana which will support customers worldwide in QFN / QFN stack die, SOT, flip chip ball grid array and TO220 kind of packages for power devices and many other device packages including advanced packaging.

As part of the project execution plan for the OSAT facility, we are partnering with raw material vendors to establish ecosystem in India and will source electricity, and raw water from local authorities while establishing a de-ionized plant for converting raw water to de-ionized water at the manufacturing facility. Further, we have partnered with a global OSAT player which will provide us with a range of packaging technologies and a global distribution and sale network with access to key export markets such as Europe, USA and Japan. We have also partnered with Ponni Tech, a Malaysia based company experienced in OSAT and semiconductor material manufacturing having expertise in development and manufacturing in multiple semiconductor applications including automotive, power, memory, LED, solar, micro-controller and sensor, as an execution partner for the project. We have also entered into strategic memorandum of understandings with a telecommunication company based out of United States for assistance in go-to-market strategy of its products and with a leading semiconductor packaging and systems company that provides end to end solutions for semi-conductor package design.

Further, we are also in the process of preparing an implementation plan for the bare PCB fabrication facility in Karnataka that will manufacture multilayer, advanced HDI PCBs and other hitech and standard types required by customers.

Overview of Products Offerings

Proposed Products	Description
DS	Standard Double Side PCB
ML4	4 Layer PCB
ML6	6 Layer PCB
ML8	8 Layer PCB
ML10	10 Layer PCB
HDI 6	6 Layer Standard HDI PCB
HDI 8	8 Layer Standard HDI PCB
HDI 10	10 Layer Standard HDI PCB
1-n-1	Simple advanced HDI PCB
2-n-2	Complex advanced HDI PCB

HDI PCBs have been the key driving factor behind the reducing size and weight of consumer electronic products while improving the speed, performance and power consumption. We have been allotted 20 acres of land for the proposed manufacturing facility.

With backward integration, we will have greater control on the manufacturing process, quality standards and benefit from cost efficiencies. As a result, we expect to fulfil our customers' needs in a timely manner, increase our sales per customer and improve our working capital and supply chain processes. In addition, we believe that by incorporating OSAT and PCB fabrication capabilities into our operations, we are strategically positioned to deliver comprehensive and integrated solutions to customers. This proposed vertical integration will allow us to be involved in the entire electronics supply chain, spanning across wafer fabrication to end-user product. The synergy between these two aspects will not only enhance our ability to meet customer demands but is also expected to yield significant cost efficiencies and superior quality control. This approach will empower us to optimize each stage of the production process, ensuring a seamless and high-quality end-to-end experience for customers.

We are also looking to participate in the Design Linked Incentive scheme of the Government of India. Further, our Company has received approval under the Production Linked Incentive Scheme for White Goods (Air Conditioner parts and LED Lights). In addition, our Subsidiary, Kaynes International Design and Manufacturing Private Limited has received an approval under the Scheme Design Led Manufacturing of Telecom and Networking Equipments, PLI Telecom 2.0 and our subsidiary Kaynes Electronics Manufacturing Private Limited has received approval under PLI IT Hardware 2.0.

Focus on full product / box build capabilities

As an ESDM player catering to OEMs through in-house build of test fixtures, provide product reliability at closer proximity with faster turn-around time, delivering complex prototypes in shorter lead times and setting-up product or box build manufacturing with zero defects will ensure more customers with larger revenue share. In addition as an integrated manufacturing player, providing almost all the services in-house from electronics to tooling, sheet metal, magnetics, cable harness, test benches will increase the share of box build which we believe will positively impact revenue and margins. To fulfil this aspect of integrated manufacturing, we have completed phase-I of our new manufacturing facility at Chamarajanagar, Karnataka, with integrated inhouse and onsite infrastructure with specialized skills to do complete product or Box Build. As an ODM, we are responsible for products we manufacture, from initial design stage and subsequently all the aspects of manufacturing, including planning and sourcing of raw materials and components. In our experience, although, the ODM model of business requires additional investment in research and development as well as working capital, we believe that it results in higher margins, recurring business with high customer retention, as compared to the OEM model.

Outsourcing of design and manufacturing of electronic components have been adopted in the industry for more than three decades. This trend is expected to continue among OEMs and most of the design and manufacturing is expected to be outsourced to contract manufacturers and ODMs in the long-term. This would contribute to the growth of the ESDM industry. (*Source: F&S Report*)

The table below provides contribution from box build customers in the periods indicated:

Particulars	**Fiscal**						**Six months ended September 30,**			
	2021		**2022**		**2023**		**2022**		**2023**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
Contribution from box build customers	1,276.25	30.34%	1,988.21	28.15%	3,322.36	29.50%	1,366.16	28.92%	2,629.59	39.96%

We are in the process of upgrading and expanding our existing facility at Mysuru, Karnataka – Unit – I and have commenced operations at a new facility at Chamarajanagar, Karnataka on May 5, 2023. We intend to expand our box build clientele for a more expansive reach. We have already built capabilities in BLDC motor controllers, invertors, IoT modules integration, smart energy meters and applied products such as street light controllers and biometric add-ons. We propose to grow our customer base in these areas and add newer product categories going forward.

Leverage our research and development capabilities to continue to diversify product portfolio and provide value-added services

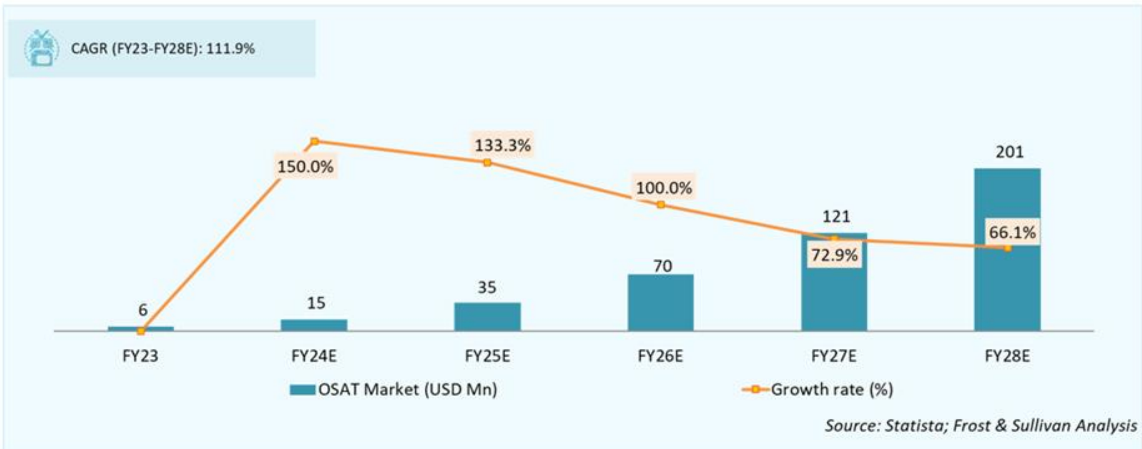
As an ODM, we have the ability to provide product design and development services and even whole product lifecycle services. We intend to leverage on our experience and capabilities of our in-house design and research and development team to further our ODM capabilities. ODM services allows us to design and develop a product for a customer as per stated specifications and features and thereby develop and control supply chain along with the manufacturing process. We believe, this results in deeper customer relationship with constant improvement in product features and introduction of newer variants. We are increasing our product design competency in our chosen areas of technological competency and trying to introduce newer applications with increased focus in developing collaboration with chip manufacturers and building stronger team with skills in embedded hardware design, firmware and software. This is a continuous process of up-skilling and adding infrastructure by investing in newer licenses, testing equipment and application software. We have a dedicated team of engineers focusing on our ODM strategy. As of September 30, 2023, our design, research and development team comprised 28 employees and has capabilities to provide end-to-end support, including verifying and developing conceptual designs received from customers and converting such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The team also provides solutions to improve manufacturing efficiency on the existing products, reduce production costs and assists our customers in designing durable products by providing design and engineering support. We believe that our focus on research and development will allow us to focus on ODM capabilities on new business verticals like consumer electronics. Our expansion strategies also include customer acquisition for smart meter ODM, appliance electronics ODM, solar panel cleaners as ODM, BLDC electric motor ODM as part of our diversified product portfolio. Our endeavour is to identify newer technology applications in consumer appliances, smart technology, IT accessories and cloud based, sensor driven IoT solutions which can easily be scaled, leading to growth in revenue with better margins. We also have a separate design team which offers non-intellectual property design and engineering services in consumer and industrial segments. This team provides hardware or device design and can contribute towards design led manufacturing.

Focus on expansion across each vertical as well as on the OSAT and PCB manufacturing to on industry opportunity

We intend to undertake vertical-focused expansion, to expand our business using different strategies for our different business verticals. We intend to expand our order book by scaling our opportunity across our customer and business verticals. Our diversified products and customer base over the years, backed by our end-to-end integrated business model and our manufacturing capabilities has led to our order book growing from ₹ 6,704.65 million as of March 31, 2021 to ₹ 26,481.68 million, as of March 31, 2023. As on September 30, 2023, we had an order book of ₹ 34,618.35 million, with orders from several customers across business verticals. Currently, we are involved in several projects in our different business verticals like smart-meters, automotive lighting, electronic control units, hand-held diagnostic hardware, IOT driven smart solutions, dispensing solutions and avionic electronics.

Further, the Indian OSAT market is currently in its nascent stage, but it holds immense potential for growth in the coming year. *(Source: F&S Report)* The Indian OSAT market is expected to experience significant growth in the coming years, with the potential to reach US$ 201 million by Fiscal 2028. *(Source: F&S Report)* Beyond their strategic advantages, OSAT providers are pivotal in shaping the technological outlook of the semiconductor industry. *(Source: F&S Report)* They actively participate in driving advancements in packaging technologies, heterogeneous integration, and the ongoing trend of miniaturization. *(Source: F&S Report)*

India OSAT market, value in US$ million, Fiscal 2023 to Fiscal 2028E



Key growth drivers for OSAT market in India includes: *(Source: F&S Report)*

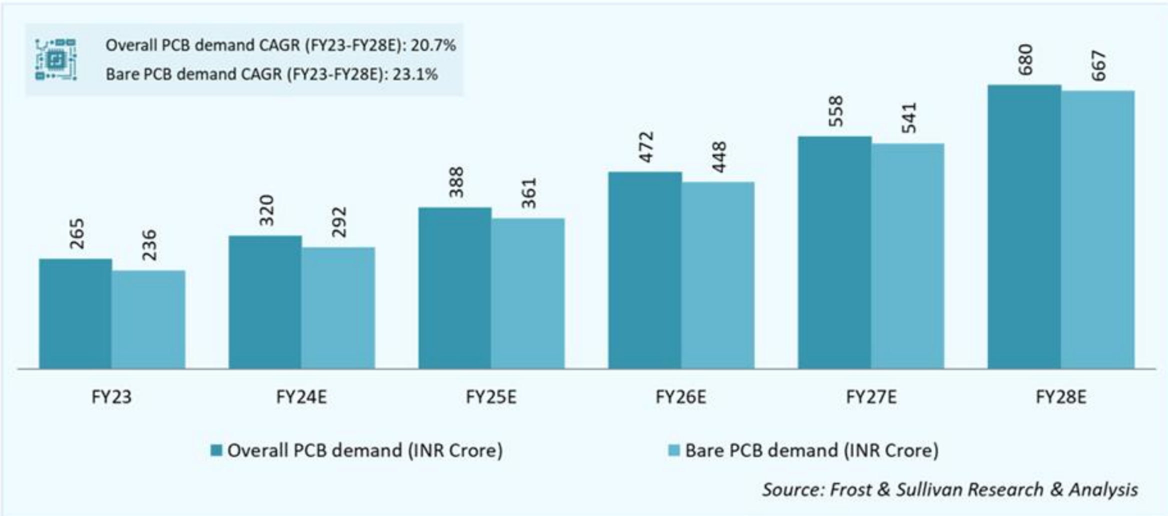
- Key Government initiatives to accelerate semicon manufacturing growth in India;
- Vast pool of highly skilled and talented workforce;
- Increasing demand for medical devices;
- Increasing demand from aerospace and defence; and
- The rising collaboration between software and semiconductor manufacturing**.**

Further, PCBs are the backbone of modern electronics, providing the physical interconnection for electronic components to communicate and function. *(Source: F&S Report)* These versatile and essential components are found in a vast array of devices, from smartphones and laptops to automobiles, medical equipment, and aerospace systems. *(Source: F&S Report)* The widespread adoption of PCBs is driven by their ability to support complex circuitry, miniaturization, and high-speed data transmission. *(Source: F&S Report)* Indian Bare PCB market has grown at a CAGR of 13.9% between Fiscal 2017 and Fiscal 2023 –from ₹ 108 billion in Fiscal 2017 to ₹ 236 billion in Fiscal 2023. *(Source: F&S Report)* This represents a strong growth in demand for Bare PCBs in the country within a short span of time, which cannot be left solely to be catered by the foreign suppliers. *(Source: F&S Report)* The Indian PCB manufacturing industry is developing capabilities to produce new technology PCBs and scale up in the medium term to cater to such huge domestic demand. *(Source: F&S Report)*

Historical growth of Indian Bare PCB market, in ₹ billion, Fiscal 2017 to Fiscal 2023

As PCB is the backbone for any electronics products, this will create significant demand for PCB in the coming years. *(Source: F&S Report)* As domestic electronics industry is maturing, majority of this PCB demand will be in the form of Bare PCB and assembly will happen locally in India. *(Source: F&S Report)*

Overall PCB and Bare PCB demand outlook in India, Fiscal 2023 to Fiscal 2028E



Key growth include: *(Source: F&S Report)*

(a) Rising demand from end markets like wearable electronics, smartphones, aerospace and defence, medical electronics, etc.

(b) Increasing investments in developing smaller, more compact, and high-performance electronics products

(c) Digitization and modernization of the end use sectors such as industrial electronics, medical electronics, etc.

(d) Increasing trend for computer miniaturization

(e) Government programs like ‘Digital India’ and ‘Skill India’ aimed at promoting digital literacy through usage of computers and other digital devices.

We believe that our diverse customer base and our relationships with them across verticals, along with recent Indian government schemes including loan schemes like the Karnataka New Industry Policy and other government grants, significantly aids in our vertical focused expansion strategy.

Expand manufacturing capacity at our existing facilities and set-up additional strategically located facilities

As of September 30, 2023, we operated 10 manufacturing facilities located in Karnataka, Haryana, Himachal Pradesh, and Tamil Nadu. For further information, see *"- Manufacturing Facilities"* on page 201. In order to support our growth strategy across India, We have recently completed phase-I of our new manufacturing facility at Chamarajanagar, Karnataka and commenced commercial operations on May 5, 2023 and are undertaking significant expansion at our current facility at Mysuru, Karnataka – Unit - I. We also intend to expand our existing manufacturing facilities to increase our manufacturing capacity. The following table sets forth further information relating to our proposed manufacturing facilities for PCB assemblies.

Locations	**Verticals**	**Area (sq. ft.)**	**Proposed Capacity (PCB Assemblies per annum)***
Mysuru, Karnataka – Unit I	Defence, Railways, Medical and Industrial	98,243	13.74 million
Chamarajanagar, Karnataka (Phase II)	Automotive, Telecom, IOT, IT, Defence and Aerospace, Medical and Industrials	245,000(2)	12.55 million(1)
Total Additional Capacity			**26.29 million**

**As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.*
(1) The proposed capacity includes Phase-I completion which commenced commercial operations with effect from May 5, 2023.
(2) The Chamarajanagar area includes the designated space for box build assembly.
 # For risks associated with the estimated schedule commercial date of our proposed manufacturing facilities, see "Risk Factors - Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023." on page 63.

The following table sets forth further information relating to our proposed manufacturing facilities for OSAT and Bare PCB:

Locations	**Verticals**	**Unit of measure**	**Proposed Capacity* (in respective units)**
Kongara Kalan, Telangana	OSAT	Million packages per annum across various types of packages	3,620.00 (expected to be commissioned by Fiscal 2028)
Mysuru, Karnataka	Bare PCB Fabrication	Square meter per annum	300,000.00 (expected to be commissioned by Fiscal 2025)

**As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.*
 # For risks associated with the estimated schedule commercial date of our proposed manufacturing facilities, see "Risk Factors - Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023." on page 63.

Certain of these facilities will also benefit from subsidized land grants and tax incentives. We believe that our strategy will allow us to better serve our existing customers, assist us in better addressing the business requirements of large customers, and allow us to expand into new business verticals, in particular, consumer electronics and smart meters.

We are in the process of expanding our manufacturing capabilities by setting-up of OSAT manufacturing facilities, at an estimated cost of ₹ 28,496.34 million. The first phase is proposed to be established at Kongara Kalan Industrial Park, Telangana, for an estimated cost of ₹ 20,471.46 million, which will support customers worldwide with various types of packages including but not limited to in QFN / QFN stack die, SOT, flip chip ball grid array and TO220. This phase is proposed to be part-financed from the Net Proceeds.

Further, we also propose to expand our capabilities to manufacture in-house bare printed circuit boards for an estimated cost of ₹ 13,957.49 million. The first phase is being established at Mysuru, Karnataka, for an estimated cost of ₹ 7,301.80 million, which will manufacture advanced high density interconnect PCBs. This phase is proposed to be part-financed from the Net Proceeds. For further information, see "*Use of Proceeds*" on page 97.

Continue to expand our customer base to focus on large customers

Over the last three Fiscals and the six months ended September 30, 2022 and September 30, 2023, we have been able to consistently grow our customer base. For Fiscal 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023, we served 292, 346, 361, 297 and 278 customers, respectively, across our different business verticals. With the growing customer demand for our products, we intend to capitalize on this strong industry tailwind by continuing to grow our customer base.

Our expansion of customer base is generally four-pronged. We intend to acquire customers that can provide higher value business, to increase the wallet share with our existing customers through a combined means of marketing strategies and capacity enhancement of our manufacturing facilities to improve our services to our customers, and to attract customers who can provide to us higher margins. As we look to expand our operations both domestically and internationally, we intend to have additional sales and business development representatives in geographies outside India to acquire new and larger customers in such geographies. To generate brand awareness, we intend to continue to utilize content-based marketing through content articles, search engine optimization, email newsletters, social media, press mentions and media partners. We intend to increase the share of our export sales as these offer better margins. To further this strategy, we intend to set up sales and marketing offices in the United States, Japan and Europe in order to grow our exports. As of September 30, 2023, we have 50 employees in our sales and business development team who specialise in assisting us in customer acquisition efforts.

To better serve our customers, we will continue to expand our geographical footprint by enhancing current manufacturing capacities in Mysuru, Karnataka and Manesar, Haryana and have recently set-up a new manufacturing facility in Chamarajanagar, Karnataka. Our facility in Chamarajanagar, Karnataka is strategically located in proximity to our existing facility. As we expand our manufacturing capacities and set up new manufacturing facilities to enhance our business in India and globally, we will continue to develop new customer relationships in a wider range of geographic markets, further decreasing our single market dependency and customer revenue concentration.

Pursue inorganic growth through selective partnerships and acquisitions

We intend to pursue inorganic growth opportunities through selective strategic acquisitions to complement the scale of our operations and growth in recent periods. As part of our foray into the consumer electronics segment, we intend to pursue strategic acquisitions and investments and other strategic alliance partnerships within the ESDM sector that are complementary to our current and future business verticals. We believe that these partnerships will complement our existing marketing approach, expand into newer geographies such as the United States and Middle East and North Africa by addressing additional business verticals and augment our coverage of electronic product servicing into the consumer segment. Our extensive industry experience and insights enables us to identify suitable target companies for acquisition and effectively evaluate and execute potential opportunities. Our senior management along with external experts evaluate potential inorganic opportunities and assists us in evaluating each potential acquisition in determining how their business model or solution will integrate with our existing product portfolio, and how both the companies can mutually benefit from such potential investments or acquisitions.

For example, our Board has approved the 100% acquisition of Digicom Electronics Inc ("**Digicom**"), an electronic manufacturing services company headquartered in the United States for a total cash consideration of US$ 2.5 million subject to execution of definitive documentation, satisfactory completion of customary closing conditions and receipt of requisite regulatory approvals. The proposed acquisition is part of our strategy to enter and expand into additional geographies. The proposed acquisition will also enable us to have a direct footprint in the United States, cater to potential EMS customers in such market and provide access to Digicom's clients in the industrials segment.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 56, 97, 243, 230 and 260, respectively.

Issuer	Kaynes Technology India Limited
Face Value	₹10 per Equity Share
Issue Size	Issue of up to [●] Equity Shares at a premium of ₹[●], aggregating up to ₹[●] million A minimum of 10% of the Issue Size i.e. at least [●] Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	November 18, 2023
Date of Shareholders' Resolution	December 16, 2023
Floor Price	₹ 2,449.96 per Equity Share The Floor Price for the Issue has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through their special resolution passed in their extraordinary general meeting held on December 16, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹[●] per Equity Share of our Company (including a premium of ₹[●] per Equity Share)
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see the sections titled "*Issue Procedure – Eligible Qualified Institutional Buyers*" and "*Transfer Restrictions and Purchaser Representations*" on pages 235 and 253, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by the BRLMs in consultation with our Company, at their sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	58,142,496 Equity Shares of face value of ₹10 each, being fully paid-up
Subscribed and paid-up Equity Share capital prior to the Issue	₹581,424,960
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 230

Listing and Trading	Our Company has received in-principle approvals, each dated December 18, 2023 from BSE and NSE respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant. The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Lock-in	See "*Placement – Lock-up*" on page 243 for a description of restrictions on our Company and Promoters in relation to Equity Shares.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, see "*Transfer Restrictions and Purchaser Representations*" on page 253
Use of Proceeds	The Gross Proceeds from the Issue aggregate to ₹[●] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹[●] million, shall be approximately ₹[●] million, which is proposed to be utilised for (i) Part funding the cost of establishment of facility for the manufacture of Outsourced Semiconductor Assembly and Testing for Semiconductor Packages at Telangana ("**OSAT Facility**"); (ii) Part funding the cost of establishment of the Printed Circuit Board manufacturing facility at Karnataka ("**PCB Facility**"); and (ii) general corporate purposes. For additional information on the use of the net proceeds from the Issue, see *"Use of Proceeds"* on page 97.
Risk Factors	See "*Risk Factors*" on page 56 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 260 and 110, respectively
Taxation	See "*Taxation*" on page 264
Closing Date	The Allotment is expected to be made on or about [●]
Status, Ranking and dividends	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For further details, see "*Description of the Equity Shares*" and "*Dividends*" on pages 260 and 110.
Voting Rights	See "*Description of the Equity Shares – Voting Rights*" on page 262.
Security Codes for the Equity Shares	ISIN: INE918Z01012 BSE code: 543664 NSE symbol: KAYNES

SUMMARY OF FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results and our Audited Consolidated Financial Statements and presented in "Financial Information" on page 283. The selected financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 111 and 283, respectively, for further details.

The selected financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 111 and 283, respectively, for further details.

SUMMARY OF THE UNAUDITED SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED IND AS FINANCIAL RESULTS

Summary of unaudited special purpose condensed interim consolidated Ind AS balance sheet for the six month period ended September 30, 2023 and September 30, 2022

(₹ in million)

Particulars	As at September 30, 2023	As at September 30, 2022
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,288.05	677.12
Capital work-in-progress	377.40	80.84
Intangible assets	224.14	255.54
Intangible under development	187.26	91.56
Rights-of-Use Assets	160.56	186.91
Goodwill	23.44	23.44
Financial assets		
i)Investments	38.23	22.62
ii)Loans and deposits	78.48	65.26
iii)Other financial assets	16.03	32.67
Other non-current assets	276.23	9.11
Total Non-Current Assets (A)	**2,669.82**	**1,445.07**
CURRENT ASSETS		
Inventories	5,512.39	3,313.71
Financial asset		
i)Trade receivables	2,062.11	2,025.31
ii)Cash and cash equivalents	126.04	17.8
iii)Bank balances other than cash and cash equivalents	4,416.23	162.27
iv)Loans and deposits	20.06	34.61
v)Other financial assets	130.66	14.94
Current Tax Assets (Net)	72.23	
Other current assets	1,343.90	263.43
Total Current Assets (B)	**13,683.62**	**5,832.07**
TOTAL ASSETS (A + B)	**16,353.44**	**7,277.14**
EQUITY AND LIABILITIES		
EQUTIY		
Equity Share Capital	581.42	461.58
Instruments entirely equity in nature	-	3.79
Other Equity	9,577.63	1881.63
Non-controlling Interest	13.94	12.86
Total Equity (A)	**10,172.99**	**2,359.86**
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		
- Borrowings	144.02	395.61
- Lease liabilities	152.80	204.81
Deferred Tax Liabilities (Net)	57.41	88.9
Long Term Provisions	65.02	54.27
Total Non-current Liabilities (B)	**419.25**	**743.59**

Particulars	As at September 30, 2023	As at September 30, 2022
CURRENT LIABILITIES		
Financial Liabilities		
- Short-term borrowings	2,448.12	1,964.55
- Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	136.43	37.82
- Total outstanding dues to other than micro enterprises and small enterprises	2,507.92	1,587.86
- Other financial liabilities	172.84	104.25
- Lease liabilities	40.05	-
Current tax liabilities (net)	-	232.01
Other current liabilities	441.31	237.34
Short-term provisions	14.53	9.86
Total Current Liabilities (C)	**5,761.20**	**4,173.69**
Total Liabilities (B+C)	**6,180.45**	**4,917.28**
TOTAL EQUITY AND LIABILITIES (A+B+C)	**16,353.44**	**7,277.14**

Summary of unaudited special purpose condensed interim consolidated Ind AS statement of profit and loss for the six month period ended September 30, 2023 and September 30, 2022

(₹ in million)

Particulars	As at September 30, 2023	As at September 30, 2022
Income		
Revenue from operations	6,580.22	4,724.36
Other Income	170.80	14.15
Total Income (A)	**6,751.02**	**4,738.51**
Expenses		
Cost of materials consumed	4,829.48	3,493.79
Changes in inventories of Finished goods and traded goods	(170.51)	(174.82)
Employee Benefit Expenses	459.04	363.01
Finance Cost	230.68	175.93
Depreciation and amortization expense	117.97	93.02
Other Expenses	571.67	364.3
Total Expenses (B)	**6,038.33**	**4,315.23**
Profit before exceptional and extraordinary items and tax	**712.69**	**423.28**
Exceptional Items	-	-
Profit before extraordinary items and tax	-	-
Extraordinary Items	-	-
Profit / (Loss) before tax (A-B)=C	**712.69**	**423.28**
Income taxes - Current tax	160.58	106.44
Deferred tax Charge/ (Credit)	(17.47)	6.37
Total tax expense (D)	**143.11**	**112.81**
Profit / (Loss) for the year (C - D)=E	**569.58**	**310.47**
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
- Re-measurement gains/ (losses) on defined benefit plans	(5.56)	8.78
- Exchange differences in translating financial statements of foreign operations	0.34	3.53
Income tax effect	1.31	(2.21)
Total other comprehensive income for the year, net of tax (F)	**(3.91)**	**10.10**
Total comprehensive income for the year, net of tax (E+F)	**565.67**	**320.57**
Less: Share of Profit /(Loss) of minority interest	0.87	1.54
Total comprehensive income for the year, net of tax	**564.80**	**319.03**
Earnings per share (nominal value of ₹ 10 each)		
Basic	9.78	6.48
Diluted	9.78	6.40

Summary of unaudited special purpose condensed interim consolidated Ind AS statement of cash flows for the six month period ended September 30, 2023 and September 30, 2022

(₹ in million)

Particulars	For the period ended September 30, 2023	For the period ended September 30, 2022
Net Cash from Operating Activities	**(234.99)**	**(348.70)**
Net Cash used in Investing activities	**(471.65)**	**(191.01)**
Net Cash from/(used) in Financing Activities	**573.37**	**488.77**
Net Increase in Cash and Cash Equivalents	**(133.27)**	**(50.94)**
Cash and cash equivalents as at the beginning of half year	259.31	68.74
Cash and cash equivalents as at the end of half year	**126.04**	**17.80**

SUMMARY OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Summary of audited consolidated balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	901.76	639.58	570.65
Capital work-in-progress	111.63	44.20	10.06
Intangible assets	220.94	289.73	126.94
Intangible under development	181.80	39.09	116.17
Rights-of-Use Assets	170.90	180.62	78.58
Goodwill	23.44	23.44	23.44
Financial assets			
i)Investments	32.76	15.16	16.89
ii)Loans and deposits	69.64	58.28	31.48
iii)Other financial assets	11.03	35.28	13.00
Other non-current assets	155.82	35.17	14.51
Total Non-Current Assets (A)	**1,879.72**	**1,360.55**	**1,001.72**
CURRENT ASSETS			
Inventories	4,131.64	2,263.78	1638.65
Financial asset			
i)Trade receivables	2,270.66	1,977.26	1217.48
ii)Cash and cash equivalents	259.31	68.74	30.50
iii)Bank balances other than cash and cash equivalents	4,600.65	147.20	112.05
iv)Loans and deposits	29.88	16.91	18.20
v)Other financial assets	79.27	2.74	2.02
Current Tax Assets (Net)	36.07	-	-
Other current assets	900.12	387.02	173.05
Total Current Assets (B)	**12,307.60**	**4,863.65**	**3,191.95**
TOTAL ASSETS (A + B)	**14,187.32**	**6,224.20**	**4,193.67**
EQUITY AND LIABILITIES			
EQUTIY			
Equity Share Capital	581.42	461.58	68.00
Instruments entirely equity in nature	-	3.79	10.80
Other Equity	9,009.00	1,560.48	1,307.78
Non-controlling Interest	13.07	11.32	9.05
Total Equity (A)	**9,603.49**	**2,037.17**	**1,395.63**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Borrowings	150.42	292.79	170.86
- Lease liabilities	154.57	163.35	64.36
Deferred Tax Liabilities (Net)	76.91	67.75	52.41
Long Term Provisions	50.34	41.75	32.01
Total Non-current Liabilities (B)	**432.24**	**565.64**	**319.64**
CURRENT LIABILITIES			
Financial Liabilities			
- Short-term borrowings	1,208.57	1,402.67	1223.81
- Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	216.45	47.92	66.34
- Total outstanding dues to other than micro enterprises and small enterprises	2,012.29	1,592.64	887.98
- Other financial liabilities	105.75	77.29	65.90
- Lease liabilities	33.86	31.96	25.43
Current tax liabilities (net)	-	155.53	16.45
Other Current liabilities	563.23	303.29	185.82
Short-term provisions	11.44	10.09	6.67
Total Current Liabilities (C)	**4,151.59**	**3,621.39**	**2,478.40**

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total Liabilities (B+C)	**4,583.83**	**4,187.03**	**2,798.04**
TOTAL EQUITY AND LIABILITIES (A+B+C)	**14,187.32**	**6,224.20**	**4,193.67**

Summary of audited consolidated statement of profit and loss for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	11,261.14	7,062.49	4206.27
Other Income	113.98	41.05	40.36
Total Income (A)	**11,375.12**	**7,103.54**	**4,246.63**
Expenses			
Cost of materials consumed	8,478.01	4,931.07	2822.99
Changes in inventories of Finished goods and traded goods	(677.24)	(36.77)	38.23
Employee Benefit Expenses	770.99	602.35	458.99
Finance Cost	349.36	255.87	239.79
Depreciation and amortization expense	187.41	131.62	100.76
Other Expenses	1,006.20	629.13	477.15
Total Expenses (B)	**10,114.73**	**6,513.27**	**4,137.91**
Profit before exceptional and extraordinary items and tax	**1,260.39**	**590.27**	**108.72**
Exceptional Items	-	-	-
Profit before extraordinary items and tax	-	-	-
Extraordinary Items	-	-	-
Profit / (Loss) before tax (A-B)=C	**1,260.39**	**590.27**	**108.72**
Tax Expenses			
Income taxes - Current tax	292.43	153.07	36.23
- Earlier year tax adjustments	18.71	-	-
Deferred tax Charge/ (Credit)	(2.71)	20.45	(24.84)
Total tax expense (D)	**308.43**	**173.52**	**11.39**
Profit / (Loss) for the year (C - D) =E	**951.96**	**416.75**	**97.33**
Other comprehensive income (net)			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent			
- Re-measurement gains/ (losses) on defined ben	(2.77)	(1.68)	(5.41)
- Exchange differences in translating financial statements of foreign operations	5.03	-	(1.70)
Income tax effect	0.70	(0.15)	1.79
Total other comprehensive income for the year, net of tax (F)	**2.96**	**(1.83)**	**(5.32)**
Total comprehensive income for the year, net of tax (E+F)	**954.92**	**414.92**	**92.01**
Less: Share of Profit /(Loss) of minority interest	1.75	2.27	3.56
Total comprehensive income for the year, net	**953.17**	**412.65**	**88.45**
Earnings per share (nominal value of ₹ 10 each)			
Basic	19.84	9.70	2.28
Diluted	19.61	8.93	2.15

Summary of audited consolidated cash flow statement for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Cash from Operating Activities	**(416.02)**	**211.09**	**277.30**
Net Cash used in Investing activities	**(4,936.51)**	**(445.27)**	**(240.84)**
Net Cash from/(used) in Financing Activities	**5,543.10**	**272.42**	**(13.39)** **13.39**
Net Increase in Cash and Cash Equivalents	**190.57**	**38.24**	**23.07**
Cash and cash equivalents as on April 01	68.74	30.50	7.43
Cash and cash equivalents as on March 31	**259.31**	**68.74**	**30.50**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the six months ended September 30, 2023 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 as per the requirements under Indian Accounting Standard (*"Ind AS 24"*) notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see "*Financial Information"*, beginning on page 283.

RISK FACTORS

This Issue and an investment in the Equity Shares involve a certain degree of risk. You should carefully consider all the risks and uncertainties described below as well as other information contained in this Preliminary Placement Document before making an investment in the Equity Shares. If any particular risk or some combination of the risks described below actually occurs, our business, results of operation, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate or propose to operate. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or become material in the future.

The financial and other related implications of the risk factors, wherever material and quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. To obtain a complete understanding of our Company, this section should be read together with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 149, 176 and 111, respectively, as well as the financial statements, including the notes thereto, and other financial, statistical and other information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, 2022 and 2023 has been derived from our Audited Consolidated Financial Statements beginning on page 330. The financial information included in this section as of and for the six months ended September 30, 2022 and 2023 has been derived from our Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results beginning on page 284. For further information, see, "Financial Information" on page 283. The Unaudited Interim Condensed Consolidated Financial Statements of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Kaynes Technology India Limited *on a standalone basis, and references to "the Group", "we", "us", "our", are to* Kaynes Technology India Limited *on a consolidated basis.*

This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties. Our results could differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For further details, see "Forward-Looking Statements" on page 17.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Industry Report on Indian ESDM Market – Focus on OSAT and BARE PCB Markets" dated December 14, 2023 (the "**F&S Report**"), prepared and issued by Frost & Sullivan (India) Private Limited appointed on November 30, 2023 and exclusively commissioned by and paid for by us in connection with the Issue. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Internal Risk Factors

1. Our business is dependent on the sale of products of our customers. Our top 10 customers accounted for 46.03%, 51.02%, 60.41%, 63.93% and 63.50% of our revenue from operations in Fiscal 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023, respectively. Revenue contribution from our top 1, top 5 and top 10 customers has fluctuated in the last three Fiscals. Further, there has been a decline in the proportion of new customers we have added in the last three Fiscals. In

addition, we do not have firm commitment agreements with our customers. The loss of one or more such customers or a reduction in demand for their products could adversely affect our business, results of operations, financial condition and cash flows.

We have, through our experience in business operations, established long-term relationships with our customers across industries. We have a diversified customer base and we served 278 customers in 18 countries across four continents including countries such as the United Kingdom, United States, Saudi Arabia and Germany, as of September 30, 2023. The table below details our customers across various business verticals for the periods indicated:

Services	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Number of customers									
	Domestic	Inter-national	Domestic	Inter-national	Domestic	Inter-national	Domestic	Inter-national	Domestic	Inter-national
OEM – Turnkey Solutions – Box Build	58	14	57	16	42	11	42	8	37	9
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	225	25	262	38	251	36	198	28	194	21
ODM	15	2	20	2	9	1	7	1	5	-
Product Engineering and IoT solutions	8	2	10	4	14	8	13	7	13	7

Note: Customers are common across our business verticals.

Our customers span multiple sectors, ranging from electronics, to automotive, to healthcare, industrial and IoT. We have a balanced mix of domestic and international customers including certain Fortune 500 companies, multinational corporations and start-ups.

The table below sets forth details of revenues generated from our single largest customer, top 5 customers and our top 10 customers for the periods indicated.

Customer	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	498.69	11.86%	728.06	10.31%	1,597.96	14.19%	694.52	14.70%	675.45	10.26%
Top 5	1,349.41	32.08%	2,629.57	37.23%	4,908.03	43.58%	2,230.83	47.22%	2,897.14	44.03%
Top 10	1,936.20	46.03%	3,603.07	51.02%	6,802.97	60.41%	3,020.44	63.93%	4,178.34	63.50%

Of the customers contributing 80.00% of our revenue from operations for the six months ended September 30, 2023, over 56.59% of our customers (by value) have been associated with us for over seven years and accounted for 47.32%, 50.63%, 54.46%, 57.62% and 45.38%, respectively, of our revenue from operations for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023. For further information, see "*Our Business - Customers*" on page 207.

The deterioration of the financial condition or business prospects of these customers could result in a significant decrease in the revenues we derive from these customers. The reduction in the amount of business we obtain from our customers whether due to circumstances specific to such customer, such as pricing pressures, inability on our part to manufacture the products in a timely manner, not matching the quality and quantity standards expected from us by our customers or adverse market conditions affecting our supply chain or the economic environment generally, such as the COVID-19 pandemic, could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, in the event of loss of one or more set of customers on whom we are dependent for our business, we cannot assure you that we may be able to offset such loss of business by entering into contracts with new customers or our existing customers.

We do not have firm commitment long-term supply agreements with our customers and instead rely on purchase orders and forecasts to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule, and the quantities to be delivered are determined closer to the date of delivery. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories. Further, we do not typically have exclusivity arrangements with our customers. Consequently, there is no commitment on the part of the customers to continue to place new work orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences and we may be unable to procure repeat orders from our customers. The short-term nature of our customers' commitments and the possibility of rapid changes in demand for their products affect our ability to accurately estimate their future requirements.

Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. The table below sets forth certain details of our purchase orders for the periods indicated.

Purchase order cancellation	Fiscal 2021		Fiscal 2022		Fiscal 2023		Six months ended September 30, 2022		Six months ended September 30, 2023	
	Total Purchase Orders	Number of Purchase Orders Cancelled	Total Purchase Orders	Number of Purchase Orders Cancelled	Total Purchase Orders	Number of Purchase Orders Cancelled	Total Purchase Orders	Number of Purchase Orders Cancelled	Total Purchase Orders	Number of Purchase Orders Cancelled
Number of Orders	26,888	820*	31,807	475*	48,650	866*	20,857	248*	27,437	331*

** Purchase orders cancelled and no subsequent order received within six months.*

The table below sets forth details of our existing customers and new customers for the periods indicated:

Customers	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six month ended September 30, 2022	Six months ended September 30, 2023
	Customer Count				
New	96	113	135	86	55
Existing*	196	233	226	211	223
Total	**292**	**346**	**361**	**297**	**278**

**Existing customers refer to customers who are continuing customers from the previous period.*

Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future. While such instances have not occurred in the past, there can be no assurance that we will not face such instances in future.

Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and future prospects.

2. ***Increasing competition in the electronics system design and manufacturing industry may create pressures of pricing and market share that may adversely affect our business, prospects, results of operations, cash flows and financial condition.***

We operate in the ESDM industry, which is highly competitive. As per the F&S Report, Key ESDM Companies in India are Bharat FIH Limited, Flex Limited, Wistron Infocomm Manufacturing India Private Limited, Pegatron Technology India Private Limited, Jabil India Manufacturing Private Limited, amongst others. and large Indian companies such as Dixon Technologies India Limited, Amber Enterprises India Limited, SFO Technologies Private Limited, Syrma SGS Technology Limited, Elin Electronics Limited, Avalon Technologies Limited amongst others.

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Our competition varies by market, geographic areas and type of products manufactured. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We compete with a variety of independent suppliers and distributors, as well as the in-house operations of certain OEMs. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships as well as the operating level relationships.

We may face competition from larger competitors with significant resources and which benefit from economies of scale and scope. If our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer services and solutions similar to ours at lower prices without adversely affecting their profit margins. Even if our offerings address industry and customer needs, our competitors may be more successful at selling their services and solutions. If we are unable to provide our customers with superior services and solutions at competitive prices or successfully market those services to current and prospective customers, our business, results of operations and financial condition may suffer. We may face competition in countries where we currently operate, as well as in countries in which we expect to expand our operations and may have limited or no experience. We also expect additional competition from ESDM companies with operations in other countries and regions, such as China and Vietnam. Additionally, we believe that our ability to compete also depends in part on factors outside of our control, such as the price at which our competitors offer comparable services, and the extent of our competitors' responsiveness to their customers' needs.

Our inability to compete adequately and effectively may have a material adverse effect on our business prospects, financial condition and results of operations. We cannot assure that we will be able to successfully compete within this increasingly competitive industry.

3. We rely on the continued operations of our manufacturing facilities and any slowdown, shutdown or disruption in our manufacturing facilities may be caused by natural and other disasters causing unforeseen damages which may lead to disruptions in our business and operations could have an adverse effect on our business, results of operations, financial condition and cash flows.

We operate 10 strategically located manufacturing facilities across India with eight of them being operated by our Company in the states of Karnataka (four facilities, namely, Mysuru – Unit I, and Unit – II, Bengaluru – Unit I and Unit II), Haryana (Manesar – Unit I and Unit - II), Himachal Pradesh (one facility at Parwanoo), and Tamil Nadu (one facility at Chennai); and two manufacturing facilities operated by our Subsidiaries, at Chamarajanagar, Karnataka (operated by our Subsidiary, Kaynes Electronics Manufacturing Private Limited); and Mysuru, Karnataka (operated by our Subsidiary, Kaynes International Design & Manufacturing Private Limited) In addition, as of September 30, 2023, our manufacturing infrastructure also included two design facilities at Bengaluru, Karnataka and Ahmedabad, Gujarat and two service centres at Navi Mumbai, Maharashtra and Kochi, Kerala. For further information, see "*Our Business – Manufacturing Facilities*" on page 201. We provide services to our customers which are as follows: (i) OEM – Turnkey Solutions – Box Build; (ii) OEM – Turnkey Solutions – Printed Circuit Board Assemblies; (iii) ODM; and (iv) Product Engineering and IoT Solutions. While providing the products under the above services, we use different manufacturing processes such as surface mount technology and through hold technology.

Our business is dependent upon our ability to manage our manufacturing facilities since almost majority of our revenues are generated from these facilities, which are subject to various operating risks, including political instability, productivity of our workforce, compliance with regulatory requirements, difficulties with production costs and yields, product quality and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, disruption in electrical power or water resources, severe weather conditions, natural disasters and an outbreak of any pandemic such as COVID-19. Any significant social, political or economic disruption or natural calamities or civil disruptions or changes in the policies of the state government could require us to incur significant capital expenditure, change our business strategy and may have a material effect on our business, results of operations, financial condition and cash flows.

Our business requires individuals to work under potentially dangerous circumstances or with flammable materials. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- fire;
- mechanical failures and other operational problems;
- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

Operating certain machinery and processes in our manufacturing facilities involve risk of accidents and personal injuries. While we employ safety procedures in the operation of our manufacturing facilities, these hazards can cause personal injury and loss of life, catastrophic damage or destruction of property and equipment as well as environmental damage, which could result in a suspension of operations and the imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation.

We could also face claims and litigation, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. The outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

An accident may result in personal injury to our employees or the labour deployed at our facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities and bring negative publicity to us. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations and financial condition could be adversely affected.

In addition, we depend on our suppliers and other partners to provide the necessary equipment and services that we will need for our continuing operations. Our inability to continue to obtain equipment and enter into contracts with our suppliers in a timely manner, or at all, could adversely affect our business and results of operations. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to delays in the entire production cycle and an inability to comply with our customers' requirements and lead to loss of revenue to us and our customers.

4. ***Our success depends upon our ability to formalize and operationalize effective business and growth strategy. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and results of operations.***

We have experienced significant growth over the past three years. The following table sets forth details of our EBITDA / EBTIDA Margin and profit after tax for the periods indicated:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	(₹ million, except percentages)				
EBITDA[(1)]	408.91	936.71	1,683.18	678.08	890.54
EBITDA Margin[(2)]	9.72%	13.26%	14.95%	14.35%	13.53%
Profit After Tax	97.33	416.75	951.96	310.47	569.58
Profit After Tax Margin[(3)]	2.31%	5.90%	8.45%	6.57%	8.66%

Notes:

(1) *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income.*

(2) *EBITDA margin is calculated as EBITDA divided by revenue from operations.*

(3) *Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.*

Our revenue from operations increased from ₹ 4,206.27 million in Fiscal 2021 to ₹ 11,261.14 million in Fiscal 2023 primarily due to increase in sale of goods (net) from ₹ 3,983.64 million in Fiscal 2021 to ₹ 10,911.56 million in Fiscal 2023 resulting an increase in our profit after tax to ₹ 951.96 million in Fiscal

2023 compared to profit after tax for the year of ₹ 97.32 million in Fiscal 2021. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate. Further, our Profit After Tax Margin increased from 2.31% for Fiscal 2021 to 8.45% for Fiscal 2023 on account of increase in our business.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth depends, amongst other factors, on increasing / expanding customer base across India and internationally, establishing new facilities, increasing manufacturing capacity, optimizing capacity utilization levels, increasing sales of our products, diversifying our product portfolio by leveraging our research and development capabilities, and improving operational efficiency. Our ability to achieve growth will be subject to a range of factors, including, ability to identify trends and demands in the industry; competing with existing companies in our markets; continuing to exercise effective quality control; recognition of our brand in the new regions; hiring and training qualified personnel; and ability to transport our finished products efficiently. Many of these factors are beyond our control, such as, operating restrictions/ lockdown consequent to outbreak of pandemic, such as the COVID-19, and there can be no assurance that we will succeed in implementing our strategy. We face increased risks when we enter new markets in India and in geographies outside India. We may find it more difficult to hire, train and retain qualified employees. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards and distributors with efficient distribution networks. As a result, the products that we design and/ or manufacture for our clients, in new markets may be more expensive to produce and/or distribute and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viability of these operations or our overall profitability.

Our ability to manage future growth will depend on our ability to continue to implement and improve operational, technological, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

5. ***We may undertake acquisitions, investments, joint ventures or other strategic alliances, which may have a material adverse effect on our ability to manage our business, and such undertakings may be unsuccessful.***

We have in the past and will continue to enter into joint ventures and/or strategic investments in India as well as geographies outside India. For example, in 2008 we incorporated our subsidiary, Kaynes Technology Europe GMBH in Germany which, *inter-alia*, provides onsite support and to our customers in Germany; and entered into an agreement with Mohlenhoff GMBH and Business Guardian in 2018 and incorporated our subsidiary, Kaynes International Design & Manufacturing Private Limited in India, which is, *inter-alia*, engaged in the business of exporting of mechanical, electrical, electromechanical, semi-conductor, and/or hybrid technology equipments. Further, pursuant to a joint venture agreement dated May 17, 2018 entered into between our Company and with Radha Madhav Inc., a company based in the United States and engaged in IT staffing, SAP implementation and consultation and product development, we have incorporated an entity, Kaynes Technology Inc., in the United States.

These strategic investments and joint venture may expose us to new operational, regulatory, market and geographic risks as well as risks associated with additional capital requirements as well as other considerable risks, including:

- our inability to integrate new operations, personnel, products, services and technologies;
- the diversion of resources from our existing businesses;
- failure to comply with laws and regulations as well as industry or technical standards of the overseas markets into which we expand;
- our inability to generate sufficient revenues to offset the costs and expenses of such acquisitions or strategic investment;
- the challenges of realising economies of scale; and

- potential loss of, or harm to employees or customer relationships.

Any of these events could disrupt our ability to manage our business, which in turn could have a material adverse effect on our financial condition and results of operations. While we have not encountered such instances in the past three Fiscals there can be no assurance that there we will not face such instances going forward. Such risks could also result in our failure to derive the intended benefits of the acquisitions, and we may be unable to recover our investment in such initiatives.

In addition, our ability to realise anticipated benefits from acquisitions, investments, or strategic alliances may also be impacted by any of the other risks that we face individually as businesses as described in this Preliminary Placement Document. If the anticipated benefits that our Company expects are not realised or are delayed, our business, results of operations, financial condition and prospects could be adversely affected. Even if we are able to successfully integrate our businesses and operations, it may not be possible to realise the full benefits of the integration opportunities, the synergies that we currently expect to result from such acquisitions or investments, or realise these benefits within the time frame that we currently expect.

6. Improper storage, processing and handling of materials and products may cause damage to our inventory. Write-off our damaged inventory could have an adverse effect on our business, results of operations and cash flows.

Our inventory primarily consists of materials and components used in our manufacturing operations, and finished products. Our materials, and finished products are susceptible to damage or contamination if not appropriately stored, handled and processed, which may affect the quality of the finished product.

The table sets forth the details of components manufactured and the nature of damage that can occur:

Type of Components	Nature of Damage
Electronic components	Lead tarnish possibilities
Active electronic components	These components are sensitive to Electro-Static Discharge damages
MSDS components	These components are sensitive to moisture damages
Other mechanical components	Possible mechanical damages

The table below sets for details of our inventory written-off for the dates indicated:

Inventory write-off	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
Inventory					
- Raw Materials	1.16	-	-	-	40.25
- Work-in-Progress	6.39	-	-	-	-
- Finished Goods	4.55	-	-	-	-
Total	**12.10**	-	-	-	40.25

The table below sets details of our inventory written-off as percentage of our Profit after Tax:

Fiscal/Period	Inventory written off (₹ million)	Percentage of profit after tax (%)
Fiscal 2021	12.10	12.43%
Fiscal 2022	-	-
Fiscal 2023	-	-
For the six months ended September 30, 2022	-	-
For the six months ended September 30, 2023	40.25	7.07%

In the event such damage or contamination is detected at the manufacturing facilities during quality checks, we may have to suspend manufacturing activities, and lower capacity utilizations, which could materially and adversely affect our business prospects and financial performance. Although we have not faced any damage or contamination at our manufacturing facilities, we cannot assure you that we will not face any such damage or contamination in future. Further, improper storage may also result in higher than usual damage to our inventory due to adverse weather conditions or longer than usual storage periods, which may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margin.

Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable quality standards. Any claims that our products do not match requisite quality standards could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us. While there have been no material claims that our products do not match requisite quality standards in the past, we cannot assure you that such instances will not occur in the future.

7. ***We rely on the constant supply of semiconductors from overseas market for manufacturing of our products. Any shortage or issues in timely availability of semiconductors or any particular semiconductor components required for the manufacturing of our products or fluctuations in the exchange rate between the Rupee and other currencies, could affect our business, financial condition, results of operations and prospects.***

We rely on the constant supply of semiconductors from overseas market for manufacturing our products. The imported raw materials accounted for 64.21% and 67.73%, respectively of our total purchases of raw materials in Fiscal 2023 and six months ended September 30, 2023. The availability of semiconductors is dependent on the global supply chain and shortages of semiconductors can be caused by, among other things, variations in the supply of semiconductor material, import duties, currency exchange rates, natural disasters, changing economic conditions, or other geographic and political events. For instance, the shortage of labour, local restrictions impacting the transport and logistics arising due to COVID-19 contributed to a bottleneck in supply for the semiconductor industry. Further, the majority of semiconductor demand is now fulfilled by imports from the United States, Japan, and Taiwan (*Source: F&S Report*) and any potential conflict between China and Taiwan may result in disruption in the supply chain of semiconductors and lead to shortages of the same. While we have not experienced any significant shortage of semiconductors in the last three Fiscals and six months ended September 30, 2023, we cannot assure timely availability of semiconductors or any particular semiconductor components required for the manufacturing of our products to meet the purchase orders from our customers and any shortage in the supply for semiconductors, could affect our business, financial condition, results of operations and prospect

8. ***Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023.***

Based on the expected potential growth in the global electronics system design and manufacturing ("**ESDM**") services market and the increase in demand for our products in the recent years, we anticipate an increase in the production capacity. In order to support our growth strategy across India, we are in the process to set up outsourced semiconductor assembly and testing ("**OSAT**") and compound semiconductor manufacturing facility at Kongara Kalan, Telangana, the bare PCB fabrication facility in Mysuru, Karnataka and undertake significant expansion at our current facility at Mysuru, Karnataka – Unit – I. . For further information, see – "*Our Business – Strategies – Expand manufacturing capacity at our existing facilities and set-up additional strategically located facilities*" on page 191. Our Company has experienced significant growth in the demand for its services, evidenced by the growth in order book of ₹ 34,618.35 million as of September 30, 2023 as against full year revenues of ₹ 11,261.14 million for Fiscal 2023. Hence, our Company has to maintain adequate capacity to meet the growing demand. In order to provide focussed services to our customers, our Company has proposed to expand certain of its existing facilities. Our Company believes that expansion of current facilities would be beneficial for our Company and our Shareholders.

The following table sets forth further information relating to our proposed manufacturing facilities.

Locations	Verticals	Area (sq. ft.)	Proposed Capacity (PCB Assemblies per annum)*
Mysuru, Karnataka – Unit I	Defence, Railways, Medical and Industrial	98,243	13.74 million
Chamarajanagar, Karnataka (Phase II)	Automotive, Telecom, IOT, IT, Defence and Aerospace, Medical and Industrials	245,000(2)	12.55 million(1)
Total Additional Capacity			**26.29 million**

As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.
(1) The proposed capacity includes Phase-I completion which commenced commercial operations with effect from May 5, 2023.
(2) The Chamarajanagar area includes the designated space for box build assembly.

The following table sets forth further information relating to our proposed manufacturing facilities for OSAT and Bare PCB:

Locations	Verticals	Unit of measure	Proposed Capacity* (in respective units)
Kongara Kalan, Telangana	OSAT	Million packages per annum across various types of packages	3,620.00 (expected to be commissioned by Fiscal 2028)
Mysuru, Karnataka	Bare PCB Fabrication	Square meter per annum	300,000.00 (expected to be commissioned by Fiscal 2025)

As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.

As we continue our growth by constructing new manufacturing facilities, we may encounter regulatory, personnel and other difficulties that may increase our expenses, which could delay our plans or impair our ability to become profitable in these areas. Problems that could adversely affect our expansion plans include labour shortages, issues with procurement of equipment or machinery, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction of our future manufacturing facilities, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs and investments may be insufficient to meet our proposed capital expenditure requirements. Further, the estimated schedule completion dates are based on estimates and we cannot assure you that such proposed manufacturing facilities will start production on schedule. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. Although we have not experienced any cost overruns in the past, we cannot assure you that we will not experience cost overruns in relation to our proposed manufacturing facilities in the future.

There can be no assurance that such plans will be successfully implemented or completed or that if completed, they will result in the anticipated growth in our revenues or improvement in the results of operations we anticipate from the implementation of such initiatives. In addition, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023. For further information, see "*Our Business- Aggregate Installed Capacity and Capacity Utilization*" on page 203. We cannot assure you that we will be able to completely utilize, in part or full, the proposed expansion of the installed capacities of our manufacturing facilities. Our projected requirements for infrastructure investments may also vary from actual levels if anticipated sales growth does not materialize or varies significantly from our projections. Such investments are generally long term in nature and it is possible that investments may not generate the returns we expect. Significant changes from our expected returns on manufacturing facility equipment, technology support systems and supply chain infrastructure investments could have an adverse effect our results of operations, cash flows and financial condition.

9. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. This includes financing the cost of establishing the proposed OSAT and bare PCB fabrication manufacturing facility which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties. In addition, we have not entered into definitive agreements for the land on which the proposed OSAT manufacturing facilities will be located and have not been allotted the land on which the bare PCB manufacturing facilities is proposed to be established.

We are in the process of expanding our manufacturing capabilities by setting-up of OSAT manufacturing facilities, at an estimated cost of ₹ 28,496.34 million. The first phase is proposed to be established at Kongara Kalan Industrial Park, Telangana, for an estimated cost of ₹ 20,471.46 million, which will support customers worldwide with various types of packages including but not limited to in QFN / QFN stack die, SOT, flip chip ball grid array and TO220. This phase is proposed to be part-financed from the Net Proceeds.

Further, we also propose to expand our capabilities to manufacture in-house bare printed circuit boards for an estimated cost of ₹ 13,957.49 million. The first phase is being established at Mysuru, Karnataka, for an estimated cost of ₹ 7,301.80 million, which will manufacture advanced high density interconnect PCBs. This phase is proposed to be part-financed from the Net Proceeds.

For further details, see "*Use of Proceeds*" on page 97.

We lack any prior experience in OSAT and bare PCB manufacturing. We also cannot assure you that we will be able to complete the construction of the OSAT and bare PCB manufacturing facilities within the expected estimated cost and on time which may result into cost escalations and time overruns. Further, there can be no assurance that our entry into OSAT and bare PCB manufacturing will be successful or cost-effective. We may also find it more difficult to hire, train and retain qualified employees compared to our competitors. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of materials meeting our quality standards. Further, other problems that may arise includes the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management.

In addition, the proposed OSAT and bare PCB manufacturing facilities are yet to start construction and we have not entered into definitive agreements with the governmental authorities for the land on which the proposed OSAT manufacturing facilities will be located. Further, we have not been allotted the land on which the bare PCB manufacturing facilities is proposed to be established. .For the proposed OSAT facility at Telangana, while our Subsidiary has received a provisional allotment letter from the state of Telangana, however, no definitive agreement has been entered for the land to be registered in the name our Subsidiary. Further, certain approvals are required to be obtained from the central government. Further, for the proposed bare PCB facility, our step-down subsidiary, Kaynes Circuits India Private Limited has only received in-principle approval from the state Government of Karnataka for the establishment of the bare PCB facility at Mysuru, Karnataka. Certain terms and conditions that are required to be comply by us includes receiving consent for establishment and consent for operations from the Karnataka State Pollution Control Board. Further, the approval is only valid for a period of two years with effect from September 4, 2023. In the event, we are unable to enter into definitive contracts within the timelines, will impact the timelines for the completion of the proposed facilities on time which may result into time and cost overruns which may materially impact our cash flows, financial condition and results of operations.

The completion of the proposed facilities is also dependent on the performance of external agencies which are responsible for *inter alia* undertaking civil work, installation and commissioning of machinery and supply and testing of equipment. If the performance of these agencies is inadequate, it may result in incremental cost and time overruns which could adversely affect our business and results of operations. In addition, the proof of concept of the projects is expected only by April 2024.

Further, successful operations at the OSAT and bare PCB manufacturing includes acquiring plant and machinery. However, we are yet to place any orders for plant and machinery in relation to the proposed facilities. We have estimated the requirement of the plant and machinery for the proposed facilities based on quotations received from third party vendors and as certified by K.L. Arun, Independent Chartered Engineer, pursuant to their project reports dated December 18, 2023, in relation to the costing of civil works, plant and machinery and other expenses in relation to the OSAT Facility and the PCB Facility. We cannot assure you that we would be able to acquire the plant and machinery required for the proposed facilities at the prices as quoted/ estimated to us by the vendors. Any delay in acquisition of the plant and/ or machinery required for the proposed OSAT and bare PCB manufacturing facilities could lead to time and cost overruns and may have a material adverse effect on our business, results of operations and financial condition. There can be no assurance that we will be able to complete the proposed facilities in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The proposed facilities will also require us to obtain various approvals which are routine in nature. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. Expanding our current operations can be risky and expensive, and we cannot assure you that we may be successful in meeting the desired cost-efficiencies and any consequent growth in our business. Our inability to procure such approvals or machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure and/ or in the extension of the proposed schedule implementation and deployment of Net Proceeds.

10. ***The proposed OSAT and bare PCB manufacturing facilities are dependent on various government subsidies. In the event such subsidies do not materialize or the relevant state or central government does not approve the entire subsidy amount, we may have to raise additional capital, which may materially impact our cash flows, financial condition and results of operations.***

For the successful completion of the proposed OSAT and bare PCB manufacturing within the estimated cost we are dependent on certain government subsidies. These government subsidies include certain terms and conditions which we need to comply with in order to receive such subsidy.

The OSAT Facility is eligible to receive benefits from the Government of Telangana, which allows us to claim benefits of 25% of the total cost of building and plant & machinery. Post expenditure, we are entitled to claim back 25% of such cost from the government.

In addition, the PCB Facility is eligible to avail of benefits under the Scheme of Manufacturing of Electronic Components and Semiconductors by the Ministry of Electronics and Information Technology. This subsidy allows us to claim 25% of the total cost of plant and machinery from the central government.

It is also eligible to apply for benefits under the Electronic System Design and Manufacturing policy of the Government of Karnataka. This subsidy allows us to claim 20% of the total cost of plant & machinery from the state government.

Our reliance on government subsidies for the development of OSAT and bare PCB manufacturing facilities in India introduces a dependency on external factors, and any adverse changes in subsidy availability or approval may impact the anticipated financial outcomes of the project.

11. ***Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or increase in minimum wages across various states, and if we are unable to engage new employees at commercially attractive terms. We have experienced high attrition rates and an increase in our employee benefit expenses. In addition, our Statutory Auditor, in their audit reports, have included observations in relation to outstanding dues towards provident fund and employee state insurance due to error/ omission.***

The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers. Although we have not experienced any major interruption to our operations as a result of labour disputes in the last three Fiscals and six months ended September 30, 2023, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. Further, a significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. Any labour unrest experienced by us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability.

The table below sets forth details of our employee benefit expenses and as a percentage of our total expenses for the periods indicated:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	(₹ million, except percentages)				
Employee Benefit Expenses	458.99	602.35	770.99	363.01	459.04
Total Expenses	4,137.91	6,513.27	10,114.73	4,315.23	6,038.33
Employee Benefit Expenses as a percentage of Total Expenses	11.09%	9.25%	7.62%	8.41%	7.60%

We cannot assure you that as we continue to grow our business in the future, our employee costs coupled with operating expenses will not significantly increase.

Our Statutory Auditor's has included observations in the audit reports on our audited financial statements for Fiscal 2021, in relation to statutory dues outstanding over six months, as at March 31, 2021 aggregating to ₹ 0.89 million have not been deposited on account of error/ omission. Such statutory dues pertain to provident fund dues under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and employee state insurance under Employee State Insurance, 1948 for Fiscal 2021. Further, there have been delays with respect to payment made towards advance income tax for the Fiscal 2021, tax deducted at source for 2021 and in filing of Goods and Services Tax returns. These dues along with relevant late fees were subsequently paid. We cannot assure you that such occurrences will not happen in future which may lead to imposition of penalties or any regulatory action against us.

12. ***We are reliant on the demand from various industries such as automotive, railways, industrial, medical, information technology, Internet of Things, aerospace and defense, of which automotive and industrial industries accounted for 65.88% of our revenue from operations in Fiscal 2023. Any downturn in these industries could have an adverse impact on our business, growth and results of operations.***

The ESDM companies are heavily reliant on demand from automotive, railways, industrial, medical, information technology, IoT, aerospace and defense. These industries are, in turn, affected by macro-economic factors and the general Indian economy. While growth of consumer and industrial demands will drive the growth of the components produced by ESDM companies (*Source: F&S Report*), there can be no assurance that these expectations will be met.

The table below sets forth our revenue from operations across the various end-use industry verticals we serve for the periods indicated:

Industry	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Automotive	1,003.59	23.86%	2,370.38	33.56%	4,322.48	38.38%	1,809.56	38.30%	2,198.13	33.41%
Industrial including EV	1,393.85	33.14%	2,104.78	29.80%	3,096.06	27.49%	1,289.08	27.29%	2,427.83	36.90%
Aerospace, Outer-space and Strategic Electronics	135.53	3.22%	177.71	2.52%	199.98	1.78%	40.26	0.85%	174.34	2.65%
Medical	462.17	10.99%	711.74	10.08%	692.54	6.15%	304.52	6.45%	281.12	4.27%
Railways	596.03	14.17%	731.12	10.35%	1,347.22	11.96%	577.48	12.22%	856.17	13.01%
IoT / IT, Consumer and Others	615.10	14.62%	966.76	13.69%	1,602.86	14.23%	703.46	14.89%	642.63	9.77%
Total	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**11,261.14**	**100.00%**	**4,724.36**	**100.00%**	**6,580.22**	**100.00%**

Any such downturn in demand of our products could have an adverse effect on our business, results of operations and financial condition.

13. ***Our business is subject to seasonality.***

A few customer businesses in our industrial segment are subject to seasonality. Our sales are generally highest in the fourth quarter. Certain of our products used in manufacturing of fans such as BLDC motor controllers and switch gear electronics are typically sold in the peak summer months in India, which is quarter of the Fiscal and which maps with the fourth quarter manufacturing of previous year. While certain end-use industry verticals we serve witness seasonality, which in turn impacts our sales, however, no fixed trend of seasonality is ascertainable for our operations on an overall basis. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

14. Our Promoters will continue to collectively hold majority of the shareholding in our Company, which will allow them to influence the outcome of matters requiring shareholder approval.

As on the date of this Preliminary Placement Document, our Promoters collectively hold 63.57% of the issued and paid up share capital of our Company on a fully diluted basis. After the completion of the Issue, our Promoters will continue to collectively hold substantial shareholding in our Company, and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. In addition, the trading price of the Equity Shares could be materially adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in the hands of our Promoter. For further information, see *"Shareholding Pattern of our Company"* on page 225.

15. We have significant working capital requirements. If we experience insufficient cash flows to fund our working capital requirements or if we are not able to provide collateral to obtain letters of credit and bank guarantees in sufficient quantities, there may be an adverse effect on our business, cash flows and results of operation.

Our business requires significant working capital including in connection with our manufacturing operations and our development of new products. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments.

Our sources of additional financing, where required to meet our working capital needs, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt and increase in rate of interest for any reason whatsoever, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders.

Our net working capital days for March 31, 2023 and as of September 30, 2023 was 99 days and 119 (annualized) days, respectively. Our working capital requirement as of March 31, 2023 and as of September 30, 2023 were ₹ 4,504.62 million and ₹ 5,828.27 million, respectively.

In many cases, a significant amount of our working capital is required to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements with our customers include reduced advance payments or longer payment schedules. These factors may result in increases in the amount of our receivables and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition. Further, in the past, we have made interest payment to our vendors to extend the credit term beyond the standard credit terms and have also made interest payment to suppliers on account of delays beyond specified days as per governmental regulations on MSME suppliers. For Fiscal 2021, 2022 and 2023, and for the six months ended September 30, 2022 and September 30, 2023, such interest were ₹ 2.92 million, ₹ 2.08 million, ₹ 1.65 million, ₹ 3.57 million and ₹ 1.65 million, respectively representing 0.07%, 0.03%, 0.01%, 0.08% and 0.03% of our revenue from operations, respectively.

Further, for details regarding inventory, see " - *We maintain significant inventory and have low inventory turnover ratio. Our inability to accurately forecast demand for products that we manufacture and supply to our customers and manage our inventory may have an adverse effect on our business, results of operations, financial condition and cash flows.*" on page 77.

16. ***Our Company is dependent on factors affecting the product costs, in particular the cost of the inputs including materials, power and fuel, packing and forwarding. Any increase in the cost of inputs may affect our business, financial condition, results of operations and prospect*.**

Our operations and performance are directly related to and affected by the cost of various inputs including semi-conductors, metals such as copper, aluminium, steel, plastics and other commodities. The cost of these inputs especially the cost of raw materials and power and fuel constitute a significant percentage of our product costs. Our cost of materials consumed constituted a significant component of our expenditure and in 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, was ₹ 2,822.99 million, ₹ 4,931.07 million, ₹ 8,478.019 million, ₹ 3,493.79 million, and ₹ 4,829.48 million, respectively, and constituted 68.22%, 75.71%, 83.82%, 80.96% and 79.98%, respectively, of our total expenses. For more information see "*Management's Discussion and Analysis of Financial Conditions and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Availability and cost of raw materials*" on page 113.

Our results of operations depend upon our ability to obtain the products and other inputs regularly, at low prices and favorable terms. For the timely supply of raw materials, we have to depend on certain limited third-party suppliers. We procure the raw materials for our business from local suppliers as well from overseas suppliers. Moreover, we do not rely on a single source or vendor for components, instead, have alternative sources for vendors for each component category.

The details of the purchases made for Fiscal 2021, 2022 and 2023, and six months ended September 30, 2022 and September 30, 2023, are set out below:

Region	Fiscal 2021		Fiscal 2022		Fiscal 2023		Six months ended September 30, 2022		Six months ended September 30, 2023	
	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)
Domestic	1,090.46	35.98%	1,960.84	35.54%	3,451.02	35.79%	1,761.97	40.75%	1,903.12	32.27%
Import	1,940.05	64.02%	3,556.87	64.46%	6,191.11	64.21%	2,561.85	59.25%	3,994.10	67.73%
Total	**3,030.51**	**100.00%**	**5,517.71**	**100.00%**	**9,642.13**	**100.00%**	**4,323.82**	**100.00%**	**5,897.22**	**100.00%**

The details of the countries from where the raw materials were imported for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, are set out below:

Name of the country	Fiscal 2021		Fiscal 2022		Fiscal 2023		Six months ended September 30, 2022		Six months ended September 30, 2023	
	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)
Singapore	1,074.50	35.46%	1,994.62	36.15%	3,467.97	35.97%	1,388.38	32.11%	2,820.22	47.82%
China	122.78	4.05%	358.00	6.49%	744.43	7.72%	316.30	7.32%	320.48	5.43%
USA	138.80	4.58%	304.86	5.53%	576.64	5.98%	241.70	5.59%	191.61	3.25%
Hong Kong	101.35	3.34%	179.92	3.26%	311.05	3.23%	145.74	3.37%	125.81	2.13%
United Kingdom	94.17	3.11%	117.80	2.13%	185.58	1.92%	82.06	1.90%	87.96	1.49%

Name of the country	Fiscal 2021		Fiscal 2022		Fiscal 2023		Six months ended September 30, 2022		Six months ended September 30, 2023	
	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)	Purchases (₹ million)	Percentage of Total Purchases (%)
Others	408.45	13.48%	601.67	10.90%	905.44	9.39%	387.67	8.97%	448.02	7.60%
Total import purchases	**1,940.05**	**64.02%**	**3,556.87**	**64.46%**	**6,191.11**	**64.21%**	**2,561.85**	**59.25%**	**3,994.10**	**67.73%**

Our inability to procure these raw materials on terms more favourable, or at all, may constrain our raw material supply, resulting in an adverse effect on our business, financial condition and results of operations. Any increase in price of cost of inputs as well as limitations and/ or disruptions in the supply of such inputs, will adversely affect our business and financial condition. We cannot assure that we shall be able to timely and adequately effect any prices increases corresponding to the input costs escalation. Further, we rely on the constant supply of semiconductors which relies on a global supply chain to manufacture our products. Our inability to do so, may affect our business, financial condition, results of operations and prospect. In addition, the ongoing conflict in Ukraine may impact the supply chain for certain of the raw materials that are used in our products. As on the date of this Preliminary Placement Document, though we have not seen any such impact on the supply of raw materials from our vendors, however, there can be no assurance that any such disruption will not occur in the future and that such disruptions will not be material.

Further, we do not have long term contractual arrangements with our suppliers for raw materials, which may limit our ability to source such raw materials timely and adequately and on competitive or more favourable terms. In addition, some of our purchase agreements for raw materials and other input items are short-term in nature and our inability to renew these agreements on terms more favourable, or at all, may constrain our raw material supply, resulting in an adverse effect on our business, financial condition and results of operations. Further, any substantial delay in supply or non-conformance to quality requirements by our suppliers can impact our ability to meet our customer requirements and thus impact our business and results of operations. In case we fail to correctly analyze our product requirement or non-availability of required raw materials or any other item of production in desired quantity and quality at the right time, it may impact our sales commitments, which consequently will have an adverse effect on our business and results of operations.

17. ***We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.***

We manufacture diverse range of products, that cater to various industry verticals. For further information, see "*Our Business – Business Verticals – Products*" on page 199. We provide standard warranties for certain specified period of time on our products. During the warranty period, the customer may reject or return the products due to defects or deficiency.

Given our expertise in the products manufactured and designed by us, our customers typically have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in products and solutions manufactured by our Company or failure to comply with the specifications of our customers may, in turn, lead to the manufacture of faulty end-products by our customers. This may lead to cancellation of supply orders or non-renewal of agreements by our customers and at certain instances may impose additional costs in the form of product liability and/or product recall. Further, any failure to make timely deliveries of products and solutions as per our customers' requirements could result in cancellation or non-renewal of purchase orders and at certain instances may also result in us bearing additional financial exposure. While there have not been any instances in past three Fiscals where we have been unable to comply with quality standards and that has resulted in a cancellation of supply orders or non-renewal of agreements by our customers, there can be no assurance that there will not be any such instances in future.

Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. Our quality control programs at most of our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods.

Further, our customers generally have the right to inspect and audit our facilities, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our facilities. Further, we also monitor the customer satisfaction ratings of our products and customer complaints on a regular basis. In the past we have received certain customer complaints in relation to our products, however, such complaints had no material impact on our business and financial condition. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our facilities in any manner, our reputation could be harmed and our customers may terminate/modify their contractual arrangements and/ or refuse to renew their contractual arrangements or purchase orders. This may have an adverse impact on our business, financial condition, results of operations and future prospects. In future, we will continue to spend a portion of our revenues to manage our product quality and to maintain our quality control, a failure of which may negatively impact our profitability.

18. ***If our customers do not outsource manufacturing of the products, or if there is a downward trend in the original equipment manufacturers ("OEMs") / original design manufacturing ("ODMs") business and/or demand for our internet of things ("IoT") solutions it could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We are an end-to-end and IoT solutions enabled integrated electronics manufacturing player having capabilities across the spectrum of ESDM services (*Source: F&S Report*). Our business verticals are as follows: (i) OEM – Turnkey Solutions – Box Build; (ii) OEM – Turnkey Solutions – Printed Circuit Board Assemblies; (iii) ODM; and (iv) Product Engineering and IoT Solutions. We derive all of our revenue from operations from these business verticals. The table below shows our revenue from operations across various segments for the periods indicated:

Services	**Fiscal**						**Six months ended September 30,**			
	2021		**2022**		**2023**		**2022**		**2023**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
OEM – Turnkey Solutions – Box Build	1,276.25	30.34%	1,988.21	28.15%	3,322.36	29.50%	1,366.16	28.92%	2,629.59	39.96%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	2,509.07	59.65%	4,436.19	62.81%	7,008.48	62.24%	2,894.35	61.26%	3,532.97	53.69%
ODM	184.21	4.38%	278.04	3.94%	381.32	3.39%	185.67	3.93%	168.32	2.56%
Product Engineering and IoT solutions	236.74	5.63%	360.06	5.10%	548.99	4.88%	278.18	5.89%	249.33	3.79%
Total	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**11,261.14**	**100.00%**	**4,724.36**	**100.00%**	**6,580.22**	**100.00%**

For further information on our business verticals, see "*Our Business – Business Operations – Business Verticals*" on page 193.

Companies involved in the commercial products segments such as automobile, industrials, railways, aerospace and defence, IoT, healthcare and consumer electronics have been outsourcing manufacturing of the products to third party players like us on OEM/ODM basis. However, there can be no assurance that they will continue to do so in the future. Our customers outsource manufacturing of their products to players like us in order to keep their cost to a minimum in order for them to sell the end products at a cheaper rate. There can be no assurance that our customers will continue to outsource or increase the share of outsourcing of their products to us. In the event our customers decide to stop third party outsourcing of their products or reduce the products which are outsourced for manufacturing it could have an adverse effect on our business, results of operations, financial condition and cash flow.

19. ***Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations and financial condition.***

Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition. In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, ESDM companies like us must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins.

If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our business, results of operations and financial condition may be materially adversely affected. Our customers also negotiate for larger discounts in price as the volume of their orders increases. To maintain our profit margins, we seek price reductions from our suppliers, improved production processes to increase manufacturing efficiency and streamlined product designs to reduce costs. There can be no assurance that we will be able to avoid future customer price reductions or offset the impact of any such price reductions through continued technology improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, cost reductions or other productivity initiatives, which may adversely affect our business, financial condition and results of operations.

20. ***Some of our manufacturing facilities are located on industrial land allotted to us by industrial development corporations. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.***

Some of our manufacturing facilities are located on industrial lands allocated by Karnataka Industrial Areas Development Board ("**KIADB**"). Our Company had entered into lease agreements with KIADB dated November 23, 2013 and June 18, 2019, for lease of land located at Plot No. 20, of Belagola Industrial Area, Mysuru, Karnataka, India and Plot No. 119 in Sy. No. 45 & 52 of Metagalli Village, Mysuru, Karnataka, India respectively. Both the lease agreements have expired as on date of this Preliminary Placement Document, and our Company has made a request for converting the lease to sale under the relevant provisions of the lease deed. KIADB has acknowledged this request and is currently in the process of completing the process of selling the relevant parcel of land from KIADB to our Company. Therefore, currently we do not possess the leasehold rights required to operate and/or continue operation of certain of our manufacturing facilities on these respective lands. Inability to renew such agreement or retain the leasehold right or attain the ownership rights may affect our business operations. In addition, the terms of these lease agreements require us to obtain the KIADBs prior consent for certain actions including alteration of promoters/shareholders/directors' interest and change in constitutional status of our Company, which may be a future requirement as to our business operations. In the event that we fail to meet these conditions, we would be required to pay a penalty or revised cost of land as decided by the KIADB from time to time. Moreover, there can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the manufacturing facilities and/or existing offices on terms favorable to us, or at all.

21. ***Any disruption in our distribution network including disruptions in supply and transport of inputs and finished products will adversely affect our business and results of operations.***

Our suppliers either deliver our raw materials to us or we are required to collect them from our suppliers, depending on the contract terms, at our own costs. Our raw materials are transported to our facilities and our products are transported to our customers by road through cargo trucks. Transport of our raw materials and finished products is subject to various factors beyond our control, including poor infrastructure, unavailability of adequate port and shipping infrastructure for transportation, accidents, adverse weather conditions, strikes and civil unrest, which may adversely affect our business and results of operations. For Fiscal 2021, 2022 and 2023, and six months ended September 30, 2022 and September 30, 2023, we wrote-off ₹ 12.10 million, ₹ nil, ₹ nil, ₹ nil and ₹ 40.25 million worth of products, respectively. Although we have not encountered any significant disruption to the supply and transportation of raw materials and products in the past, on account of the operating restrictions/ lockdown consequent to outbreak of COVID-19 pandemic temporarily affected our ability to supply and transport our raw materials and finished products in the months of March and April 2020 to our customers within India and outside India. There can be no assurance that any such disruption will not occur in the future as a result of these factors and that such disruptions will not be material. Transportation strikes have had in the past, and could have in the future, an adverse effect on our Company's receipt of raw materials and/or supplies and its ability to deliver the finished products. In addition, transportation and freight costs have been steadily increasing. While we have not experienced any company specific disruptions in the past, any significant disruption in the distribution network could have a significant impact on our business and results of operations.

22. Any failure in our information technology systems and/ or enterprise resources planning systems could adversely affect our business.

The efficient operation of our business depends on our IT infrastructure and our enterprise resources planning systems. Our IT infrastructure comprises of third-party solutions and applications maintained internally. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Although there have been certain instance in disruptions to our information technology systems, however due to the recover process system employed by us, we have not experienced any significant disruptions to our operations. However, we cannot assure you that we will not encounter such disruptions in the future that may impact our operations. Any such disruption may result in the loss of key information and disruption of production and business processes, which could adversely affect our business, results of operations and cash flows.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive personal information) of our employees and customers. Any such security breaches could have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

23. Our Company, Subsidiaries, Promoters and Directors are or may be involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.

There are no material outstanding legal and regulatory proceedings involving our Company, Subsidiaries, Promoters and Directors which required a disclosure in this Preliminary Placement Document. However, we cannot assure you that future proceedings, if any, will be settled in favour of our Company, Subsidiaries, Promoters or Directors, respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. For further information, see "*Legal Proceedings*" on page 278.

24. Our Promoters, certain of our Directors, Key Managerial Personnel and Senior Managerial Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.

Our Promoters, certain of our Directors, Key Managerial Personnel and members of the Senior Management, while managing the day-to-day operations, may be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their, their relatives and their company's shareholding in our Company, payment of dividend or distributions thereon. Further, certain of our Directors are also directors on the boards of our Subsidiaries and may be deemed to be interested to the extent of any remunerations/reimbursement received in this regard. For the payments that are made by our Company to related parties including remuneration to our Directors, and our Key Managerial Personnel, see "*Board of Directors and Senior Management*" on page 216. We cannot assure you that our Promoters, Directors, Key Managerial Personnel and members of the Senior Management will exercise their rights to the benefit and best interest of our Company. As Shareholders of our Company, our Promoters, Directors, Key Managerial Personnel or members of the Senior Management, may take or block actions with respect to our business which may conflict with the interests of the minority shareholders of our Company.

25. ***Certain of our manufacturing facilities, design facility, service centres and offices are located on leased premises.***

Certain of our manufacturing facilities, design facility and service centres are substantially located on leased properties from third parties. Typically, the term of our leases ranges from 11 months up to 99 years for our office space and manufacturing facilities which are subject to lock-in for a certain duration over the respective term of such lease. We are required to pay a security deposit, specified monthly rentals and common area maintenance charges for the duration of our lease agreements, subject to periodic escalations at agreed rates. These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. For further information, see "*Our Business – Properties*" on page 215.

Some of our manufacturing facilities are located on industrial lands allocated by Karnataka Industrial Areas Development Board ("**KIADB**"). Our Company had entered into lease agreements with KIADB dated November 23, 2013, and June 18, 2019, for the lease of land located at Plot No. 20, of Belagola Industrial Area, Mysuru, Karnataka, India and Plot No. 119 in Sy. No. 45 and 52 of Metagalli Village, Mysuru, Karnataka, India respectively. Both the lease agreements have expired as on the date of this Preliminary Placement Document. The leasehold rights under the agreements had expired in 2019 and 2021, respectively, and our Company has made a request for converting the lease to sale under the relevant provisions of the lease deed. KIADB has acknowledged this request and is currently in the process of completing the process of selling the relevant parcel of land from KIADB to our Company. Further, till the execution of the sale deed with respect to both the properties, Company has requested the Authority for an extension of the lease agreements, thereby, granting our Company leasehold rights under the Agreements, however subjecting them to the consent requirements. Therefore, currently, we do not possess the leasehold rights required to operate and/or continue the operation of certain of our manufacturing facilities on these respective lands. Inability to renew such agreement or retain the leasehold right or attain the ownership rights with respect to this land may affect our business operations.

Except as stated above, currently there are no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our business operations. Any adverse impact on the title and ownership rights of the owners from whose premises we operate, breach of the contractual terms of any lease deeds, or any inability to renew such agreements on acceptable terms may also affect our business operations. In addition, the terms of certain of our leases require us to obtain the lessor's prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing offices on terms favorable to us, or at all.

In the event we intend to expand the capacity of our facilities, and require additional land for such purposes, we cannot assure you that we will be able to identify or acquire adequate land either on a freehold or leasehold basis, or that land acquisitions will be completed in a timely manner, at acceptable costs and/or on commercially reasonable terms, without opposition or relocation and resettlement costs, or at all.

The cost of acquiring land on a leasehold basis for our facilities may be higher than we estimated and is subject to a number of factors, including the type of land being acquired, market prices, the level of economic development in the area where the land is located and government regulations pertaining to the price of land, among others. In addition, we may face significant opposition to the construction of our facilities from local communities, non-government organizations and other parties. Such opposition or circumstances may be beyond our control. If we are unable to acquire the required amount of land for our facilities, the viability and efficiency of such projects may be affected. In addition, any inability to complete the acquisition of the necessary land in a timely manner may cause construction delays. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

26. ***We do not have patents registered for any of our products. If we do not continue to innovate and further develop our business, or we are not able to keep pace with technological developments, we may not remain competitive and our business and results of operations could suffer.***

Our operations rely heavily on the effectiveness of our products. We do not have any patents registered for any of our products. We design, develop, and manufacture products for our customers. Accordingly, any specific design or intellectual property that we develop as part of our operations accrues to the relevant customer for whom we undertake such production. We protect our technological developments by embedding the technology and innovations into our processes and making it a part of our practice. To remain competitive, we must continue to stay abreast of the constantly evolving trends and to enhance and improve the responsiveness, functionality and features of our products, including cost to their end customers and compete, we must continue to invest significant resources in research and development to enhance our information technology and improve our existing services. The industry in which we operate is characterized by technological evolution and changes in customer requirements, which could render our existing technologies and systems obsolete going forward.

Currently, all of our machinery in our manufacturing facilities and in our design facilities is equipped with modern and automated manufacturing processes, which supports our innovation and product development. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices in a cost-effective and timely way. There can be no assurance that we will be able to use new technologies effectively or adapt technologies and systems to meet customer requirements or emerging industry standards. There can be no assurance that we will be able to successfully implement our future strategy to continue to innovate.

Further, the process of innovation and development requires that we make long-term investments and commit significant resources before knowing whether these investments will eventually result in businesses that achieve customer acceptance and generate the revenues required to provide desired returns. We may experience difficulties that could delay or hinder the successful development, introduction and marketing of products. There can be no assurance that such products will be readily accepted in the market, become commercially successful or that our competitors will not be able to produce similar products at a lower price than we can, which would have an adverse effect on our products' competitive position. If we are unable to achieve the anticipated returns in such new growth areas, it could have a material adverse effect on our business, results of operations and financial condition.

27. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers. In recent times, we have made significant investments for the expansion of our assembly capacities and are continuing to undertake additional investments to increase our existing capacity. Our expected return on capital invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure costs and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. For further information, see "*Our Business - Aggregate Installed Capacity and Capacity Utilization*" on page 203. Further, the risk associated with underutilization of capacities should be isolated from the new proposed manufacturing facilities, as they pertain to an entirely new segments. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

28. There have been certain instances of non-compliances, including with respect to certain regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.

There have been certain instances of lapses such as delays, non-filing and factual errors in our corporate records, in relation to certain corporate actions taken by our Company in the past. This may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition and reputation. For instance, there have been the following instances of delays and non-compliances in relation to regulatory filings:

Under FEMA regulations

Our Company has delayed in filing of annual return on foreign liabilities and assets within prescribed time period from the financial years 2010-2011 until 2019-2020, with a delay of 3,396, 3,026, 2,663, 2,298, 1,933, 1,567, 1,202, 837, 458 and 76 days, respectively. While no penalties have been imposed on our Company in this regard, we cannot assure you that RBI or other regulatory authorities will not impose any penalty on us or will not take any penal action in relation to the delays in submitting Annual Return on Foreign Liabilities and Assets with RBI.

There can be no assurance that similar lapses may not occur in future which may result in our Company being subjected to regulatory actions.

29. Our Company has unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate funds to make timely payments or at all.

Our Company has availed unsecured loans, which may be recalled at any time. As of September 30, 2023, such loans availed by our Company amounted to ₹ 0.24 million. Such loans may not be repayable in accordance with any agreed repayment schedule and may be recalled at any time. In the event that any lender seeks repayment of any such unsecured loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

30. Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Preliminary Placement Document is based on various assumptions and estimates and future production and capacity utilization may vary.

Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Preliminary Placement Document is based on various assumptions and estimates of our management that have been taken into account by the independent chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of component manufacturing industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing facilities, the period during which the manufacturing facilities operate in a year, availability of raw ingredients, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Preliminary Placement Document. For further information, see "*Our Business – Aggregate Installed Capacity and Capacity Utilization*" on page 203.

31. Certain sections of this Preliminary Placement Document disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

We have availed the services of an independent third-party research agency, Frost & Sullivan (India) Private Limited ("**F&S**"), appointed by our Company to prepare an industry report titled *"Industry Report on Indian ESDM Market – Focus on OSAT and BARE PCB Markets" dated December 14, 2023* ("**F&S Report**"), for purposes of inclusion of such information in this Preliminary Placement Document to understand the industry in which we operate. Our Company, our Promoters, and our Directors are not related to F&S. This Report has been commissioned by our Company exclusively in connection with the Issue for a fee. The F&S Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Preliminary Placement Document, when making their investment decisions.

32. ***We are exposed to counterparty credit risk. As of March 31, 2021, 2022 and 2023 and as of September 30, 2022 and September 30, 2023, our trade receivables were ₹ 1,217.48 million, ₹ 1,977.26 million, ₹ 2,270.66 million, ₹ 2,025.31 million and ₹ 2,062.11 million, respectively. Any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.***

Due to the nature of, and the inherent risks in, the agreements and arrangements with our customers, we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. We generally have credit terms from payment in advance to 90 days with our customers.

The table below sets forth details of our trade receivables as of the dates indicated:

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
Trade Receivables (₹ million)	1,217.48	1,977.26	2,270.66	2,025.31	2,062.11
Trade receivables as a percentage of revenue from operations	28.94%	28.00%	20.16%	42.87%*	31.34%*
Provision for ECL (₹ million)	26.29	8.95	14.99	0.01	74.10

**Not annualised.*

There is no assurance that we will accurately assess the creditworthiness of our customers. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. While there have not been instances of such delay, modification of payment terms or default in payment obligations that have had a material impact on our operations, there can be no assurance that such instances will not occur in future. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

33. ***We maintain significant inventory and have low inventory turnover ratio. Our inability to accurately forecast demand for products that we manufacture and supply to our customers and manage our inventory may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our business depends on our estimate of the demand for our products that we manufacture and supply to our customers. As is typical in the ESDM manufacturing industry, we maintain a reasonable level of inventory of raw materials, work in progress and finished goods.

The table below sets forth details of our inventory as of the dates indicated:

Particulars	As of March 31,			As of September 30	
	2021	2022	2023	2022	2023
	(₹ million, except ratios and days)				
Inventory	1,638.65	2,263.78	4,131.64	3,313.71	5,512.39
- Raw Materials	1,208.90	1,748.30	2,820.80	2,549.03	3,883.68
- Work-in-Progress	212.73	154.67	858.61	396.03	979.43
- Finished Goods	141.90	236.73	210.03	170.19	259.72
- Goods-in-transit	35.96	61.52	173.14	129.01	317.78
- Consumables, stores and spares	39.16	62.56	69.06	69.45	71.78
Inventory Turnover Ratio*	2.67	3.62	3.52	3.38	2.72
Inventory Days	137	101	103.65	108.02	134.10

Notes
** Inventory Turnover Ratio is defined as revenue from operations divided by average inventory.*

Our inventory has increased by 152.14% from ₹ 1,638.65 million for Fiscal 2021 to ₹ 4,131.64 million for Fiscal 2023 on account of growth in business and orderbook.

If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. Our customers also have the right to return or reject the product in the event that the products do not conform to the quality standards set out under the master services agreements. In the past, there have been instances where we have repaired or re-supplied products. While the cost involved in such repair or re-supply of products was minimal and did not materially impact our financial condition, there can be no assurance that such repair costs or costs involved in re-supplying our products will not be significant in future. Further, if we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manages our inventory may have an adverse effect on our business, results of operations and financial condition.

34. Unforeseen environmental costs could affect our future earnings as well as the affordability of our products and services.

Environmental laws and regulations in India impose increasingly stringent environmental protection standards on us regarding, among other things, the use and handling of hazardous waste or materials and waste disposal practices. These standards expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with past activities. Our industrial activities are subject to obtaining permits, licences and/or authorisations, or subject to prior notification. Our facility must comply with these permits, licences or authorisations and are subject to regular administrative inspections. The outcome of environmental, health and safety matters cannot be predicted with certainty and there can be no assurance that we will not incur any environmental, health and safety liabilities in the future. In addition, the discovery of new facts or conditions or future changes in environmental laws, regulations or case law may result in increased liabilities that could have a material effect on our business, financial condition and results of operations.

35. We have incurred and will continue to incur expenses towards leases entered by our Company or our Subsidiaries for our manufacturing facilities and offices.

Our Company and our Subsidiaries have entered into a number of lease agreement for our manufacturing facilities and our offices. We incur significant expenses towards such leases.

The table below sets forth details of our expenses incurred towards our lease for the periods indicated.

Particulars	**Fiscal**						**Six months ended September 30,**			
	2021		**2022**		**2023**		**2022**		**2023**	
	Amount (₹ million)	**Percentage of total expense (%)**	**Amount (₹ million)**	**Percentage of total expense (%)**	**Amount (₹ million)**	**Percentage of total expense (%)**	**Amount (₹ million)**	**Percentage of total expense (%)**	**Amount (₹ million)**	**Percentage of total expense (%)**
Depreciation of Right-of-Use Assets	24.69	0.60%	31.62	0.49%	42.38	0.42%	21.28	0.49%	22.22	0.37%
Interest on lease liabilities	10.17	0.25%	12.56	0.19%	23.09	0.23%	12.18	0.28%	10.27	0.17%
Total lease expense	34.86	0.84%	44.18	0.68%	65.47	0.65%	33.46	0.78%	32.49	0.54%
Total expenses	**4,137.91**	**100.00%**	**6,513.27**	**100.00%**	**10,114.73**	**100.00%**	**4,315.23**	**100.00%**	**6,038.33**	**100.00%**

We will continue to incur expenses towards our lease obligations. In the event we are unable to meet such lease obligations, our business activities could be disrupted which could have an adverse impact on our results of operations, financial condition and cash flows.

36. An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, accidents and natural disasters. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain product liability insurance, a marine cargo insurance policy that insures consignments of goods by sea, air and by courier until delivery to the customer's warehouse and inland movement of bulk cargo in road tankers. In addition, we maintain a commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, personal and advertising injury. Our insurance coverage for our employees covers pre and post-hospitalization expenses and emergency road ambulance expenses.

Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. While we have made certain insurance claims in the past, we cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 213. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

37. We may not successfully protect our technical know-how, which may result in the loss of our competitive advantage.

We have developed a range of technical know-how relating to the manufacturing process of our products. This knowledge base has enhanced our ability to manage our manufacturing costs and improve our product quality to compete more effectively. Our technical know-how has been derived from the past experience of our key employees and management team as well as our research and development efforts. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. If the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition, cash flows and/or prospects.

38. We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

In order to retain flexibility and control costs, we appoint independent contractors with whom we enter into formal contracts who in turn engage on-site contract labour for performing certain of our ancillary operations, including, assisting in civil, mechanical and electrical related works and housekeeping activities. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. While there have not been any instances of default by our independent contractors through whom workers are hired in the past three Fiscals, there can be no assurance that there will not be any instances of default by such independent contractors in future. All contract labourers engaged at our facilities are assured minimum wages that are fixed by the state government from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations.

39. We may be subject to labour unrest and slowdowns.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionised. However, in the event that employees seek to unionise, it may become difficult for us to maintain flexible labour policies, which may increase our costs and adversely affect our business. We believe our employees and personnel are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition. A potential increase in the salary scale of our employees or amounts paid to our contract manufacturers as a result of organisation or unrest, or a disruption in services from our employees or contract manufacturers due to potential strikes, could adversely affect our business operations and financial condition.

40. We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. For further information, see "*Financial Information*" on page 283. These transactions principally include loans and advances to Subsidiaries, loans and advances repaid by Subsidiaries, services received from Subsidiaries, purchases, sale of material and remuneration and commission to KMPs. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transaction, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future subject to compliance with the SEBI Listing Regulations and other statutory requirements. Further, except as disclosed in "*Financial Information*" beginning on page 283, neither our Company nor our Subsidiaries have provided any loan or advances or given any guarantees or any form of securities to related parties during the last three Fiscals and in the six months ended September 30, 2023.

For Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, the aggregate amount of such related party transactions was ₹ (31.71) million, ₹ (83.44) million, ₹ (84.51) million, ₹ (36.02) million and ₹ (32.14) million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, was (0.75)%, (1.18)%, (0.75)%, (0.76)% and (0.49)%, respectively.

We cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will be at arm's length or will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects or may potentially involve any conflict of interest.

41. ***We have obtained various quality certifications for our products. Our inability to renew such accreditations in a timely manner may have an adverse impact on our business.***

Over the years, we have focused on creating robust manufacturing systems and processes that comply with health and safety, as well as environmental and social and governance requirements. Our operations comply with global standards and our facilities have 12 global accreditations. We are an ISO 9001/14001/45001 Bureau Veritas certified company. Our facilities are approved by global product certification agencies including Underwriters Laboratories, Intertek and Bureau Veritas Certification. In addition, we have separate vertical specific certifications including BSEN/AS/EN 9100 for defence and aerospace products, IRIS (ISO/TS 22613) for railway signalling, IATF 16949 for printed circuit board assembly, cable harness and box build for automotive sector, and ISO:13485 for medical devices/systems. We have also obtained ANSI ESD S20.20, IEC 61340-5-1 and SA 8000 certifications. For further information in relation to our quality certification, see "*Our Business - Quality Control, Testing and Certifications*" on page 206. Some of these certifications are valid for a period of three years. In the event we are unable to renew our certifications in a timely manner, it may have an adverse impact on our business.

42. ***We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. As of September 30, 2023, we had total borrowings (consisting of non-current borrowings and current borrowings) of ₹ 2,592.14 million. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the (a) capital structure of our Company, (b) Company's constitution documents including amending the memorandum of association and articles of association of the Company, (c) management set-up of our Company, (d) formulation of any scheme of expansion, modernisation, diversification, amalgamation or reconstruction, (e) merger, de-merger, amalgamation, acquisition, buy - back, re-organization and/or disposition of assets of the Company, (f) investing by way of share capital or advancing funds to other entities forming part of our group, and (g) opening of current accounts with any other bank. While we have received all relevant consents required for the purposes of this Issue, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare an event of default and enforce remedies under the terms of the financing agreements, that include, among others, acceleration of amounts due under such facilities, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. A default by us under the terms of any financing agreement may also trigger a cross-default under some of our other financing agreements, or any other agreements or instruments of our containing cross-default provisions, which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating.

43. ***Our manufacturing facilities are dependent on adequate and uninterrupted supplies of electricity, water and fuel; shortage or disruption in electricity or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.***

Adequate and cost effective supply of electrical power and fuel is critical to our manufacturing facilities. For Fiscal 2021, 2022 and 2023, and six months ended September 30, 2022 and September 30, 2023, the power and fuel costs was ₹ 30.03 million, ₹ 37.58 million, ₹ 52.31 million, ₹ 25.79 million and ₹ 38.93 million, for each respective period accounted for 0.71%, 0.53%, 0.46%, 0.55% and 0.59% of our revenue from operations, respectively.

There may be power cuts in the supply provided by the respective state electricity boards from time to time and so we have stand-by captive generator sets and UPS system for our operations to ensure that there is no stoppage in our production. Power costs represent a significant portion of our operating costs. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power, we would not be able to immediately return to full production volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production.

44. We engage in foreign currency transactions, which expose us to adverse fluctuations in foreign exchange rates. Fluctuations in the exchange rate between the Rupee and other currencies may adversely affect our operating results.

A portion of our total revenues is denominated in currencies other than Indian Rupees. In Fiscal 2023, and six months ended September 30, 2023, exports to regions outside India accounted for 14.75% and 10.16% of our revenue from operations. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. As of September 30, 2023, none of our net foreign exchange exposure is hedged. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Although India remains our largest market, our sales to customers located outside India for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023 contributed to ₹ 1,078.48 million, ₹ 1,411.77 million, ₹ 1,661.50 million, ₹ 628.93 million and ₹ 668.74 million, and accounted for 25.64%, 19.99%, 14.75%, 13.31% and 10.16% of our total revenue from operations, respectively.

45. We are dependent on our Promoters, management team and a number of Key Managerial Personnel and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.

Our ability to compete depends upon our ability to attract, motivate, and retain qualified personnel. We are highly dependent on Ramesh Kunhikannan, our Managing Director, who has spearheaded our growth inside and outside India. We rely on the continued effort and services of some key members of our senior management. The loss of the services of our key personnel and any of our other executive officers, and our inability to find suitable replacements, could harm to our business and operations.

At times, we may experience, difficulty in hiring and retaining personnel with appropriate qualifications, and we may not be able to fill positions in a timely manner or at all or may need to implement measures such as salary cuts due to external reasons. As of September 30, 2023, we have 2,360 permanent employees. For Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, the attrition rate of our permanent employees was 18.05%, 28.57%, 12.62%, 26.77% (not annualised) and 13.93% (not annualised), respectively. We cannot guarantee that we will be able to recruit and retain qualified and capable employees. In addition, our recruiting personnel, methodology, and approach may need to be altered to address a wider, more diverse and changing candidate pool and profile. We cannot assure you that we will be able to do so in a timely and effective manner. We may also have to adapt to remote methods of talent management and engagement, especially due to nationwide lockdowns and geographic expansion. We may incur significant costs to attract and recruit skilled personnel, and we may lose new personnel to our competitors or other technology companies before we realize the benefit of our investment in recruiting and training them. As we move into new geographies, we will need to attract and recruit skilled personnel in those geographic areas, but it may be challenging for us to compete with traditional local employers in these regions for talent. If we fail to attract new personnel or fail to retain and motivate our current personnel who are capable of meeting our growing technical, operational, and managerial requirements on a timely basis or at all, our business may be harmed.

Our success depends on our ability to effectively source and staff people with the right mix of skills and experience to perform services for our customers, including our ability to transition personnel to new assignments on a timely basis. If we are unable to effectively utilize our personnel on a timely basis to fulfil the needs of our customers, our business could suffer.

46. ***We derive a portion of our revenues from operations and conduct business outside India and any adverse developments in these markets could adversely affect our business.***

Our business footprint spans across geographies and as of September 30, 2023, we serve customers across 18 countries and for Fiscal 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023, our revenue from operations from exports were ₹ 1,078.48 million, ₹ 1,411.77 million, ₹ 1,661.50 million, ₹ 628.93 million and ₹ 668.74 million, respectively, and accounted for 25.64%, 19.99%, 14.75%, 13.31% and 10.16% of our revenue from operations, respectively. For further information, see "*Our Business - Exports*" on page 210.

The markets in which we operate are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. Therefore, we may be subject to risks inherent in doing business in countries other than India, including: risks related to the legal and regulatory environment in non-Indian jurisdictions, including with respect to privacy and data, or repatriation of our revenues or profits from foreign jurisdictions to India; security, and unexpected changes in laws, regulatory requirements and enforcement; challenges caused by distance, language and cultural differences; health and security threats or the outbreak of an pandemic such as COVID-19; pricing pressures, fluctuations in the demand for or supply of our products or services; complex local tax regimes; higher costs associated with doing business in multiple markets; imposition of international sanctions on one or more of the countries in which we operate; potential damage to our brand and reputation due to compliance with local laws, including requirements to provide information to local authorities; fluctuations in currency exchange rates; political, social or economic instability; difficulties in managing global operations and legal compliance costs associated with multiple international locations; and exposure to local banking, currency control and other financial-related risks. Further, the regulatory regime in some of the territories we operate in continues to evolve at a rapid pace and may be unclear or inconsistent or open to conflicting interpretation.

Our failure to effectively react to these situations or to successfully introduce new products or solutions in these markets could adversely affect our business, prospects, results of operations and financial condition. Further, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies.

47. ***Failures in internal control systems could cause operational errors which may have an adverse impact on our profitability.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of our assets, optimal utilization of resources, reliability of our financial information and compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas.

While we believe that we have adequate controls, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. These factors may have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

48. ***We are subject to extensive government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, results of operations and cash flows may be adversely affected.***

We are subject to laws and government regulations, including in relation to safety, health and environmental protection. These safety, health and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials in relation to our manufacturing operations. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our facilities.

Because of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

We are also required to obtain and maintain a number of statutory and regulatory licenses, permits and approvals for carrying out our business including consents to establish and operate under environmental laws, which are granted for a limited duration and require renewal. While we apply for such approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected. There are certain approvals with respect to which we have applied for renewal. Failure to obtain and maintain any required approvals may have an adverse effect on our business, financial condition, results of operations and prospects and could lead to penalties and other sanctions being imposed by the relevant authorities. The approvals required by our Company are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to obtain, maintain or renew such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations, cash flows and financial condition may be adversely affected.

49. ***We have in this Preliminary Placement Document included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the Indian component manufacturing industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Preliminary Placement Document. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian component manufacturing industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Preliminary Placement Document.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 116.

50. We may be unable to adequately protect our intellectual property and may be subject to risks of infringement claims.

We have registered our brand name '*Kaynes Technology*' together with the logo KAYNES TECHNOLOGY under class 9 of the Trade Marks Act, 1999. As of the date of this Preliminary Placement Document, our Company together with our Subsidiary have been granted four trademark registrations. However, there can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property.

51. We are subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We are subjected to general market conditions which include significant price and volume fluctuations. The price of our Equity Shares has fluctuated since the initial public offering of the Equity Shares and may continue to fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors triggers the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

Since our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we are subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading and these restrictions may continue post listing of the Equity Shares, pursuant to the Issue. These restrictions may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

52. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

53. We have acquired leasehold property from KIADB which was originally leased to Kaynes Packaging, an entity in which Savitha Ramesh, our Chairperson, Promoter and Whole-Time Director was a partner.

In Fiscal 2020, our Company acquired leasehold property located at Plot No. 119 in Sy. No. 45 and 52 of Metagalli Village, Mysuru, Karnataka, India, from KIADB, which was originally leased to Kaynes Packaging, a partnership firm in which Savitha Ramesh, our Chairperson, Promoter and Whole-Time Director was a partner. This lease was granted to our Company with the approval of KIADB, the lessor, with a right to convert a freehold at the end of two years starting from June 18, 2019, provided certain conditions mentioned in the agreement were met. Currently, this property is occupied by the mechanical development team of our Company and also contains an industrial shed for our use. However, currently we do not possess the leasehold rights required to operate and/or continue operation on this property as the lease has expired and our Company has made a request for converting the lease to sale under the relevant provisions of the lease deed. KIADB has acknowledged this request and is currently in the process of completing the process of selling the relevant parcel of land from KIADB to our Company. Further, our Company has also made a request for converting this lease to sale under the relevant provisions of the lease deed which has been acknowledged by KIADB and is currently under process. For further information see "*Financial Information*" and "*- Certain of our manufacturing facilities, design facility, service centres and offices are located on leased premises."* on pages 283 and 74, respectively.

54. Our customers may engage in transactions in or with countries or persons that are subject to U.S. and other sanctions.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organisations also administer similar economic sanctions. We may enter into transactions with customers who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. There can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. If it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

External Risk Factors

55. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

56. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas which may lead to delay in projects in the gas sector, increase logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we sell our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus.

The outbreak of the COVID-19 pandemic have had a substantial impact on our operations, including:

- Temporary shutdown of our manufacturing facilities in Parwanoo, Himachal Pradesh; Manesar, Haryana; Mysuru, Karnataka; Bengaluru, Karnataka; and Chennai, Tamil Nadu, respectively, for several weeks in March, April and May 2020. In particular, during the national lockdown mandated by the Government of India from March 23, 2020 to May 23, 2020, our capacity utilization was impacted. Further regulatory restrictions relating to the pandemic interrupting our operations may also affect our ability to effectively manage our product inventory.

- Temporary closure of our design facilities, service centres, offices and decline in availability of workforce due to employees contracting the infection, rationalization of workforce, and restrictions on travel and movement due to lockdowns imposed by various state governments, affecting commute of employees to their places of work.

- Disruptions of the services we receive from third-parties including our suppliers and transportation and logistics partners, due to sporadic availability of raw ingredients, fluctuating and unpredictable demands, and disruptions in supply chain.

Due to temporary shutdown of our manufacturing facilities during the national lockdown mandated by the Government of India from March 23, 2020 to May 23, 2020, manufacture of products and consequent sales to our customers were impacted. Further, due to the impact of COVID-19 on the global supply chain, the cost of shipping through containers from China increased substantially thereby increasing our transportation cost and affecting our margins. Our trade payables increased from ₹ 954.32 million in Fiscal 2021 to ₹ 2,228.74 million in Fiscal 2023, and were ₹ 1,625.68 million and ₹ 2,644.35 million in the six months ended September 30, 2022 and September 30, 2023, respectively. Further, our trade receivables increased from ₹ 1,217.48 million as of March 31, 2021 to ₹ 2,270.66 million as of March 31, 2023 and were ₹ 2,025.31 million and ₹ 2,062.11 million as of September 30, 2022 and September 30, 2023, respectively. While the Government of India supported all industries by providing 10% increased credit limits at concessional rates, the disruption of work during these two months of lockdown adversely impacted our business operations.

As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

57. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.

Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

58. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.

Our Company's business and operations are governed by various laws and regulations. Our Company's business and financial performance could be materially adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to the business. The Government or state governments could implement new regulations and policies, which could require our Company to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our Company's business, prospects, financial condition and results of operations.

59. Financial and political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing Russia-Ukraine conflict and Israeli-Palestinian conflict could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Further, the ongoing diplomatic tension between India and Canada may impact the bilateral trade and economic relations between the two countries. If the tensions continue to escalate, it may adversely impact trade talks between the two countries, which in turn could hamper economic cooperation and limit business opportunities. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

60. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLMs or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a company incorporated under the laws of India and except Heinz Franz Moitzi, an Independent Director on our Board, all of our Directors are located in India. All of our fixed assets and Key Managerial Personnel and Senior Management are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India is not a party to any international multilateral treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges of a like nature, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law. For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 19.

61. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

Risks Relating to the Equity Shares and this Issue

62. Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares.

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "*Selling Restrictions*" on page 245. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this

Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Purchase Representations and Transfer Restrictions*" on page 253. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

63. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

64. Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months immediately preceding the date of transfer will be subject to long-term capital gains tax in India at the specified rate depending on certain factors, such as whether the sale is undertaken on or off a recognised stock exchange, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares.

65. After this Issue, the price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in this Issue.

The Issue Price will be determined by our Company, in consultation with the Book Running Lead Managers, based on Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The price at which the Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- our results of operations, financial condition and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;

- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our results of operations, financial condition or cash flows.

66. Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.

Our Company may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

67. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares—which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 256.

68. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, the Indian Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian Government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see " *The Securities Market of India*" on page 256.

69. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Application Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottees demat account with the depository participant could take approximately seven to 10 Working Days from the Issue Closing Date.

However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operation, financial condition and cash flows, or other events affecting the Bidders decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue.

The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

70. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

71. A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

72. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction.

Shareholders’ rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

73. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A non-U.S. corporation will be a PFIC if either (i) 75.0% or more of its gross income is passive income or (ii) 50.0% or more of the total value of its assets is attributable to assets, including cash that produce or are held for the production of passive income. Our Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Based on the current and expected composition of our Company’s and the Subsidiaries’ income and assets, our Company believes it was not a PFIC for fiscal year ended March 31, 2023, and does not expect to be a PFIC for the current year or any future years. However, no assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company’s and the Subsidiaries’ income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company’s PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up capital comprises 58,142,496 Equity Shares of face value of ₹10 each. The Equity Shares have been listed on BSE and on NSE. The Equity Shares are listed and traded on NSE under the symbol KAYNES and BSE under the scrip code 543664.

On December 15, 2023, the closing price of the Equity Shares on NSE and BSE was ₹ 2,580.45 and ₹ 2,582.90 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021:

BSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023	1,004.8	March 14, 2023	17,258	16.82	678.9	December 23, 2022	13,767	9.41	820.18
2022	NA	NA	NA	NA	NA	NA	NA	NA	NA
2021	NA	NA	NA	NA	NA	NA	NA	NA	NA

(Source: www.bseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.
NA: Please be informed that the listing of Kaynes Technology India Limited took place on November 22, 2022

NSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023	974.65	March 15, 2023	234,946	228.10	680.25	December 23, 2022	177,531	121.27	819.33
2022	NA	NA	NA	NA	NA	NA	NA	NA	NA
2021	NA	NA	NA	NA	NA	NA	NA	NA	NA

(Source: www.nseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.
NA: Please be informed that the listing of Kaynes Technology India Limited took place on November 22, 2022

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	**Number of Equity Shares Traded**		**Turnover (in ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
2023	3,188,046	41,164,181	2,474.23	31,957.37
2022	NA	NA	NA	NA
2021	NA	NA	NA	NA

(Source: www.bseindia.com and www.nseindia.com)
NA: Please be informed that the listing of Kaynes Technology India Limited took place on November 22, 2022

(ii) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹) (million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ million)
November 2023	2,524.80	November 12, 2023	6,598	16.55	2,329.55	November 1, 2023	23,038	52.52	2,449.10	119,251	288.71
October 2023	2,716.00	October 12, 2023	9,713	26.48	2,292.75	October 26, 2023	6,727	15.17	2,500.10	199,255	505.55
September 2023	2,293.30	September 29, 2023	13,913	31.89	1,910.10	September 6, 2023	9,923	19.19	2,081.02	265,741	556.52
August 2023	2,015.15	August 31, 2023	4,155	8.32	1,714.05	August 10, 2023	23,929	41.50	1,820.12	786,922	1,412.28
July 2023	1,849.10	July 26, 2023	12,860	23.97	1,551.90	July 3, 2023	10,122	15.71	1,730.10	436,134	748.55
June 2023	1,605.45	June 13, 2023	123,077	186.67	1,344.80	June 5, 2023	18,581	25.40	1,506.39	390,475	587.48

(Source: www.bseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a month, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

NSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ million)
November 2023	2,529.20	November 12, 2023	38,092	95.79	2,331.50	November 1, 2023	691,653	1,568.89	2,450.10	2,538,110	6,089.19
October 2023	2,713.70	October 12, 2023	151,663	413.25	2,291.55	October 26, 2023	170,454	383.64	2,500.32	3,396,786	8,624.93
September 2023	2,300.30	September 29, 2023	99,919	229.46	1,911.55	September 6, 2023	136,533	264.08	2,081.38	4,109,873	8,570.33
August 2023	2,014.25	August 31, 2023	342,509	686.57	1,719.25	August 10, 2023	242,823	420.94	1,820.63	5,957,247	11,125.48
July 2023	1,848.90	July 26, 2023	123,605	229.85	1,551.20	July 3, 2023	204,985	318.24	1,730.21	4,726,263	8,173.39
June 2023	1,600.50	June 13, 2023	276,382	433.27	1,339.70	June 5, 2023	173,125	237.07	1,505.96	5,068,821	7,709.88

(Source: www.nseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a month, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

(iii) The following table sets forth the market price on the Stock Exchanges on November 20, 2023 that is, the first working day following the approval dated November 18, 2023 of our Board of Directors for the Issue:

Date	BSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)
November 20, 2023	2,547.95	2547.95	2,400.00	2433.25	5,056	12.56

(Source: www.bseindia.com)

Date	NSE					
	Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
November 20, 2023	2,525.00	2,548.65	2,400.00	2,435.25	116,621	289.18

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds will aggregate up to ₹ [●] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹ [●] million, shall be approximately ₹ [●] million ("**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, we intend to utilise the Net Proceeds towards the following objects:

1. Part funding the cost of establishment of facility for the manufacture of Outsourced Semiconductor Assembly and Testing for Semiconductor Packages at Telangana ("**OSAT Facility**");
2. Part funding the cost of establishment of the Printed Circuit Board manufacturing facility at Karnataka ("**PCB Facility**"); and
3. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**").

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enable us to undertake the Objects contemplated by us in this Issue.

Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(in ₹ million)

S. No.	Particulars	Amount
1.	Part funding the cost of establishment of the OSAT Facility	7,567.11
2.	Part funding the cost of establishment of the PCB Facility	3,072.89
3.	General corporate purposes(1)	[●]
Total Net Proceeds(2)		[●]

(1) The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.
(2) To be determined upon finalisation of the Issue Price.

In the event of a change in the final Issue size, the amounts shown in the table above against each of the use of proceeds specified therein shall be modified basis the final Issue size in the Placement Document.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ million)

S. No	Particulars	Total estimated costs	Amount to be funded from Net Proceeds	Estimated amount to be deployed from the Net Proceeds in Fiscal 2024	Estimated amount to be deployed from the Net Proceeds in Fiscal 2025	Estimated amount to be deployed from the Net Proceeds in Fiscal 2026	Estimated amount to be deployed from the Net Proceeds in Fiscal 2027
1.	Part funding the cost of establishment of the OSAT Facility	20,471.46	7,567.11	603.17	2,260.36	2,805.77	1,897.81
2.	Part funding the cost of establishment of the PCB Facility	7,301.80	3,072.89	-	3,072.89	-	-
3.	General corporate purposes(1)		[●]	[●]	[●]		
Total Net Proceeds			[●]	[●]	[●]		

(1) The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

The OSAT Facility is expected to commence production by Fiscal 2025 and additional phases by Fiscal 2028. The PCB Facility is also expected to commence commercial production by Fiscal 2025. The proof of concept of the projects is expected by April 2024.

Our fund requirements, deployment of the Net Proceeds and the intended use of the Net Proceeds indicated above is based on (a) internal management estimates, current circumstances of our business plan and the prevailing market conditions, which are subject to change in the future; and (b) project reports dated December 18, 2023 obtained from K.L. Arun, Independent Chartered Engineer, in relation to the costing of civil works, plant and machinery and other expenses in relation to the OSAT Facility and the PCB Facility (each a "**Project Report**" and together, the "**Project Reports**"). However, the deployment of funds described herein, has not been appraised by any bank or financial institution or any other independent agency. For details of risk related to the OSAT Facility and PCB Facility, see "*Risk Factors*" on page 56. We may have to revise our fund requirements and deployment on account of a variety of factors such as our financial condition, business and growth strategy and external factors such as market conditions, regulatory climate, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with the applicable laws.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals, additional equity and/or debt arrangements. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities, if required, in accordance with applicable laws. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Details of Objects

1. The OSAT Facility and the PCB Facility

We are in the process of expanding our manufacturing capabilities by setting-up of OSAT manufacturing facilities, at an estimated cost of ₹ 28,496.34 million. The first phase is proposed to be established at Kongara Kalan Industrial Park, Telangana, for an estimated cost of ₹ 20,471.46 million, which will support customers worldwide with various types of packages including but not limited to in QFN / QFN stack die, SOT, flip chip ball grid array and TO220. This phase is proposed to be part-financed from the Net Proceeds.

Further, we also propose to expand our capabilities to manufacture in-house bare printed circuit boards for an estimated cost of ₹ 13,957.49 million. The first phase is being established at Mysuru, Karnataka, for an estimated cost of ₹ 7,301.80 million, which will manufacture advanced high density interconnect PCBs. This phase is proposed to be part-financed from the Net Proceeds.

We believe that by incorporating OSAT and PCB fabrication capabilities into our operations, we are strategically positioned to deliver comprehensive and integrated solutions to customers. This proposed vertical integration will allow us to be involved in the entire electronics supply chain, spanning across wafer fabrication to end-user product. The synergy between these two aspects will not only enhance our ability to meet customer demands but is also expected to yield significant cost efficiencies and superior quality control. This approach will empower us to optimize each stage of the production process, ensuring a seamless and high-quality end-to-end experience for customers. We believe that once the OSAT and PCB Facilities commence operations, we will be able to provide semiconductor components, ensuring that customers can meet their production requirements thereby safeguarding them from vulnerabilities associated with component availability.

The OSAT Facility shall be housed under our step down subsidiary Kaynes Semicon Private Limited ("**KSPL**") and the PCB Facility shall be housed under our wholly owned step down subsidiary Kaynes Circuits India Private Limited ("**KCIPL**"). We shall invest, in aggregate, the Net Proceeds, net of costs allocated towards General Corporate Purposes, as mentioned above, into KSPL and KCIPL, through equity or debt or a combination of both as may be mutually decided, in order for such companies to execute such projects in the manner described in this section. The actual mode of such deployment has not been finalised as on date.

As per the Project Reports, the capacity of the OSAT Facility is estimated to be 3,620 million packages per year and the capacity of the PCB facility is estimated to be 300,000 square meter per annum.

The balance amount required for establishing the OSAT Facility and the PCB Facility, net of the Subsidies, shall be financed from a mix of debt and internal accruals. For details of such Subsidies, see "– *Subsidies"* on pages 102 and 103.

A. Cost of establishment of the OSAT Facility

The total estimated cost for setting up of the OSAT Facility is ₹ 20,471.46 million. We intend to fund the estimated cost for the OSAT Facility in the manner set forth below:

Particulars	Estimated amount (Rs. In million)
Total cost (A)[1]	20,471.46
(less) amount deployed till November 30, 2023[2] (B)	483.09
Balance cost yet to be spent (C) = A – B	19,988.37
Amount to be funded from the Net Proceeds (D)	7,567.11
Funding required excluding the Net Proceeds (E) = (C– D)[3]	12,421.26

(1) As certified in the Project Report
(2) As certified by M/s. K.P. Rao & Co., Chartered Accountant by way of their certificate dated December 18, 2023.
(3) Such balance funds, net of the Subsidies, shall be funded from a mixture of debt and internal accruals, as applicable.

Break-up of estimated cost of the OSAT Facility

The total estimated cost of the OSAT Facility comprises the following:

(Rs. In million)

Sr. No.	Particulars	Total estimated cost[1]	Amount deployed as of November 30, 2023[2]	Balance amount
1.	Land	483.09	483.09	-
2.	Building	1,856.34	-	1,856.34
3.	Machineries	17,436.77	-	17,436.77
4.	Computers, IT expenses, technical fees and other expenses	695.26	-	695.26
	Total	**20,471.46**	**483.09**	**19,988.37**

(1) Includes contingency cost.
(2) As certified by M/s. K.P. Rao & Co., Chartered Accountant by way of their certificate dated December 18, 2023.

Detailed break-up of the estimated cost

1. *Details of land on which the OSAT Facility is proposed to be established*

   The OSAT Facility is proposed to be established in Kongara Kalan Industrial Park, Telangana. KSPL has purchased 46 acres of land from the Government of Telangana in the Kongara Kalan Industrial Park. The total cost of such land acquisition and other related charges is Rs. 483.09 million. KSPL has paid the consideration in full and has received the provisional land allotment letter. However, the land is yet to be registered in KSPL's name.

2. *Cost of construction of the building*

   The OSAT Facility is proposed to have housed in a facility, spread across 16,000 square meters. The OSAT Facility buildings would comprise of four units, which include building costs, firefighting systems, RCC water tanks, specialized electrical and mechanical works, etc. The cost also includes consultancy fee, tax expenses and contingency costs. As per the quotation dated November 24, 2023 received from Aedium Design Pvt Ltd, the independent architect of the OSAT Facility, the detailed break-up of the cost of building construction for the facility is set forth below:

Sr. No.	Particulars	Estimated cost (in ₹ million)
1.	Cost of construction of the factory	1,409.69
2.	Architectural & engineering design consultancy fee	14.10
3.	Project management consultancy fee	14.10
4.	Tax expenses	258.82
5.	Contingency	159.64
	Total	**1,856.34**

3. *Cost of plant and machinery*

The cost of plant and machinery of the OSAT Facility include cost of machinery, cost of building reliability labs, ATE machines and SMT machines, the details of which are set forth below:

a. Machineries

Sr. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier/ vendor	Date of quotation
1.	Post LF de-taping and pre-LF taping	285.36	Altramation Manufacturing Group Sdn. Bhd.	November 7, 2023, December 14, 2023
2.	Die attach and soft solder DA attach	2,647.78	ASMPT Singapore Pte. Ltd.	October 12, 2023
3.	EpoxyCure, PMC, post plate baking and pre-mold bake	214.07	Despatch	October 19, 2023, November 18, 2023
4.	Wafer backgriding	328.00	Disco HI-Tec (M) SDN, BHD	NA
5.	2D Marking, Laser top mark, pre-mold plasma clean, pre-wire bond plasma clean	1,438.85	E&R Engineering Corporation	October 11, 2023, November 27, 2023
6.	Ball mount, deflash, flux clean, post reflow clean, substrate clean	294.27	Ecsal Technologies Pte Ltd	October 9, 2023, October 16, 2023, December 15, 2023,
7.	Saw singulation	1,250.50	Hamni Semiconductor Co., Ltd	November 2, 2023
8.	Mold	1,894.20	I-Pex Inc.	October 10, 2023
9.	Wire bond	2,976.21	Kaijo Corporation	September 29, 2023
10.	UV curing, Wafer taping	82.75	Lintec Advanced Technologies (Singapore) Pte. Ltd	December 5, 2023
11.	DTFS	667.74	Nextool Technology Co. Ltd.	October 9, 2023
12.	Component pick and place, reflow, Screen print	28.64	NMTronics (India) Pvt. Ltd.	October 9, 2023
13.	BGA Final Scanning, Flip Chip Attached	30.34	PCI Autotronics Pvt. Ltd.	October 10, 2023
14.	Wafer Saw	1,379.76	SR Co. Ltd.	October 5, 2023
15.	PbFreePlating	239.44	Technic Future Automation Pte Ltd.	December 15, 2023
16.	Solder Inspection	4.29	Test & Research India Pvt. Ltd.	October 9, 2023
17.	Epoxy/DAF Cure, Substrate Pre-bake	12.87	Thermal Product Solutions, LLC	October 3, 2023
18.	Scanning	892.16	Vitrox Technologies SDN, BHD	October 25, 2023
19.	Wafer De-Taping, WaferMount	284.38	Waftech SDN, BHD	October 19, 2023
20.	Airblow	8.20	Estimate	-
21.	Contingency	1,407.52	Internal estimate	-
22.	**Total**	**16,367.35**		

(1) *There are multiple quantities of machinery for which quotes have been sought. The estimated cost includes the total cost, inclusive of multiple quantities of each machine part.*

b. Reliability labs

Sr. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier/ vendor	Date of quotation
1.	Reflow Machine - 10 Zone	11.15	BTU International	October 4, 2023
2.	Micro Polish	3.34	Buehler	November 4, 2023
3.	Xray	26.24	iNETest Technologies India Pvt. Ltd.	October 5, 2023
4.	2nd opt QA Gate, 3rd Opt Gate, Die Attach RTI, High Power Scope, Low Power Scope, Wire Bond RTI	17.03	IR Technology Services Pvt. Ltd.	October 16, 2023, October 30, 2023
5.	SEM EDX	83.64	Jeol India Pvt. Ltd.	November 3, 2023
6.	Baking Oven, HTS Oven	4.14	Jost's Engineering Company Limited	October 5, 2023

Sr. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier/ vendor	Date of quotation
7.	Curve Tracer	4.85	Keysight Technologies India Private Limited	October 25, 2023
8.	Die Attach RTI	16.59	Millice Private Limited	October 30, 2023
9.	HAST Chamber	9.84	SAM Technologies	December 16, 2023
10.	Scanning Acoustic Mchine	24.89	Sonix Inc.	October 23, 2023
11.	Precond Chamber, Temperature Cycle Chamber	22.26	Weiss Technik India Pvt. Ltd.	October 12, 2023 October 16, 2023
12.	Contingency	21.07	Internal estimate	
	Total	**245.04**		

c. ATE machinery

Sr. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier/ vendor	Date of quotation
1.	V93000 SOC series system – network processor on smartscale	407.94	Advantest	November 29, 2023
2.	V93000 SOC series system – ethernet switch on smartscale	106.33	Advantest	November 29, 2023
3.	Latest proper model for 12" and 8" wafers testing	96.43	Tokyo Electron Limited	December 7, 2023
4.	Contingency	57.46	Internal estimate	-
	Total	**668.16**		

(1) There are multiple quantities of machinery for which quotes have been sought. The estimated cost includes the total cost, inclusive of multiple quantities of each machine part.

d. SMT machinery

Sr. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier/ vendor	Date of quotation
1.	Cooling Buffer, Inspection Conveyor, Laser Marker, Link Conveyor, Magazine Loader, Magazine Unloader NG Buffer, PCB Cleaner, PCB Flipper Pick & Place, Printer, Reflow, Reject conveyor, Vacuum Loader	90.61	NMTronics (India) Pvt. Ltd.	December 12, 2023 & November 29, 2023
2.	AOI, SPI	23.37	Test & Research India Pvt. Ltd.	November 24, 2023
3.	Contingency	10.72	Internal estimate	
4.	**Total**	**124.71**		

4. Cost of computers, IT expenses, building improvement, technical knowhow fees and other expenses

Sr. No.	Particulars	Estimated cost (in ₹ million)(1)	Name of supplier/ vendor	Date of quotation
1.	Office cubicle	25.48	Wintech Corporate Solutions	December 12, 2023
2.	Technical knowhow	43.57	Globetronics, UST and Mixx Tech	-
3.	Computers and office equipment	626.21	Sureworks Infotech Pvt. Ltd.	December 13, 2023
	Total	**695.26**		

(1) The cost includes contingencies

5. Other miscellaneous expenses

As per the Project Report, the OSAT Facility would require utilities such as electricity connection and water. The electricity power requirements are estimated to be ~3 lac units (KWH) and is expected to increase to 30 lakh units (KWH). 60 units per square meter. The expected connected load is expected to be sourced from the State Government.

We require ~200 kilo litres per day to ~2 mega litres per day of raw water for the OSAT Facility and would be met from municipal and corporation water supply as well as from borewells. We also require deionized water, which will be sourced from a plant which we propose to establish. The cost of such establishment has been budgeted in the building cost and any incremental expenses has been factored in the contingency cost.

Government approvals

We require certain approvals for the OSAT Facility, which includes approvals under various pollution control legislations, safety regulations, labour laws and other applicable laws. Such approvals are required at various stages of construction and shall be applied for in the ordinary course. No land related approvals are required for commencement of construction.
Subsidies

The OSAT Facility is eligible to avail of benefits under the India Semiconductors Mission of the Government of India, which allows us to claim benefits of 50% of the total cost of building & plant and machinery. Once the cost of building and plant & machinery is approved by the authority, the total cost of building and plant & machinery is jointly funded in equal amounts by us and the Government.

The OSAT Facility is also eligible to receive benefits from the Government of Telangana, which allows us to claim benefits of 25% of the total cost of building and plant & machinery. Post expenditure, we are entitled to claim back 25% of such cost from the government.

B. Cost of establishment of the PCB Facility

The total estimated cost for setting up of the PCB Facility is ₹ 7,301.80 million. We intend to fund the estimated cost for the PCB Facility as follows:

Particulars	Estimated amount (Rs. In million)
Total cost (A)[1]	7,301.80
(less) amount deployed till November 30, 2023 (B)[2]	-
Balance cost yet to be spent (C) = A – B	7,301.80
Amount to be funded from the Net Proceeds (D)	3,072.89
Funding required excluding the Net Proceeds (E) = (C– D)[3]	4,228.91

(1) As certified in the Project Report
(2) As certified by M/s. K.P. Rao & Co., Chartered Accountant by way of their certificate dated December 18.
(3) Such balance funds, net of the Subsidies, shall be funded from a mixture of debt and internal accruals, as applicable.

Break-up of estimated cost of the PCB Facility

The total estimated cost of the PCB Facility comprises the following:

(Rs. In million)

Sr. No.	Particulars	Total estimated cost	Amount deployed as of November 30, 2023[1]	Balance amount
1.	Land	154.59	-	154.59
2.	Building	1,694.61	-	1,694.61
3.	Building utilities	373.08	-	373.08
4.	Machinery	4,953.90	-	4,953.90
5.	Miscellaneous	125.62	-	125.62
	Total	**7,301.80**	**-**	**7,301.80**

(1) As certified by M/s. K.P. Rao & Co., Chartered Accountant by way of their certificate dated December 18, 2023.

Detailed break-up of the estimated cost

1. *Details of land on which the PCB Facility is proposed to be established*

   The PCB Facility is proposed to be established in Kochanahalli Electronics Manufacturing Cluster (KEMC), Mysuru, Karnataka. The Government of Karnataka has accorded in-principle approval for the allocation of 20 acres of land in the KEMC to KCIPL. As per the Project Report, the total cost of such land acquisition and other related charges is estimated to be Rs. 154.59 million. KCIPL is yet to make any payments for such land and such land is yet to be formally allotted and transferred to KCIPL. Such payments would be from our internal accruals and no component of the Net Proceeds would be used for such land acquisition.

2. *Cost of construction of the building*

The PCB Facility is proposed to be housed in a facility spread across 25,000 square meters. The cost of establishment would include site development, building cost for three floors, RCC water tank, elevators and other ancillary works. The detailed break up of the cost of building construction for all units is set forth below:

Sr. No.	Particulars	Estimated cost (in ₹ million)
1.	Building cost	1,494.64(1)
2.	Architectural & engineering design consultancy fee	22.42(1)
3.	Project management consultancy fee	17.64(1)
4.	Contingency	159.92(2)
	Total	**1,694.61**

(1) As per the quotation from Aedium Design Pvt Ltd dated November 24, 2023.
(2) As per the Project Report

3. *Building utilities*

Building utilities include fire fighting systems, fire alarms and specialized E&M works. The cost of such building utilities is estimated to be Rs. 373.08 million, which has been estimated basis quotations dated 24 November 24, 2023, from Aedium Design Pvt Ltd.

4. *Cost of machinery*

The cost of the machinery for the PCB Facility is estimated to be Rs. 4,953.90 million, which has been estimated basis quotations dated November 25, 2023 from Bergen. Such machineries include developers, exposures, etching, solder mask, layup, lamination, platting, routing, testing, marking & packing machines.

5. *Other miscellaneous expenses*

As per the Project Report, the PCB Facility would require utilities such as electricity connection and water. The electricity power requirements are estimated to be ~60 units per square meter. The expected connected load will be 2500 KVA, which is expected to be sourced from the State Government.

Raw water is a process agent required for processing the PCB. We require 1,000 KLD water for the PCB Facility and would be met from municipal and corporation water supply as well as from borewells. We would also require filtered water in the plant, which would be sourced from an RO plant. The cost of such establishment has been budgeted in the building cost and any incremental expenses has been factored in the contingency cost.

Government approvals

We require certain approvals for the PCB Facility, which includes approvals under various pollution control legislations, safety regulations, labour laws and other applicable laws. Such approvals are required at various stages of construction and shall be applied for in the ordinary course.

Subsidies

The PCB Facility is eligible to avail of benefits under the Scheme of Manufacturing of Electronic Components and Semiconductors by the Ministry of Electronics and Information Technology. This subsidy allows us to claim 25% of the total cost of plant & machinery from the central government.

It is also eligible to apply for benefits under the Electronic System Design and Manufacturing policy of the Government of Karnataka. This subsidy allows us to claim 20% of the total cost of plant & machinery from the state government.

2. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds, that is ₹ [●], towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated

December 13, 2022, issued by BSE. Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any additional capital expenditure, repayment or prepayment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses in relation to our proposed capital expenditure, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"), as the size of our Issue exceeds ₹ 1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the Net Proceeds have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Neither our Promoters nor our Directors will make any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at September 30, 2023 which has been derived from our Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results and as adjusted to give effect for the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 111 and 283, respectively.

(₹ in million)

Particulars	Pre – Issue	Post – Issue
	As at September 30, 2023 (A) (Un adjusted)	**As Adjusted****
Borrowings:		
Deposits	-	[●]
Debt Securities	-	[●]
Borrowings (consists of non – current borrowings, current borrowings, current maturity of non-current borrowings, current maturity of deferred payment liabilities but excludes payable for share purchase)	2,592.14	[●]
Subordinated Liabilities	-	[●]
Total indebtedness (A)	**2,592.14**	[●]
Equity		
Equity Share capital	595.36	[●]
Other Equity	9,577.63	[●]
Total Equity (B)	**10,172.99**	[●]
Total Capitalization (C = A+B)	**12,765.13**	**[●]**
Total Indebtedness/ Total Equity	**0.25**	**[●]**

The above terms in the table shall carry the meaning as per Division II of Schedule III of the Companies Act, 2013

*** To be updated upon finalization of the price.*

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹ million, except share data)

	Particulars	Aggregate nominal value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	70,000,000 Equity Shares of face value of ₹10 each	700.00
	2,000,000 Preference Shares of face value of ₹10 each	20.00
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	58,142,496 Equity Shares of face value of ₹10 each	581.42
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating to ₹[●] million(1)(2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of face value of ₹10 each	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of this Preliminary Placement Document)	6,591.92
	After the Issue(2)(3)	[●]

(1) This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on November 18, 2023. The Shareholders' of our Company have authorised and approved the Issue by way of a special resolution in their extraordinary general meeting held on December 16, 2023

(2) To be determined upon finalisation of the Issue Price

(3) The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses

Notes to the Capital Structure

1. ***Equity Share capital history of our Company***

The history of the equity share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 20, 2008	10,000	10	10	Cash	Subscription to the Memorandum of Association	10,000	100,000
May 31, 2008	990,000	10	61.02	Other than Cash#	Pursuant to the takeover of Kaynes Technology, a proprietary concern, by our Company	1,000,000	10,000,000
March 12, 2011	1,500,000	10	N.A.	N.A.	Bonus issue of Equity Shares in the ratio of 3:2	2,500,000	25,000,000
September 1, 2012	2,450,000	10	N.A.	N.A.	Bonus issue of Equity Shares in the ratio of 0.98:1	4,950,000	49,500,000
April 4, 2016	150,000	10	100	Cash	Rights issue in the ratio of 150,000: 4,950,000	5,100,000	51,000,000

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
September 21, 2017	1,699,992	10	N.A.	N.A.	Bonus issue of Equity Shares in the ratio of 1:3	6,799,992	67,999,920
June 24, 2020	10	10	249.99	Cash	Private placement	6,800,002	68,000,020
October 22, 2021	10	10	600	Cash	Private placement	6,800,012	68,000,120
December 25, 2021	10	10	600	Cash	Private placement	6,800,022	68,000,220
December 25, 2021	55,605	10	N.A.	N.A.	Bonus issue of Equity Shares in the ratio of 11,121 Equity Shares: 95,998 CCPS	6,855,627	68,556,270
December 25, 2021	69,508	10	N.A.	N.A.	Bonus issue of Equity Shares in the ratio of 17,377 Equity Shares: 150,000 CCPS Series A	6,925,135	69,251,350
December 27, 2021	332,415*	10	N.A.	Cash (₹250 paid for each CCPS at the time of subscription)	Allotment pursuant to conversion of 479,990 CCPS	7,257,550	72,575,500
December 27, 2021	435,451	10	N.A.	Cash (₹250 paid for each CCPS Series A at the time of subscription)	Allotment pursuant to conversion of 600,000 CCPS Series A	7,693,001	76,930,010
February 25, 2022	38,465,005	10	N.A.	N.A.	Bonus issue of Equity Shares in the ratio of 5:1	46,158,006	461,580,060
October 12, 2022	409,668	10	N.A.	Cash (₹600 paid for each CCPS Series B at the time of subscription)	Allotment pursuant to conversion of 250,000 CCPS Series B	46,567,674	465,676,740
October 12, 2022	136,554	10	N.A.	Cash (₹600 paid for each CCPS Series B at the time of subscription)	Allotment pursuant to Conversion of 83,323 CCPS Series B	46,704,228	467,042,280
October 12, 2022	70,548	10	N.A.	Cash (₹600 paid for each CCPS Series C at the time of subscription)	Allotment pursuant to conversion of 45,823 CCPS Series C	46,774,776	467,747,760
October 12, 2022	1,439,237	10	555.85	Cash	Private placement (Pre-IPO Placement)	48,214,013	482,140,130
October 15, 2022	899,523	10	555.85	Cash	Private placement (Pre-IPO Placement)	49,113,536	491,135,360
November 18, 2022	9,028,960	10	577.00	Cash	Allotment due to initial public offering	58,142,496	581,424,960

Employee Stock Option Plan

Pursuant to the resolutions of our Board and Shareholders', each dated January 12, 2022, as amended *vide* Board resolution dated March 31, 2022 and Shareholders' resolution dated April 1, 2022, our Company instituted the "*Kaynes ESOP 2022*" ("**ESOP Scheme 2022**") to provide for the grant of options to employees of our Company who meet the eligibility criteria under the ESOP Scheme 2022. The ESOP Scheme 2022 envisaged grant of employee stock options convertible into not more than 153,860 fully paid-up Equity Shares. Subsequently, our Company issued a bonus issue in the ratio of 5:1 pursuant to which the quantum of options that could be granted under the ESOP Scheme 2022 increased to 923,160 employee stock options. Further, the ESOP Scheme 2022 also contemplates a statutory minimum vesting period of one year to maximum of five years from the date of grant of options. As on the date of this Preliminary Placement Document, our Company has granted 923,160 employee stock options under the ESOP Scheme 2022.

Further, pursuant to a resolution of our Board dated October 31, 2023 and subject to the approval of the Shareholders', our Company instituted the "*Kaynes ESOP 2023*" ("**ESOP Scheme 2023**") for the grant of 581,357 employee stock options convertible into not more than 581,357 fully paid-up Equity Shares. As on the date of this Preliminary Placement Document, our Company has not granted any employee stock options under the ESOP Scheme 2023.

The ESOP Scheme 2022 and the ESOP Scheme 2023 are in compliance with the SEBI SBEB Regulations.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, see "*Details of Proposed Allottees*" on page 542.

Pre-Issue and post-Issue equity shareholding pattern

The following table provides the pre-Issue shareholding pattern as of September 30, 2023 and the post-Issue shareholding pattern:

S. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual	36,963,533	63.57	36,963,533	63.57
	Bodies corporate	-	-	-	-
	Sub-total	**36,963,533**	**63.57**	**36,963,533**	**63.57**
2.	Foreign promoters	-	-	-	-
	Sub-total (A)	**36,963,533**	**63.57**	**36,963,533**	**63.57**
B	**Non Promoter holding**				
1.	Institutional investors	15,147,605	26.05	[●]	[●]
2.	Non-Institutional investors	826,776	1.42	[●]	[●]
	Private corporate bodies	-	-	[●]	[●]
	Directors and relatives	-	-	[●]	[●]
	Indian public	3,838,997	6.60	[●]	[●]
	Others including Non- resident Indians (NRIs)	1,365,585	2.35	[●]	[●]
	Sub-total (B)	**21,178,963**	**36.43**	[●]	[●]
	Grand Total (A+B)	**58,142,496**	**100.00**	[●]	[●]

^*Based on beneficiary position data of our Company as on September 30, 2023.*
**The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
***Includes shareholding of our Promoter Group as well.*

Other confirmations

(i) Our Promoters, Directors, Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue.

(ii) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice to our Shareholders, i.e., November 23, 2023, for approving the Issue.

(iii) Except as disclosed under "*– Employee Stock Option Plan*", there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

(iv) As on the date of this Preliminary Placement Document, our Company does not have outstanding preference shares.

(v) There would be no change in control in our Company consequent to the Issue.

(vi) Our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on February 21, 2022, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see the section titled "*Description of the Equity Shares*" on page 260.

Dividend on Equity Shares

Our Company has not declared any dividend on the Equity Shares in respect of Fiscals 2023, 2022 and 2021. Further there are no dividends that have been declared but are yet to be paid out by our Company for Fiscal 2024 since April 1, 2023 until the date of this Preliminary Placement Document.

Dividend on CCPS

We had recognised an amount of ₹0.15 million as a contingent liability in Fiscal 2022, as cumulative dividend to be paid on preference shares. For further details, see "*Financial Information*" on page 283. Such dividends were required to be paid pursuant to the terms of the CCPS. However, such investors had subsequently waived their right to receive any dividend on the CCPS held by them. Consequently, we did not declare dividend on our CCPS in Fiscal 2022 or Fiscal 2023. Such CCPS were converted into Equity Shares on December 27, 2021 and October 12, 2022 and we eliminated this contingent liability from our financial statements in subsequent periods.

Future Dividends

The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, working capital requirements, capital expenditure requirements, requirement of resources to fund acquisitions/ and or new business, requirement of cash flow to meet contingencies, outstanding borrowings, past dividend trends, prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws and dividend pay-out ratios of companies in the same/ similar industry and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared after Allotment.

Please also see the sections titled "*Taxation*" and "*Risk Factors*" on pages 264 and 56, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 56, 283 and 111, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, 2022 and 2023 has been derived from our Audited Consolidated Financial Statements beginning on page 330. The financial information included in this section as of and for the six months ended September 30, 2022 and 2023 has been derived from our Unaudited Interim Condensed Consolidated Financial Statements beginning on page 284. See, "Financial Information" on page 283. The Unaudited Interim Condensed Consolidated Financial Statements of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements. Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Kaynes Technology India Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Kaynes Technology India Limited on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry Report on Indian ESDM Market – Focus on OSAT and BARE PCB Markets" dated December 14, 2023 (the "**F&S Report**"), prepared and issued by Frost & Sullivan (India) Private Limited. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by Frost & Sullivan (India) Private Limited exclusively commissioned and paid for by us for such purpose." on page 76. Also see, "Industry and Market Data" on page 15.*

OVERVIEW

We are an end-to-end integrated and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of electronics system design and manufacturing ("**ESDM**") services. We have experience in providing conceptual design, process engineering, integrated manufacturing and life-cycle support for major players in the automotive, industrial including electric vehicle ("**EV**"), aerospace, outer-space and strategic electronics, medical, railways, Internet of Things ("**IoT**"), Information Technology ("**IT**"), and IT hardware – high performance computing servers ("**HPCS**").

Our business is classified based on the stage of services that we provide to our customers. We classify our operations primarily under the following business verticals:

*OEM – Turnkey Solutions – Box Build ("**OEM – Box Build**")*: We undertake "Build To Print" or "Build to Specifications" of complex box builds, sub-systems and products across various industry verticals.

*OEM – Turnkey Solutions – Printed Circuit Board Assemblies ("**PCBAs**") ("**OEM – Turnkey Solutions**")*: We undertake turnkey electronics manufacturing services of PCBAs, cable harness, magnetics and plastics ranging from prototyping to product realization including mass manufacturing.

ODM: We offer ODM services in smart metering technology, smart street lighting, brush less DC ("**BLDC**") technology, inverter technology, gallium nitride based charging technology and providing IoT solutions for making smart consumer appliances or devices IoT connected.

Product Design and Engineering and IoT Solutions: We offer conceptual design and product engineering services in industrial and consumer segments. Our services include PCB cladding or electrical schematics to embedded design and submitting proof of concept to prototyping. We also offer connected product engineering and solutions. We have a portfolio of hardware, software accelerators and proprietary sensors along with cloud platform based service and solution offerings in asset tracking, remote device management and smart product development. Our digital engineering offerings leverage latest technologies including IoT, big data, machine learning, cloud and media to improve customers' efficiency. We also provide end-to-end IoT and cloud enablement solutions and offer IoT data and analytics platform and vertical IoT solutions.

The table below shows our revenue from operations across various business verticals for the periods indicated:

Services	Fiscal						Six months ended September 30			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
OEM – Turnkey Solutions – Box Build	1,276.25	30.34%	1,988.21	28.15%	3,322.36	29.50%	1,366.16	28.92%	2,629.59	39.96%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	2,509.07	59.65%	4,436.19	62.81%	7,008.48	62.24%	2,894.35	61.26%	3,532.97	53.69%
ODM	184.21	4.38%	278.04	3.94%	381.32	3.39%	185.67	3.93%	168.32	2.56%
Product Engineering and IoT solutions	236.74	5.63%	360.06	5.10%	548.99	4.88%	278.18	5.89%	249.33	3.79%
Total	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**11,261.14**	**100.00%**	**4,724.36**	**100.00%**	**6,580.22**	**100.00%**

We operate 10 strategically located manufacturing facilities across India with eight of them being operated by our Company in the states of Karnataka (four facilities, namely, Mysuru – Unit I, and Unit – II, Bengaluru – Unit I and Unit II), Haryana (Manesar – Unit I and Unit - II), Himachal Pradesh (one facility at Parwanoo), and Tamil Nadu (one facility at Chennai); and two manufacturing facilities operated by our Subsidiaries, at Chamarajanagar, Karnataka (operated by our Subsidiary Kaynes Electronics Manufacturing Private Limited); and Mysuru, Karnataka (operated by our Subsidiary Kaynes International Design & Manufacturing Private Limited). We have recently completed phase-I of our new manufacturing facility at Chamarajanagar, Karnataka which commenced commercial operations on May 5, 2023. Our facilities are located in proximity to our customers, allowing us to service their requirements efficiently and cost-effectively. Certain of our manufacturing facilities are approved under the Electronics Hardware Technology Park Scheme of Software Technology Park of India, Bengaluru and 100% Export Oriented Unit Scheme of Madras Export Processing Zone, Chennai, Tamil Nadu that offer incentives similar to a special economic zone. As of September 30, 2023, our manufacturing infrastructure also included two design facilities at Bengaluru, Karnataka and Ahmedabad, Gujarat and two service centres at Navi Mumbai, Maharashtra and Kochi, Kerala.

We lay significant emphasis on research and development. This has enabled us to address our consumers' diverse needs, enhance existing products with emerging technologies, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. We have a dedicated research and development facility located within our facility at Mysuru, Karnataka – Unit – I and a separate research and development facility located at Ahmedabad, Gujarat. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities and original design manufacturing capabilities. As of September 30, 2023, our research and development team comprised 28 employees, including engineers, designers and other workers.

Over the years, we have focused on creating robust manufacturing systems and processes that comply with health and safety, as well as environmental and social and governance requirements. Our operations comply with global standards and our facilities have 12 global accreditations. We are an ISO 9001/14001/45001 BVCI certified company. Our facilities are approved by global product certification agencies including Underwriters Laboratories, Canadian Standards Association and TUV Rhineland. In addition, we have separate vertical specific certifications including EN/AS 9100 for defence and aerospace products, International Railway Industry Standard ("**IRIS**") (ISO/TS 22613) for railway signalling, IATF 16949 for automotive, and ISO:13485 for medical systems. We have also been recognized in the "*Great Place to Work India*" list in February 2023. Further, we were a manufacturing partner for soft landing of Chandrayaan-3 and launch of Aditya-L1 missions.

We have long-term relationships with a large customer base diversified across verticals and geographies. In the six months ended September 30, 2023, we served 278 customers in 18 countries globally and multiple industry verticals such as automotive, aerospace, outer-space and strategic electronics, industrial including EV, railways, medical, IT / ITES and HPCS. We collaborate with our customers through the entire product life-cycle and after-sales and end-of-life services including assisting with concept creation, product development, prototyping, testing and mass manufacturing. This results in customers shortening their product development and time-to-market cycles. We are well positioned to increase the number of different products that we manufacture for them, increase the volume of our shipments to them of each particular product and expand our coverage to other areas where they require similar solutions.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We believe that the below mentioned factors have significantly affected our results of operations, costs and financial conditions during the periods under review, and may continue to affect our results of operations and financial condition in the prospective future:

Revenue from key customers

We depend on certain key customers for a substantial portion of our revenues. Our customers typically have specific requirements and accordingly, maintaining close relationships with our key customers is critical part of our business strategy and to the ongoing growth of our operations.

The demand for our products and services from our key customers has a significant impact on our results of operations and financial condition. In the event that we lose one or more of our key customers or if the amount of business we receive from them is reduced for any reason, our cash flows and results of operations may be affected. Our arrangements with our customers include terms relating to product specifications, delivery schedule, and warranties and pricing policy and also require us to meet certain standards and performance obligations. Our key customers also provide us with annual operating plan and enter into scheduling agreements only for the purposes of providing non-binding information for production and manufacturing planning. Based on these arrangements, our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months. Our failure to meet such specifications could result in a reduction of business from them, termination of contracts or additional costs and penalties, all of which may adversely impact our results of operations and financial condition.

Of the customers contributing 80.00% of our revenue from operations for the six months ended September 30, 2023, 56.59% of our customers (by value) have been associated with us for over seven years and accounted for 47.32%, 50.63%, 54.46%, 57.62% and 45.38%, respectively, of our revenue from operations, respectively. Although we have long standing relationships with several customers and in several instances, we engage closely with our customers from concept to delivery. It is difficult for us to predict with certainty when our customers will decide to increase or decrease inventory levels or levels of production, which strategic direction they will pursue, or whether future orders will be consistent with historical orders. Any increases or decreases in the orders and activity by our customers, in turn, are likely to have an effect on our revenues and our results of operations.

Availability and cost of raw materials

Majority of our raw materials and components are imported and are accordingly impacted by any change in global price indices leading to significant impact on the prices of raw materials purchased by us. Our operations and performance are directly related to and affected by the cost of various inputs including semi-conductors, metals such as copper, aluminium, steel, plastics and other commodities. We rely on the constant supply of semiconductors from overseas market for manufacturing our products. The availability of semiconductors is dependent on the global supply chain and shortages of semiconductors can be caused by, among other things, variations in the supply of semiconductor material, import duties, currency exchange rates, natural disasters, changing economic conditions, or other geographic and political events.

Additionally, the prices of raw material and components also affected severely on account of global sea and air freight indices. Further, raw material prices can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, fuel prices, power tariffs and currency exchange rates, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. This volatility in commodity prices can significantly affect our raw material costs. This issue is addressed by entering into long term contracts with our suppliers and also enter into agreement with our customers for the price adjustments towards the uncertainties of raw material procurement prices.

The table below provides details of our cost of materials consumed as a percentage of our total expenses:

Particulars	**Fiscal**						**Six months ended September 30,**			
	2021		**2022**		**2023**		**2022**		**2023**	
	Amount (₹ million)	**Percentage of total expenses (%)**	**Amount (₹ million)**	**Percentage of total expenses (%)**	**Amount (₹ million)**	**Percentage of total expenses (%)**	**Amount (₹ million)**	**Percentage of total expenses (%)**	**Amount (₹ million)**	**Percentage of total expenses (%)**
Cost of materials consumed	2,822.99	68.22%	4,931.07	75.71%	8,478.01	83.82%	3,493.79	80.96%	4,829.48	79.98%

Our financial condition and results of operations are significantly impacted by the availability and costs of raw materials read with aforementioned factors even though we adopt the risk mitigation strategies to protect our margins.

Capacity Expansion and our expansion plans

We operate 10 strategically located manufacturing facilities across India with eight of them being operated by our Company in the states of Karnataka (four facilities, namely, Mysuru – Unit I, and Unit – II, Bengaluru – Unit I and Unit II), Haryana (Manesar – Unit I and Unit - II), Himachal Pradesh (one facility at Parwanoo), and Tamil Nadu (one facility at Chennai); and two manufacturing facilities operated by our Subsidiaries, at Chamarajanagar, Karnataka (operated by our Subsidiary Kaynes Electronics Manufacturing Private Limited); and Mysuru, Karnataka (operated by our Subsidiary Kaynes International Design & Manufacturing Private Limited). We have recently completed phase-I of our new manufacturing facility at Chamarajanagar, Karnataka which commenced commercial operations on May 5, 2023. Further, considering the reduction in demand for our erstwhile Uttarakhand facility and to ensure operational efficiency, the existing machinery at our erstwhile manufacturing facility in Uttarakhand got transferred to our existing facility at Manesar, Haryana, and as a result we closed the facility.

Further, considering semiconductors are the backbone of modern technology, powering everything from smartphones to computers and automotive electronics *(Source: F&S Report)*, through our step-down subsidiary, Kaynes Semicon Private Limited, we are in the process of expanding our operations by setting-up of an outsourced semiconductor assembly and testing ("**OSAT**") and compound semiconductor manufacturing facility at Kongara Kalan, Telangana which will support customers worldwide in QFN / QFN stack die, SOT, flip chip ball grid array and TO220 kind of packages for power devices and many other device packages including advanced packaging. Further, we are also in the process of preparing an implementation plan for the bare PCB fabrication facility in Karnataka that will manufacture multilayer, advanced HDI PCBs and other hitech and standard types required by customers. With backward integration, we will have greater control on the manufacturing process, quality standards and benefit from cost efficiencies. As a result, we expect to fulfil our customers' needs in a timely manner, increase our sales per customer and improve our working capital and supply chain processes. In addition, we believe that by incorporating OSAT and PCB fabrication capabilities into our operations, we are strategically positioned to deliver comprehensive and integrated solutions to customers. This proposed vertical integration will allow us to be involved in the entire electronics supply chain, spanning across wafer fabrication to end-user product. The synergy between these two aspects will not only enhance our ability to meet customer demands but is also expected to yield significant cost efficiencies and superior quality control. This approach will empower us to optimize each stage of the production process, ensuring a seamless and high-quality end-to-end experience for customers.

We also intend to expand our existing manufacturing facilities to increase our manufacturing capacity. The following table sets forth further information relating to our proposed manufacturing facilities for PCB assemblies.

Locations	Verticals	Area (sq. ft.)	Proposed Capacity (PCB Assemblies per annum)*
Mysuru, Karnataka – Unit I	Defence, Railways, Medical and Industrial	98,243	13.74 million
Chamarajanagar, Karnataka (Phase II)	Automotive, Telecom, IOT, IT, Defence and Aerospace, Medical and Industrials	245,000(2)	12.55 million(1)
Total Additional Capacity			**26.29 million**

As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.
(1) The proposed capacity includes Phase-I completion which commenced commercial operations with effect from May 5, 2023.
(2) The Chamarajanagar area includes the designated space for box build assembly.
 # For risks associated with the estimated schedule commercial date of our proposed manufacturing facilities, see "Risk Factors - Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023." on page 63.

The following table sets forth further information relating to our proposed manufacturing facilities for OSAT and Bare PCB:

Locations	Verticals	Unit of measure	Proposed Capacity* (in respective units)
Kongara Kalan, Telangana	OSAT	Million packages per annum across various types of packages	3,620.00 (expected to be commissioned by Fiscal 2028)
Karnataka	Bare PCB Fabrication	Square meter per annum	300,000.00 (expected to be commissioned by Fiscal 2025)

As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.
 # For risks associated with the estimated schedule commercial date of our proposed manufacturing facilities, see "Risk Factors - Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023." on page 63.

We are in the process of expanding our manufacturing capabilities by setting-up of OSAT manufacturing facilities, at an estimated cost of ₹ 28,496.34 million. The first phase is proposed to be established at Kongara Kalan Industrial Park, Telangana, for an estimated cost of ₹ 20,471.46 million, which will support customers worldwide with various types of packages including but not limited to in QFN / QFN stack die, SOT, flip chip ball grid array and TO220. This phase is proposed to be part-financed from the Net Proceeds.

Further, we also propose to expand our capabilities to manufacture in-house bare printed circuit boards for an estimated cost of ₹ 13,957.49 million. The first phase is being established at Mysuru, Karnataka, for an estimated cost of ₹ 7,301.80 million, which will manufacture advanced high density interconnect PCBs. This phase is proposed to be part-financed from the Net Proceeds. For further information, see "*Use of Proceeds*" on page 97.

Given the substantial increase in our installed capacity and our planned capacity expansion plans, our financial results are and will not be directly comparable to historical figures on account of commencement of commercial production at Manesar, Haryana – Unit II and the facility at Chamarajanagar, Karnataka and the expected commencement of commercial production once Mysuru, Karnataka- Unit _ and Chamarajanagar facilities are completed and commence commercial production. Further, with the proposed new products of OSAT and Bare PCB manufacturing, we may experience a fluctuation in our financial results which can impact our future financial performance metrics with prior periods.

Ability to maintain and grow demand for our products

Changes in inventory and production levels of our key customers could lead to changes in demand for our products over time, which can have a significant impact on our revenue growth. The loss of key customers has the potential to adversely impact our financial position. The level of growth in demand for our product depends on our ability to convert existing and new customers through bringing new opportunities of customer value creation, focus on product quality relative to other competitors in the market. Our ability to drive value to our customers relative to competition is also key in helping us improve pricing and realisations over time.

We also face competition from both international and local players in respective geographies, product segments or sub-segments in which we operate. Our sales to our customers also depend largely on the number and type of products that we supply to them and our ability to increase the wallet share of our customers. While our customers may implement various cost-cutting strategies, which include restructuring of operations, relocation of production/procurement to low-cost regions and vendor rationalisation, we believe that the criticality of the products we manufacture, our customer relationships, lack of alternate vendors, high switching costs, our ability to maintain high quality and delivery commitments and ability to produce a diverse range of products will allow us meet these business challenges.

In addition, we believe that by incorporating OSAT and PCB fabrication capabilities into our operations, we are strategically positioned to deliver comprehensive and integrated solutions to customers. This proposed vertical integration will allow us to be involved in the entire electronics supply chain, spanning across wafer fabrication to end-user product. The synergy between these two aspects will not only enhance our ability to meet customer demands but is also expected to yield significant cost efficiencies and superior quality control.

Foreign currency fluctuation

Products manufactured by us that were sold domestically accounted for 74.36%, 80.01%, 85.25%, 86.69% and 89.84% of our revenue from operations for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, respectively. Our export proceeds were denominated in GBP, EURO and U.S. Dollars for sales in the other jurisdictions where we sell our products. Further, we source our raw materials from multiple countries number including Singapore, Hong Kong, USA and China. The cost of our imported raw materials is also affected by fluctuations in the rate of exchange of the currency in which we purchase these raw materials (including US$) and the Rupee. Foreign exchange gain (net) during for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023 was ₹ 13.64 million, ₹ 28.15 million, ₹ 6.44 million, ₹ nil million and ₹ 15.81 million and represented 0.32%, 0.40%, 0.05%, nil and 0.24% of our revenue from operations, respectively. We are exposed to exchange rate risk primarily due to payables in respect of our imported raw material and from receivables in respect of our exports, which are mainly denominated in foreign currencies. Any fluctuation in the value of the Indian Rupee against such currencies may inimically affect our results of operations. Any gains or losses arising on account of differences in foreign exchange rates on settlement and translation of monetary assets and liabilities are recognized in the statement of profit and loss.

Seasonality

A few customer businesses in our industrial vertical are subject to seasonality. Our sales to customers in this vertical are generally highest in the fourth quarter. Certain of our products used in fans such as BLDC motor controllers and switch gear electronics are typically sold in the peak summer months in India which is quarter of the Fiscal and which maps with the fourth quarter manufacturing of previous year. While certain end-use industry verticals we serve witness seasonality which in turn impacts our sales, however, no fixed trend of seasonality is ascertainable for our operations on an overall basis.

General global and Indian economic conditions

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India, Europe and North America. We derive a significant portion our revenues from OEM – Turnkey Solutions and OEM – Box Build Solutions catering to the automotive, industrial, aerospace and defence, outer-space, nuclear, medical, railways, IoT and IT sectors. The level of demand for ESDM services depends primarily on conditions in these sectors in our target markets, which, in turn, depend to a large extent on general economic conditions in these markets. Stronger economic indicators tend to correlate with higher demand for products in the sectors where we are present, while weaker economic indicators tend to correlate with lower demand for such products. The cyclical nature of general economic conditions means that our results of operations can fluctuate substantially from time to time. We expect that these economic factors and conditions, particularly changes in consumer confidence, employment levels, fuel prices, urbanisation, changes in consumer preferences, government policies and interest rates, will continue to be the most important factors affecting our results of operations.

NON-GAAP MEASURES

Earnings before Interest, Taxes, Depreciation and Amortization Expenses ("EBITDA")/ EBITDA Margin

EBITDA presented in this Preliminary Placement Document is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS,IFRS or US GAAP. In addition, EBITDA is not a standardised term; hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure. Although EBITDA is not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

Reconciliation of EBITDA and EBITDA Margin to Profit Before Tax

The table below reconciles profit before tax to EBITDA. EBITDA is calculated as profit/loss for the year/ period, plus finance costs, depreciation and amortization expenses, less other income and less finance income, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	**Fiscal**			**Six months ended September 30, 2022**	**Six months ended September 30, 2023**
	2021	**2022**	**2023**		
	(₹ million)				
Profit before tax	**108.72**	**590.27**	**1,260.39**	**423.28**	**712.69**
Adjustments:					
Add: Finance Costs	239.79	255.87	349.36	175.93	230.68
Add: Depreciation and Amortization expense	100.76	131.62	187.41	93.02	117.97
Less: Other Income	29.74	28.62	14.25	1.19	17.40
Less: Finance Income	10.62	12.43	99.73	12.96	153.40
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (A)	**408.91**	**936.71**	**1,683.18**	**678.08**	**890.54**
Revenue from Operations (B)	**4,206.27**	**7,062.49**	**11,261.14**	**4,724.36**	**6,580.22**
EBITDA Margin (EBITDA as a percentage of revenue from operations) (A/B)	**9.72%**	**13.26%**	**14.95%**	**14.35%**	**13.53%**

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprise (i) revenue from operations; and (ii) other income.

Revenue from Operations

Revenue from operations comprise (i) sale of goods (net) which includes products components and products manufactures by us and sold to our customers; and (ii) sale of services (net).

Other Income

Other income includes (i) interest received in deposits with banks; (ii) profit on sale of investment; (iii) profit on sale of property, plant and equipment (net); (iv) liabilities no longer required, written back; (v) provision of diminution of value of investments; (vi) export incentives; (vii) rent received; (viii) government grants; (ix) other non-operating income; and (x) exchange differences (net)

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) changes in inventories of finished goods and traded goods; (iii) employee benefits expenses; (iv) depreciation and amortization expense; (v) finance cost; and (vi) other expenses.

Costs of Materials Consumed

Cost of material consumed consists of inventory at the beginning of the year, add purchases, less inventory at the end of the year and research and development expenses.

Changes in Inventories of Finished Goods and Traded Goods

Changes in inventories of finished goods and traded goods consists of (i) inventories at the end of the year (finished goods) and inventories at the end of the year (work-in-progress).

Employee Benefits Expense

Employee benefits expense primarily comprises (i) salaries and incentive; (ii) contribution to provident funds; (iii) gratuity contribution scheme; (iv) share based payment expenses; and (v) staff welfare expenses. Further, the research and development expenses are not capitalized and have been reduced from employee benefit expenses.

As of September 30, 2023, we had 2,360 full-time employees. We believe that an equity component in compensation aligns objectives of an individual with those of the organization. Our Company has adopted the Kaynes ESOP 2022 to attract new employees to our Company and retain our existing employees in the Company.

Depreciation and Amortization Expense

Depreciation and amortization expenses comprise (i) depreciation on property, plant and equipment; (ii) amortization of intangible assets; (iii) impairment of intangible assets; and (iv) depreciation of right to use assets.

Finance Costs

Finance cost refers to (i) interest on borrowings; (ii) interest to vendors; (iii) interest on others;(iv) other borrowing costs; and (v) interest on lease liabilities.

Other Expenses

Other expenses comprises: (i) consumption of stores and spares incurred towards machine maintenance and production; (ii) contract labour incurred towards production and other support services like canteen and house keeping; (iii) freight and forwarding charges incurred towards transport of our finished and traded goods; (iv) insurance incurred towards fixed assets, marine, stocks and vehicles; (v) legal and professional fees incurred towards audit fees and consulting services; (vi) power and fuel incurred towards plant operations and general lighting; (vii) research and development expenses incurred towards new product development; (viii) provision for doubtful advances to others; (ix) rent incurred towards office rent, plant rent and staff accommodation; (x) repairs and maintenance (others) incurred towards vehicle, furniture and fixtures and other office equipments; (xi) CSR expenditure; (xii) travelling and conveyance, incurred towards business travel and vehicle fuel; (xiii) business promotion, incurred towards advertisement, stalls in product exhibitions; (xiv) commission expenses, incurred towards affiliates in international markets; (xv) bank charges, incurred towards export and import remittances and other transaction charges; and (xvi) security maintenance incurred towards outsourced security services.

SIGNIFICANT ACCOUNTING POLICIES

Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Use of estimates and judgements

The preparation of the Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Estimates include provision for employee benefits, allowances for uncollectible trade receivables / advances / contingencies, useful life of fixed assets, provision for taxation, etc., during and 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.

The financial statements of Kemsys and GMBH have been prepared as per relevant GAAP since the management is of the opinion that the impact of Ind AS is expected to be immaterial.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the notes to the Financial Statements.

Foreign currency translation

The Company's financial statements are presented in Indian Rupees, which is also the parent company's functional currency. For each foreign operation, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency exchange rates at the reporting date. Non-monetary assets and liabilities that are carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of Exchange Differences

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges, to the extent the hedges are effective, which are recognised in other comprehensive income (OCI).

Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
- The ability to use its power over the investee to affect its returns.
- Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee;

- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary

Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e,. year ended on March 31 / period ended on September 30.

Consolidation Procedures:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Financial Statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Financial Statements. IndAS 12 – Income Taxes applies o temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries considered in the Unaudited Consolidated Combined Financial Statements

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %				
			September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Kaynes Technology IndiaLimited	Holding	India	100.00	100.00	100.00	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21	95.21	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00	100.00	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00	60.00	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	100.00	NA	100.00	NA	NA
Kaynes Technology Europe GMbh	Subsidiary	Switzerland	60.00	60.00	60.00	60.00	60.00
Kaynes Semicon Private Limited	Subsidiary	India	100.00	NA	NA	NA	NA
Kaynes Circuits India Private Limited	Subsidiary	India	100.00	NA	NA	NA	NA

Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The Company has ascertained that all performance obligations are performed at a point in time.

Contract balances

<u>*Contract assets*</u>

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Contract assets are subject to impairment assessment.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liability

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Income

Interest income is recognized on time proportion basis and other income, if any, recognized on the basis of certainty of receipts and on accrual basis and this is included in the finance income in the statement of profit and loss.

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate ("EIR"). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Employee Benefits

- *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- *Provident Fund*

This is a defined benefit plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions equal to a specified percentage of the employee's salary to the provident fund. The Company contributes to the government administered pension fund.

- *Gratuity*

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

- *Leave Encashment*

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company's liability for Gratuity and Leave encashment are actuarially determined using the Projected Unit Credit method at the end of each year.

Actuarial gains and losses are recognised immediately in the retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Financial instruments

Financial assets

Initial recognition and measurement

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

Amortised cost

- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at FVOCI: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Other Comprehensive Income.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

<u>Derecognition</u>

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

- the group has transferred substantially all the risks and rewards of the asset, or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);
- Expected credit losses are measured through a loss allowance at an amount equal to the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For investments in subsidiary companies, the company does not provide for impairment losses till indicators of impairment are confirmed.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.
Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Property, plant and equipment and intangible assets

Capital work in progress includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Depreciation and amortisation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management in line with schedule II of the Companies Act, 2013 except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years based on the independent technical evaluation carried out by the internal technical team which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013. Building in leasehold land will be depreciated over the remaining useful life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

Asset Category	Management Estimate of Useful Life and Useful Life as per Schedule II
Land	Unlimited
Buildings	60 (30 for commercial building)
Plant and Equipment	15
Furniture and Fittings	10
Office Equipments	5

Asset Category	Management Estimate of Useful Life and Useful Life as per Schedule II
Electrical Fittings	10
Computers	3
Vehicles	8
Air conditioners	5
Leasehold Improvement	3
Software	5
Technical know-how	5

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life of the product. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end.

Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares, work-in-progress and finished goods is determined on a weighted average basis.

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

Leases

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

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As lessee

- *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

- *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

For the arrangements entered into prior to April 1, 2018, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

Taxes on Income

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax

Minimum Alternative Tax ("**MAT**") under the provisions of the Income-tax Act, 1961 ("the **IT Act**") is recognised as current tax in the statement of profit and loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent Asset

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Earnings per share ("EPS")

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Group by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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

Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

RESULTS OF OPERATION

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the six months ended September 30, 2022 and September 30, 2023:

Particulars	For the six months ended September 30,			
	2022		2023	
	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)
Revenue				
Revenue from operations	4,724.36	99.70	6,580.22	97.47
Finance Income	12.96	0.27	153.40	2.27
Other income	1.19	0.03	17.40	0.26
Total Income	**4,738.51**	**100.00**	**6,751.02**	**100.00**
Expenses				
Cost of materials consumed	3,493.79	73.73	4,829.48	71.54
Changes in inventories of finished goods and traded goods	(174.82)	(3.69)	(170.51)	(2.52)
Employee benefits expense	363.01	7.66	459.04	6.80
Depreciation and amortization expense	93.02	1.96	117.97	1.74
Finance cost	175.93	3.71	230.68	3.42
Other expenses	364.30	7.69	571.67	8.47
Total expenses	**4,315.23**	**91.07**	**6,038.33**	**89.44**
Profit before tax	**423.28**	**8.93**	**712.69**	**10.56**
Tax expense				
Income taxes				
– Current tax	106.44	2.25	160.58	2.38
– Earlier year tax adjustments	-	-	-	-
Deferred tax charge / (credit)	6.37	0.13	(17.47)	(0.26)
Profit for the period	**310.47**	**6.55**	**569.58**	**8.44**

Particulars	For the six months ended September 30,			
	2022		2023	
	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement (loss) on defined benefit plans	8.78	0.18	(5.56)	(0.08)
Exchange differences in translating financial statements of foreign operations	3.53	0.07	0.34	0.00
Income tax effect	(2.21)	(0.05)	1.31	0.02
Total other comprehensive income for the period, net of tax	**10.10**	**0.21**	**(3.91)**	**(0.06)**
Total comprehensive income for the period, net of tax	**320.57**	**6.77**	**565.67**	**8.38**
Less: Share of profit/(Loss) of minority interest	1.54	0.03	0.87	0.01
Total comprehensive income for the year / period, net of tax	**319.03**	**6.73**	**564.80**	**8.37**

SIX MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO SIX MONTHS ENDED SPETEMBER 30, 2022

Since we commenced commercial operations with effect from May 5, 2022 after completion of phase-I of the manufacturing facility at Chamarajanagar, Karnataka, our financial performance and results of operations during the six months ended September 30, 2023 reflects commercial operations of four months and 28 days and hence our results of operations for the six months ended September 30, 2023 are not strictly comparable.

Income

Total income increased by 42.47% from ₹ 4,738.51 million in the six months ended September 30, 2022 to ₹ 6,751.02 million in the six months ended September 30, 2023, primarily attributable to the following:

Revenue from Operations

Revenue from operations increased by 39.28% from ₹ 4,724.36 million in the six months ended September 30, 2022 to ₹ 6,580.22 million in the six months ended September 30, 2023 attributable as follows:

- Sale of goods (net) increased by 37.87% from ₹ 4,562.82 million in the six months ended September 30, 2022 to ₹ 6,290.54 million in the six months ended September 30, 2023. This was driven by growth in our automotive, industrial including EV, and railways verticals. This was offset by a decrease in our aerospace, outer space and strategic electronics, medical and IoT / IT, consumer and others verticals.

The table below sets forth our revenue from operations across the various end-use industry verticals we serve for the periods indicated:

Industry	Six months ended September 30,			
	2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Automotive	1,809.56	38.30%	2,198.13	33.41%
Industrial including EV	1,289.08	27.29%	2,427.83	36.90%
Aerospace, Outer-space and Strategic Electronics	40.26	0.85%	174.34	2.65%
Medical	304.52	6.45%	281.12	4.27%
Railways	577.48	12.22%	856.17	13.01%
IoT / IT, Consumer and Others	703.46	14.89%	642.63	9.77%
Total	**4,724.36**	**100.00%**	**6,580.22**	**100.00%**

- Sale of services (net) increased by 79.32% from ₹ 161.54 million in the six months ended September 30, 2022 to ₹ 289.68 million in the six months ended September 30, 2023.

Other income increased substantially from ₹ 14.15 million in the six months ended September 30, 2022 to ₹ 170.80 million in the six months ended September 30, 2023. The increase was on account of interest income received on deposits with banks from ₹ 12.46 million in the six months ended September 30, 2022 to ₹ 152.40 million in the six months ended September 30, 2023 on account of interest on fixed deposits created out of unutilized proceeds from the initial public offering.

Expenses

Total expenses increased by 39.93% from ₹ 4,315.23 million in the six months ended September 30, 2022 to ₹ 6,038.33 million in the six months ended September 30, 2023. This was primarily due to the increase in cost of materials consumed, employee benefits expenses, depreciation and amortisation expense, finance cost and other expenses. However, as a percentage of revenue from operations, total expenses remained consistent at 91.76% for the six months ended September 30, 2023 compared to 91.34% for the six months ended September 30, 2022.

Cost of Materials Consumed

Cost of materials consumed increased by 38.23% from ₹ 3,493.79 million in the six months ended September 30, 2022 to ₹ 4,829.48 million in the six months ended September 30, 2023 and the increase is primarily driven by an increase in revenue from operations which grew by 39.28% between the six months ended September 30, 2022 and six months ended September 30, 2023 which resulted in an increase in sale of goods and corresponding increase in materials consumed. However, as a percentage of revenue from operations, cost of materials consumed remained consistent at 73.39% for the six months ended September 30, 2023 compared to 73.95% for the six months ended September 30, 2022.

Changes in Inventories of Finished Goods and Traded Goods

Changes in inventories of finished goods and traded goods remained consistent to ₹ (170.51) million in the six months ended September 30, 2023 compared to ₹ (174.82) million in the six months ended September 30, 2022.

Employee benefits expenses

Employee benefit expenses increased by 26.45% from ₹ 363.01 million in the six months ended September 30, 2022 to ₹ 459.04 million in the six months ended September 30, 2023. This was due to an increase in salaries and incentives from ₹ 342.57 million in the six months ended September 30, 2022 to ₹ 409.35 million in the six months ended September 30, 2023, contribution to provident fund from ₹ 13.26 million in the six months ended September 30, 2022 to ₹ 15.01 million in the six months ended September 30, 2023, share based payment expenses from ₹ 2.12 million in the six months ended September 30, 2022 to ₹ 3.83 million in the six months ended September 30, 2023 on account of the implementation of the employee stock option scheme namely the Kaynes ESOP 2022, and staff welfare expenses from ₹ 33.68 million in the six months ended September 30, 2022 to ₹ 40.12 million in the six months ended September 30, 2023. However, as a percentage of revenue from operations, employee benefit expenses decreased to 6.98% for the six months ended September 30, 2023 compared to 7.68% for the six months ended September 30, 2022.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 26.82% from ₹ 93.02 million in the six months ended September 30, 2022 to ₹ 117.97 million in the six months ended September 30, 2023, primarily due to an increase in depreciation of property, plant and equipment by from ₹ 37.55 million in the six months ended September 30, 2022 to ₹ 58.21 million in the six months ended September 30, 2023, an increase in amortization of intangible assets from ₹ 34.19 million in the six months ended September 30, 2022 to ₹ 37.54 million in the six months ended September 30, 2023, and an increase in depreciation of right to use assets from ₹ 21.28 million in the six months ended September 30, 2022 to ₹ 22.22 million in the six months ended September 30, 2023.

Finance Cost

Finance costs increased by 31.12% from ₹ 175.93 million in the six months ended September 30, 2022 to ₹ 230.68 million in the six months ended September 30, 2023. This increase is primarily attributable due to an increase in interest on borrowings from ₹ 150.22 million in in the six months ended September 30, 2022 to ₹ 227.83 million in the six months ended September 30, 2023. This was offset by a decrease in lease liabilities to ₹ 10.27 million in the six months ended September 30, 2023 compared to ₹ 12.18 million in the six months ended September 30, 2022. However, as a percentage of revenue from operations, total expenses remained consistent at 3.50% for the six months ended September 30, 2023 compared to 3.72% for the six months ended September 30, 2022.

Other Expenses

Other expenses increased by 56.92%, from ₹ 364.30 million in the six months ended September 30, 2022 to ₹ 571.67 million in in the six months ended September 30, 2023. This was primarily due to increase in:

- Rent from ₹ 0.66 million in the six months ended September 30, 2022 to ₹ 12.93 million in the six months ended September 30, 2023 on account of adjustments made to the account of true-up Ind AS entries, i.e., reconciliation of estimated amounts with the actual amounts during the six months ended September 30, 2023;
- Power and fuel from ₹ 25.79 million in the six months ended September 30, 2022 to ₹ 38.93 million in the six months ended September 30, 2023;
- Increase in contract labour charges by 32.79% from ₹ 82.93 million in the six months ended September 30, 2022 to ₹ 110.12 million in the six months ended September 30, 2023 on account of increase in pay to contract labour and increase in number of contract labours on account of business growth.
- Consumption of stores and spares by 14.37% from ₹ 83.30 million in the six months ended September 30, 2022 to ₹ 95.27 million in the six months ended September 30, 2023 on account of specific consumables expenses incurred for certain few projects;
- Travelling and conveyance from ₹ 16.45 million in the six months ended September 30, 2022 to ₹ 35.85 million in the six months ended September 30, 2023 on account of an increase in travel by management and employees;
- Increase in hire charges from ₹ 1.04 million in the six months ended September 30, 2022 to ₹ 13.41 million in the six months ended September 30, 2023; and
- Provisions for ECL from ₹ 0.12 million in the six months ended September 30, 2022 to ₹ 74.10 million in the six months ended September 30, 2023.

This was partially offset primarily by a decrease in freight and forwarding expenses by 15.00% to ₹ 54.75 million in the six months ended September 30, 2023 as compared to ₹ 64.41 million in the six months ended September 30, 2022 on account of reduction in export sales from Kaynes International Design & Manufacturing Private Limited ("**KIDM**")which resulted in less freight charges as these charges are borne by KIDM.

As a percentage of revenue from operations, total expenses increased slightly at 8.69% for the six months ended September 30, 2023 compared to 7.71% for the six months ended September 30, 2022.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 712.69 million in the six months ended September 30, 2023 as compared to ₹ 423.28 million in the six months ended September 30, 2022.

Tax Expenses

Income tax (current tax) increased by 50.86% from ₹ 106.44 million in the six months ended September 30, 2022 to ₹ 160.58 million in the six months ended September 30, 2023 due to the increase in profitability of our Company. Deferred tax credit in the six months ended September 30, 2023 was ₹ (17.47) million as compared to deferred tax charge of ₹ 6.37 million in Fiscal 2022. Total tax expense in the six months ended September 30, 2023 was ₹ 143.11 million as compared to ₹ 112.81 million in the six months ended September 30, 2022.

Profit/(Loss) for the period

For the various reasons discussed above, we recorded a profit for the period of ₹ 569.58 million in the six months ended September 30, 2023 compared to ₹ 310.47 million in the six months ended September 30, 2022.

Other Comprehensive Income

Total other comprehensive income for the period, (net of tax) was ₹ (3.91) million in the six months ended September 30, 2023 as compared to total other comprehensive income for the period, (net of tax) of ₹ 10.10 million in the six months ended September 30, 2022.

Total Comprehensive Income for the period, net of tax

Total comprehensive income for the period was ₹ 565.67 million in the six months ended September 30, 2023 compared to ₹ 320.57 million in the six months ended September 30, 2022.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 890.54 million in the six months ended September 30, 2023 compared to ₹ 678.08 million in the six months ended September 30, 2022, while EBITDA margin was 13.53% in the six months ended September 30, 2023 compared to 14.35% in the six months ended September 30, 2022.

RESULTS OF OPERATION

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2021, 2022 and 2023:

Particulars	Fiscal					
	2021		2022		2023	
	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income
Revenue						
Revenue from operations	4,206.27	99.05%	7,062.49	99.42%	11,261.14	99.00%
Other income	40.36	0.95%	41.05	0.58%	113.98	1.00%
Total Income	**4,246.63**	**100.00%**	**7,103.54**	**100.00%**	**11,375.12**	**100.00%**
Expenses						
Cost of materials consumed	2,822.99	66.48%	4,931.07	69.42%	8,478.01	74.53%
Changes in inventories of finished goods and traded goods	38.23	0.90%	(36.77)	0.52%	(677.24)	(5.95)%
Employee benefits expense	458.99	10.81%	602.35	8.48%	770.99	6.78%
Depreciation and amortization expense	100.76	2.37%	131.62	1.85%	187.41	1.65%
Finance cost	239.79	5.65%	255.87	3.60%	349.36	3.07%
Other expenses	477.15	11.24%	629.13	8.86%	1,006.20	8.84%
Total expenses	**4,137.91**	**97.44%**	**6,513.27**	**91.69%**	**10,114.73**	**88.92%**
Profit before tax	**108.72**	**2.56%**	**590.27**	**8.31%**	**1,260.39**	**11.08%**
Tax expense						
Income taxes						
– Current tax	36.23	0.85%	153.07	2.15%	292.43	2.57%
– Earlier tax adjustments	-	-	-	-	18.71	0.16%
Deferred tax charge / (credit)	(24.84)	(0.59%)	20.45	0.29%	(2.71)	(0.02)%
Profit for the year / period	**97.33**	**2.29%**	**416.75**	**5.87%**	**951.96**	**8.37%**
Other comprehensive income						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Remeasured gains / (losses) on defined benefit plans	(5.41)	(0.13%)	(1.68)	(0.02)%	(2.77)	(0.02)%
Exchange differences in translating financial statements of foreign operations	(1.70)	(0.04)%	-	-	5.03	0.04%
Income tax effect	1.79	0.04%	(0.15)	0.00%	0.70	0.01%
Total comprehensive income for the year / period, net of tax	92.01	2.17%	414.92	5.84%	954.92	8.39%
Less: Share of profit/(Loss) of minority interest	3.56	0.08%	2.27	0.03%	1.75	0.01%
Total comprehensive income for the year / period, net of tax	88.45	2.08%	412.65	5.81%	953.17	8.38%

FISCAL 2023 COMPARED TO FISCAL 2022

Key Developments

- Completion of the initial public offering of the Company.

Income

Total income increased by 60.13% from ₹ 7,103.54 million in Fiscal 2022 to ₹ 11,375.12 million in Fiscal 2023, primarily attributable to the following:

Revenue from Operations

Revenue from operations increased by 59.45% from ₹ 7,062.49 million in Fiscal 2022 to ₹ 11,261.14 million in Fiscal 2023 attributable as follows:

- Sale of goods (net) increased by 59.69% from ₹ 6,833.00 million in Fiscal 2022 to ₹ 10,911.56 million in Fiscal 2023. This was driven by growth in all of our verticals, i.e., automotive, industrial including EV, aerospace, outer space and strategic electronics, railways and IoT / IT, consumer and others verticals, except medical vertical which experience a decrease on account of reduction in COVID-19 impact.

The table below sets forth our revenue from operations across the various end-use industry verticals we serve for the periods indicated:

Industry	Fiscal			
	2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Automotive	2,370.38	33.56%	4,322.48	38.38%
Industrial including EV	2,104.78	29.80%	3,096.06	27.49%
Aerospace, Outer-space and Strategic Electronics	177.71	2.52%	199.98	1.78%
Medical	711.74	10.08%	692.54	6.15%
Railways	731.12	10.35%	1,347.22	11.96%
IoT / IT, Consumer and Others	966.76	13.69%	1,602.86	14.23%
Total	**7,062.49**	**100.00%**	**11,261.14**	**100.00%**

- Sale of services (net) increased by 52.33%% from ₹ 229.49 million in Fiscal 2022 to ₹ 349.58 million in Fiscal 2023.

Other Income

Other income increased from ₹ 41.05 million in Fiscal 2022 to ₹ 113.98 million in Fiscal 2023. The increase was on account of interest income received on deposits with banks from ₹ 10.59 million in Fiscal 2022 to ₹ 98.16 million on account of interest on fixed deposits created out of unutilized proceeds from the initial public offering. This was marginally offset by a decrease in exchange difference (net) to ₹ 6.44 million in Fiscal 2023 from ₹ 28.15 million in Fiscal 2022 on account of depreciation of Indian Rupee compared to US dollar.

Expenses

Total expenses increased by 55.29% from ₹ 6,513.27 million in Fiscal 2022 to ₹ 10,114.73 million in Fiscal 2023. This was primarily due to the increase in cost of materials consumed, employee benefits expense, depreciation and amortisation expense, finance cost and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 71.93% from ₹ 4,931.07 million in Fiscal 2022 to ₹ 8,478.01 million in Fiscal 2023 and the increase is primarily driven by an increase in revenue from operations which grew by 59.45% between Fiscal 2022 and Fiscal 2023.

Changes in Inventories of Finished Goods and Traded Goods

Changes in inventories of finished goods and traded goods decreased to ₹ (677.24) million in Fiscal 2023 from ₹ (36.77) million in Fiscal 2022.

Employee benefits expenses

Employee benefit expenses increased by 28.00% from ₹ 602.35 million in Fiscal 2022 to ₹ 770.99 million in Fiscal 2023. This was due to an increase in salaries and incentives from ₹ 582.33 million in Fiscal 2022 to ₹ 717.98 million in Fiscal 2023, contribution to provident fund from ₹ 25.77 million in Fiscal 2022 to ₹ 26.51 million in Fiscal 2023, share based payment expenses from ₹ nil in Fiscal 2022 to ₹ 6.31 million in Fiscal 2023 on account of the implementation of the employee stock option scheme namely the Kaynes ESOP 2022, and staff welfare expenses from ₹ 49.82 million in Fiscal 2022 to ₹ 67.88 million in Fiscal 2023. This was offset by a decrease in gratuity contribution scheme to ₹ 5.40 million in Fiscal 2023 compared to ₹ 9.13 million in Fiscal 2022.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 42.39% from ₹ 131.62 million in Fiscal 2022 to ₹ 187.41 million in Fiscal 2023, primarily due to an increase in depreciation of property, plant and equipment from ₹ 64.92 million in Fiscal 2022 to ₹ 76.24 million in Fiscal 2023, an increase in amortization of intangible assets from ₹ 35.08 million in Fiscal 2022 to ₹ 68.79 million in Fiscal 2023, and an increase in depreciation of right to use assets from ₹ 31.62 million in Fiscal 2022 to ₹ 42.38 million in Fiscal 2023.

Finance Cost

Finance costs increased by 36.54% from ₹ 255.87 million in Fiscal 2022 to ₹ 349.36 million in Fiscal 2023. This increase is primarily attributable due to an increase in interest on borrowings by 26.53% from ₹ 224.05 million in Fiscal 2022 to ₹ 283.50 million in Fiscal 2023 on account of increase in borrowings availed, interest on others, i.e., interest on income tax for previous year u/s 234B of the Income-tax Act, 1961 from ₹ 7.61 million in Fiscal 2022 to ₹ 18.79 million in Fiscal 2023, an increase in other borrowing costs on account of new facilities from two lenders from ₹ 8.61 million in Fiscal 2022 to ₹ 18.13 million in Fiscal 2023 and an increase in interest on lease liabilities from ₹ 12.56 million in Fiscal 2022 to ₹ 23.09 million in Fiscal 2023.

Other Expenses

Other expenses increased by 59.94%, from ₹ 629.13 million in Fiscal 2022 to ₹ 1,006.20 million in Fiscal 2023. This was primarily due to increase in:

- Freight and forwarding charges by 34.55% from ₹ 98.46 million in Fiscal 2022 to ₹ 132.48 million in Fiscal 2023 on account of increased in freight charges.
- Increase in power and fuel by 39.20% from ₹ 37.58 million in Fiscal 2022 to ₹ 52.31 million in Fiscal 2023.
- Increase in contract labour charges from ₹ 163.40 million in Fiscal 2022 to ₹ 165.42 million in Fiscal 2023 on account of increase in pay to contract labour and increase in number of contract labours on account of business growth.
- Increase in consumption of stores and spares from ₹ 135.19 million in Fiscal 2022 to ₹ 363.94 million in Fiscal 2023 on account of specific consumables expenses incurred for certain few projects.
- Increase in travelling and conveyance by 85.64% from ₹ 23.95 million in Fiscal 2022 to ₹ 44.46 million in Fiscal 2023 on account of an increase in travel by management and employees.
- Increase in business promotion from ₹ 7.39 million in Fiscal 2022 to ₹ 20.62 million in Fiscal 2023.
- Increase in hire charges from ₹ 2.78 million in Fiscal 2022 to ₹ 12.36 million in Fiscal 2023.

This was partially offset primarily by a decrease in research and development expenses by 46.94% to ₹ 6.24 million in Fiscal 2023 as compared to ₹ 11.76 million in Fiscal 2022.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 1,260.39 million in Fiscal 2023 as compared to ₹ 590.27 million in Fiscal 2022.

Tax Expenses

Income tax (current tax) increased by 91.04% from ₹ 153.07 million in Fiscal 2022 to ₹ 292.43 million in Fiscal 2023 due to the increase in profitability of our Company. Earlier year tax adjustments in Fiscal 2023 was ₹ 18.71 million in Fiscal 2023 compared to ₹ nil in Fiscal 2022. Deferred tax credit in Fiscal 2023 was ₹ 2.71 million in Fiscal 2023 as compared to deferred tax charge of ₹ 20.45 million in Fiscal 2022. Total tax expense in Fiscal 2023 was ₹ 308.43 million in Fiscal 2023 as compared to ₹ 173.52 million in Fiscal 2022.

Profit/(Loss) for the year

For the various reasons discussed above, we recorded a profit for the year of ₹ 951.96 million in Fiscal 2023 compared to ₹ 416.75 million in Fiscal 2022.

Other Comprehensive Income

Total other comprehensive income for the year, (net of tax) was ₹ 2.96 million in Fiscal 2023 as compared to total other comprehensive income for the year, (net of tax) of ₹ (1.83) million in Fiscal 2022.

Total Comprehensive Income for the year, net of tax

Total comprehensive income for the year was ₹ 953.17 million in Fiscal 2023 compared to ₹ 412.65 million in Fiscal 2022.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 1,683.18 million in Fiscal 2023 compared to ₹ 936.71 million in Fiscal 2022, while EBITDA margin was 14.95% in Fiscal 2023 compared to 13.26% in Fiscal 2022.

FISCAL 2022 COMPARED TO FISCAL 2021

Key Developments

- Our Company raised funds through an equity infusion in the form of CCPS from certain individuals for expansion and to support growth of business.

- Our Company incorporated a wholly-owned subsidiary Kaynes Electronics Manufacturing Private Limited on March 30, 2022.

Income

Total income increased by 67.27% from ₹ 4,246.63 million in Fiscal 2021 to ₹ 7,103.54 million in Fiscal 2022, primarily attributable to the following:

Revenue from Operations

Revenue from operations increased by 67.90% from ₹ 4,206.27 million in Fiscal 2021 to ₹ 7,062.49 million in Fiscal 2022 due to the following:

- Sale of goods (net) increased by 71.53% from ₹ 3,983.64 million in Fiscal 2021 to ₹ 6,833.00 million in Fiscal 2022. This was driven primarily by growth across all our verticals, i.e., automotive, industrial including EV, aerospace, outer space and strategic electronics, railways, medical and IoT / IT, consumer and others verticals.

The table below sets forth our revenue from operations across the various end-use industry verticals we serve for the periods indicated:

Industry	Fiscal			
	2021		2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Automotive	1,003.59	23.86%	2,370.38	33.56%
Industrial including EV	1,393.85	33.14%	2,104.78	29.80%
Aerospace, Outer-space and Strategic Electronics	135.53	3.22%	177.71	2.52%
Medical	462.17	10.99%	711.74	10.08%
Railways	596.03	14.17%	731.12	10.35%
IoT / IT, Consumer and Others	615.10	14.62%	966.76	13.69%
Total	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**

- Sale of services (net) increased by a 3.08% from ₹ 222.63 million in Fiscal 2021 to ₹ 229.49 million in Fiscal 2022 account of growth in the business primarily from our medical vertical.

Other Income

Other income decreased from ₹ 29.74 million in Fiscal 2021 to ₹ 28.62 million in Fiscal 2022 on account of decrease in receipt of export incentives from ₹ 12.62 million in Fiscal 2021 to ₹ 0.28 million in Fiscal 2022 due to withdrawal of MEIS Scheme by Ministry of Commerce and Industry. The decrease in receipt of export incentives was partially offset by increase in exchange differences from ₹ 13.64 million in Fiscal 2021 to ₹ 28.15 million in Fiscal 2022.

Expenses

Total expenses increased by 57.40% from ₹ 4,137.91 million in Fiscal 2021 to ₹ 6,513.27 million in Fiscal 2022. This was primarily due to an increase in cost of materials consumed, employee benefits expense, depreciation and amortisation expense, finance cost and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 74.68% from ₹ 2,822.99 million in Fiscal 2021 to ₹ 4,931.07 million in Fiscal 2022 majorly driven by an increase in revenue from operations by 67.90% from ₹ 4,206.27 million in Fiscal 2021 to ₹ 7,062.49 million in Fiscal 2022 and also the change in revenue segments mix.

Changes in Inventories of Finished Goods and Traded Goods

Changes in inventories of finished goods decreased by 196.18% from ₹ 38.23 million in Fiscal 2021 to ₹ (36.77) million in Fiscal 2022.

Employee Benefits Expenses

Employee benefits expenses increased by 31.23% from ₹ 458.99 million in Fiscal 2021 to ₹ 602.35 million in Fiscal 2022. This increase was due to an increase in salaries and incentives from ₹ 457.26 million in Fiscal 2021 to ₹ 582.33 million in Fiscal 2022, contribution to provident and other funds from ₹ 19.21 million in Fiscal 2021 to ₹ 25.77 million in Fiscal 2022, gratuity contribution from ₹ 2.19 million in Fiscal 2021 to ₹ 9.13 million in Fiscal 2022 and staff welfare expenses from ₹ 45.03 million in Fiscal 2021 to ₹ 49.82 million in Fiscal 2022.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 30.63% from ₹ 100.76 million in Fiscal 2021 to ₹ 131.62 million in Fiscal 2022, primarily due to a marginal increase in depreciation of property, plant and equipment from by 7.54% from ₹ 60.37 million in Fiscal 2021 to ₹ 64.92 million in Fiscal 2022, increase in amortization of intangible assets by 123.44% from ₹ 15.70 million in Fiscal 2021 to ₹ 35.08 million in Fiscal 2022 and an increase in depreciation of right of use assets by 28.07% from ₹ 24.69 million in Fiscal 2021 to ₹ 31.62 million in Fiscal 2022.

Finance Costs

Finance costs increased by 6.71%, from ₹ 239.79 million in Fiscal 2021 to ₹ 255.87 million in Fiscal 2022, primarily on account of an increase in interest on borrowings from ₹ 220.39 million in Fiscal 2021 to ₹ 224.05 million in Fiscal 2022, primarily on account of increase in term loans availed under ECLGS schemes and minimally due to increase in short term working capital facilities.

Other Expenses

Other expenses increased by 31.85%, from ₹ 477.15 million in Fiscal 2021 to ₹ 629.13 million in Fiscal 2022. This was primarily due to an increase in:

- Contract labour expenses by 76.80% from ₹ 92.42 million in Fiscal 2021 to ₹ 163.40 million in Fiscal 2022 on account of increase in pay to contract labour and increase in number of contract labours on account of business growth;
- Consumption of stores and spares by 44.74% from ₹ 93.40 million in Fiscal 2021 to ₹ 135.19 million in Fiscal 2022;
- Freight and forwarding charges by 30.71% from ₹ 75.67 million in Fiscal 2021 to ₹ 98.91 million in Fiscal 2021 on account of increased in freight charges.
- Travelling and conveyance by 61.28% from ₹ 14.85 million in Fiscal 2021 to ₹ 23.95 million in Fiscal 2022;
- Rates and taxes from ₹ 12.10 million in Fiscal 2021 to ₹ 15.06 million in Fiscal 2022; and
- Increase in power and fuel from ₹ 30.03 million in Fiscal 2021 to ₹ 37.58 million in Fiscal 2022.

This was partially offset primarily in decrease in research and development expenses by (2.65)% from ₹ 12.08 million in Fiscal 2021 to ₹ 11.76 million in Fiscal 2022 primarily on account of internal handling of research and development activities for our without reliance on external agencies which reduced professional charges that we may had to pay in the event we used their services, a decrease in donation by (81.38)% from ₹ 14.45 million in Fiscal 2021 to ₹ 2.69 million in Fiscal 2022 on account of increased donations and charity activities done during the COVID-19 pandemic in Fiscal 2021, and a decrease in business promotion expenses by (12.02)% from ₹ 8.40 million in Fiscal 2021 to ₹ 7.39 million in Fiscal 2022.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 590.27 million in Fiscal 2022 compared to profit before tax of ₹ 108.72 million in Fiscal 2021.

Tax Expenses

Current tax increased to ₹ 153.07 million in Fiscal 2022 compared to ₹ 36.23 million in Fiscal 2021 due tothe increase in profitability of our Company and comparatively the effective tax rate was reduced as our Company had opted tax regime under section 115BAA of the Income-tax Act, 1961. Deferred tax also increased from ₹ (24.84) million in Fiscal 2022 compared to ₹ 20.45 million in Fiscal 2022 due to change of effective tax rate.

Profit/(Loss) for the Year

For the various reasons discussed above, we recorded a profit for the year of ₹ 416.75 million in Fiscal 2022 compared to profit for the year of ₹ 97.33 million in Fiscal 2021.

Other Comprehensive Income

Other comprehensive loss was ₹ 1.83 million in Fiscal 2022 while other comprehensive loss of ₹ 5.32 million in Fiscal 2021.

Total Comprehensive income for the year, net of tax

Total comprehensive income for the year was ₹ 412.65 million in Fiscal 2022 compared to ₹ 88.45 million in Fiscal 2021.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 936.71 million in Fiscal 2022 compared to ₹ 408.91 million in Fiscal 2021, while EBITDA Margin was 13.26% in Fiscal 2022 compared to EBITDA Margin of 9.72% in Fiscal 2021.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we have obtained loan facilities to finance our short term working capital requirements.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal			Six months ended September 30, 2022	Six months ended September 30, 2023
	2021	2022	2023		
	(₹ million)				
Net cash from/(used in) operating activities	277.30	211.09	(416.02)	(348.70)	(234.99)
Net cash (used in)/from investing activities	(240.84)	(445.27)	(4,936.51)	(191.01)	(471.65)
Net cash (used in)/from financing activities	(13.39)	272.42	5,543.10	488.77	573.37
Cash and cash equivalents at the end of the period/ year	30.50	68.74	259.31	126.04	17.80

Operating Activities

Six months ended September 30, 2023

In the six months ended September 30, 2023, net cash flow used in operating activities was ₹ 234.99 million. Net profit before extraordinary items and tax was ₹ 712.69 million in the six months ended September 30, 2023. Primary adjustments consisted of depreciation and amortisation expense of ₹ 117.97 million; interest expense of ₹ 230.68 million and interest income of ₹ (153.40) million. Operating profit before working capital changes was ₹ 983.04 million in the six months ended September 30, 2023. The main working capital adjustments in the six months ended September 30, 2023 included an increase in inventories of ₹ 1,380.75 million; a decrease in trade receivables of ₹ 208.55 million; increase in loans and advances and other assets of ₹ 232.06 million; an increase in trade payables and other liabilities of ₹ 365.20 million; and increase in provisions of ₹ 17.77 million. Income tax paid was ₹ 196.74 million.

Six months ended September 30, 2022

In the six months ended September 30, 2022, net cash flow used in operating activities was ₹ (348.70) million. Net profit before extraordinary items and tax was ₹ 423.28 million in the six months ended September 30, 2022. Primary adjustments consisted of depreciation and amortisation expense of ₹ 93.02 million; interest expense of ₹ 175.93 million and interest income of ₹ (12.96) million. Operating profit before working capital changes was ₹ 683.07 million in the six months ended September 30, 2022. The main working capital adjustments in the six months ended September 30, 2022 included an increase in inventories of ₹ 1,049.93 million; an increase in trade receivables of ₹ 48.05 million; decrease in loans and advances and other assets of ₹ 126.20 million; a decrease in trade payables and other liabilities of ₹ 40.90 million; and increase in provisions of ₹ 12.29 million. Income tax paid was ₹ 31.38 million.

Fiscal 2023

In the Fiscal 2023, net cash flow used in operating activities was ₹ 416.02 million. Net profit before extraordinary items and tax was ₹ 1,260.39 million in Fiscal 2023. Primary adjustments consisted of depreciation and amortisation expense of ₹ 187.41 million; interest expense of ₹ 349.36 million and interest income of ₹ 98.16 million. Operating profit before working capital changes was ₹ 1,712.79 million in Fiscal 2023. The main working capital adjustments in Fiscal 2023 included an increase in inventories of ₹ 1,867.86 million; an increase in trade receivables of ₹ 293.40 million; increase in loans and advances and other assets of ₹ 344.85 million; a decrease in trade payables and other liabilities of ₹ 870.18 million; and increase in provisions of ₹ 9.94 million. Income tax paid was ₹ 502.82 million.

Fiscal 2022

In the Fiscal 2022, net cash from operating activities was ₹ 211.09 million. Net profit before extraordinary items and tax was ₹ 590.27 million in Fiscal 2022. Primary adjustments consisted of depreciation and amortisation expense of ₹ 131.62 million; interest expense of ₹ 255.87 million and interest income of ₹ 10.59 million. Operating profit before working capital changes was ₹ 967.20 million in Fiscal 2022. The main working capital adjustments in Fiscal 2022 included an increase in trade receivables of ₹ 759.78 million; increase in loans and advances and other assets of ₹ 290.92 million; increase in trade payables and other liabilities of ₹ 920.62 million; increase in provisions of ₹ 13.16 million and increase in inventories of ₹ 625.13 million. Income tax paid was ₹ 14.06 million.

Fiscal 2021

In the Fiscal 2021, net cash from operating activities was ₹ 277.30 million. Net profit before extraordinary items and tax was ₹ 108.72 million in Fiscal 2021. Primary adjustments consisted of depreciation and amortisation expense of ₹ 100.76 million; interest expense of ₹ 239.79 million and interest income of ₹ 6.71 million. Operating profit before working capital changes was ₹ 442.43 million in Fiscal 2021. The main working capital adjustments in Fiscal 2021 included an increase in trade receivables of ₹ 280.99 million; decrease in loans and advances and other assets of ₹ 160.48 million; increase in trade payables and other liabilities of ₹ 102.03 million; increase in provisions of ₹ 8.98 million and increase in inventories of ₹ 127.55 million. Income tax paid was ₹ 28.08 million.

Investing Activities

Six months ended September 30, 2023

Net cash flow used in investing activities was ₹ 471.65 million in the six months ended September 30, 2023, primarily on account of purchase of property, plant and equipment and CWIP of ₹ 808.47 million. This was offset by interest received on investments of ₹ 152.40 million and investment in fixed deposits of ₹ 184.42 million.

Six months ended September 30, 2022

Net cash flow used in investing activities was ₹ 191.01 million in the six months ended September 30, 2022, primarily on account of purchase of property, plant and equipment and CWIP of ₹ 191.77 million and investment in fixed deposits of ₹ (11.70) million. This was offset by interest received on investments of ₹ 12.46 million.

Fiscal 2023

Net cash flow used in investing activities was ₹ 4,936.51 million in Fiscal 2023, primarily on account of purchase of fixed assets of ₹ 581.22 million and investment in fixed deposits of ₹ (4,453.45) million, which was marginally offset by interest received of ₹ 98.16 million.

Fiscal 2022

Net cash flow used in investing activities was ₹ 445.26 million in Fiscal 2022, primarily on account of purchase of fixed assets of ₹ 422.43 million and investment in fixed deposits of ₹ (33.42) million, which was marginally offset by interest received of ₹ 10.59 million.

Fiscal 2021

Net cash flow used in investing activities was ₹ 240.84 million in Fiscal 2021, primarily on account of purchase of fixed assets of ₹ 249.95 million, which was marginally offset by interest received of ₹ 6.71 million, proceeds from fixed deposits of ₹ 2.40 million.

Financing Activities

Six months ended September 30, 2023

Net cash from financing activities was ₹ 573.37 million in the six months ended September 30, 2023, primarily on account of proceeds from short term borrowings of ₹ 1,239.55 million. This was offset by share issue expenses amounting to ₹ 429.10 million, repayment of long term borrowings of ₹ 6.40 million and interest expense of ₹ 230.68 million.

Six months ended September 30, 2022

Net cash from financing activities was ₹ 488.77 million in the six months ended September 30, 2022, primarily on account of proceeds from short term borrowings of ₹ 561.88 million and repayment of long term borrowings of ₹ 102.82 million. This was offset by interest expense of ₹ 175.93 million.

Fiscal 2023

Net cash from financing activities was ₹ 5,543.10 million in Fiscal 2023, primarily on account of equity share premium received as a result of the initial public offering of our Company of ₹ 6,486.32 million, proceeds from issue of equity share capital of ₹ 113.68 million as a result of the initial public offering of our Company, which was offset by share issue expenses of ₹ 371.07 million, repayment of long term borrowings of ₹ 142.37 million, proceedings from short term borrowings of ₹ (194.10) million and interest expense of ₹ 349.36 million.

Fiscal 2022

Net cash from financing activities was ₹ 272.41 million in Fiscal 2022, primarily on account of preference share premium received of ₹ 223.70 million, proceeds from long-term borrowings of ₹ 121.92 million, proceeds from short term borrowings of ₹ 178.86 million, which was marginally offset by interest expense of ₹ 255.87 million.

Fiscal 2021

Net cash used in financing activities was ₹ 13.39 million in Fiscal 2021, primarily on account of proceeds from long-term borrowings of ₹ 72.90 million, preference share premium of ₹ 259.20 million, which was marginally offset by interest expense of ₹ 239.79 million and repayment of short-term borrowings of ₹ 116.50 million.

INDEBTEDNESS

As of September 30, 2023, we had total borrowings (consisting of non-current borrowings and current borrowings) of ₹ 2,592.14 million. Our total debt/ equity ratio was 0.26 as of September 30, 2023.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2023, and our repayment obligations in the periods indicated:

Particulars	As of September 30, 2023 Payment due by period (₹ million)				
	Total	**Not later than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
Non-Current Borrowings					
- Term loan from bank	113.10	8.10	84.00	21.00	-
- Term loan from others	31.60	7.64	23.96	-	-
- Non-Convertible Debentures	-	-	-	-	-
- Vehicle Loans	21.94	6.88	13.28	1.78	-
Current maturities of long-term borrowings					
- Term Loans	-15.74	-15.74	-	-	-
- Non-Convertible Debentures	-	-	-	-	-
- Vehicle Loans	-6.88	-6.88	-	-	-
Total Non-Current borrowings	**144.02**	-	**121.24**	**22.78**	-
Current Borrowings					
- Cash Credit facility	1,958.33	1,958.33	-	-	-
- Loans from Shareholders	-	-	-	-	-
- Rupee Packaging Credit	467.17	467.17	-	-	-
- Working Capital Demand Loan	-	-	-	-	-
Current maturities of long-term borrowings					
- Term Loans	15.74	15.74	-	-	-
- Non-Convertible Debentures	-	-	-	-	-
- Vehicle Loans	6.88	6.88	-	-	-

Particulars	As of September 30, 2023				
	Payment due by period				
	(₹ million)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Total Current Borrowings	**2,448.12**	**2,448.12**	**-**	**-**	**-**
Total Borrowings	**2,592.14**	**2,448.12**	**121.24**	**22.78**	**-**

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2023, our contingent liabilities that have not been accounted for in our financial statements were as follows:

Particulars	Amount (₹ million)
Claims against the Company not acknowledged as debt	
- Disputed Income Tax Demand[(1)]	1.74
- Dispute Income Tax Demand – CPC Demand[(2)]	6.05
- Dispute Income Tax Demand – CPC Demand[(3)]	24.29
- Dispute Income Tax Demand – CPC Demand[(4)]	0.89
- Disputed Indirect taxes Demand[(5)]	56.33
Bank Guarantees for contractual performance	105.62
Letter of Credit issued by bank	3.53
Bond executed for customs / central excise (covered by bank guarantee to the extent of ₹ 8.16 million)	530.00
On account of bills discounted with banks set off against trade receivable	876.58
Corporate guarantee to subsidiary company	84.00
Total	**1,689.03**

Notes

(1) *CPC demand of ₹ 1.74 million against the disallowance made by ITO against under 35(2AB) for assessment year 2016-17 and thereby reducing the MAT credit availed by the company which was disputed in appeal before CIT(A) and the matter is pending.*

(2) *CPC demand of ₹ 7.56 million against the disallowance made by IT against under 35(2AB) for assessment year 2017-2018. The Company has paid ₹ 1.51 million under protest and filed an appeal which is pending. No provision is made in respect of above income tax demands which are disputed in appeal as it has not reached the finality and the management is not expecting any material liability.*

(3) *The disallowance on account of delay in payment of employer's contribution to EPF and ESI. Filed appeal against the order and submitted the relevant documentation. Assessing officer is in the process of reviewing supporting provided by us to substantiate our claim. Further, on a rectification order passed disallowing the MAT credit accumulated for the assessment year 2016-2017 and assessment year 2017-2018 which the rectification request is under progress.*

(4) *Demand appearing in the TDS Portal amounts to ₹ 0.89 million. We are in the process of adjusting the demand against the unconsumed challans available. We have already submitted a request to the commissioner for extension of time for reconciliation of TDS.*

(5) *There are 14 cases relating to excise, VAT, Customs and CST amounting to ₹ 56.33 million covering a period commencing from Fiscal 2012-2013 to 2018-2019 pertaining to units located in various states in Karnataka, Uttarakhand, Haryana, Tamil Nadu and Maharashtra. Many of the cases required Information provided to the concerned authorities and are in progress.*

For further information on our contingent liabilities, see "Financial Information – Unaudited Special Purpose Interim Consolidated Ind AS Financial Results- Note 28 - Contingent Liabilities and Commitments" on page 312.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to our future commitments:

Particulars	As of September 30, 2023				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(₹million)				
Estimated amount of contracts remaining to be executed on	174.43	174.43	-	-	-

Particulars	As of September 30, 2023				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(₹million)				
capital account and not provided for, net of advances.					
Cumulative dividend on preference shares	-	-	-	-	-
From lease to sale of plot no. 20 and plot no. 119 from KIADB is in progress. Estimated conversion cost is considered as a capital commitment remaining unexecuted.	12.14	12.14	-	-	-
Total	186.57	186.57	-	-	-

For further information on our capital and other commitments, see "*Financial Information – Contingent Liabilities and Commitments*" on page 312.

CAPITAL EXPENDITURES

For Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, our capital expenditure towards additions to fixed assets (property, plant and equipment, intangible assets, capital work in progress, intangibles under development and right of use - assets) were ₹ 542.12 million, ₹ 633.44 million, ₹ 577.67 million, ₹ 191.77 million and ₹ 841.70 million, respectively. The following table sets forth our fixed assets for the periods indicated:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	For the six months ended September 30, 2022	For the six months ended September 30, 2023
	(₹ million)				
Property, plant and equipment	570.65	639.58	901.76	677.12	1,288.05
Capital Work in Progress	10.06	44.20	111.63	80.84	377.40
Intangible assets	126.94	289.73	220.94	255.54	224.14
Intangible under development	116.17	39.09	181.80	91.56	187.26
Rights of use assets	78.58	180.62	170.90	186.91	160.56
Total	**902.40**	**1,193.22**	**1,587.03**	**1.291.97**	**2,237.41**

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include sale of goods and services to entities where any of our KMPs or their relatives have control or significant influence, sale of goods to subsidiaries and purchase of goods from subsidiaries, dividend paid to the KMPs, investments made in the form of compulsory convertible debentures in one of our Group Companies, rent paid to KMPs, sale of property, plant and equipment assets to KMPs, loan taken from related parties and loan repaid related parties, employee advance to related parties, employee advance received back from related parties, remuneration paid to KMPs and guarantees given to lenders against borrowings.

For Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, the aggregate amount of such related party transactions was ₹ (31.71) million, ₹ (83.44) million, ₹ (84.51) million, ₹ (36.02) million and ₹ (32.14) million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2022 and September 30, 2023, was (0.75)%, (1.18)%, (0.75)%, (0.76)% and (0.49)%, respectively.

For further information relating to our related party transactions, see "*Financial Information*" beginning on page 283.

AUDITOR'S OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our Statutory Auditors in their reports on the consolidated audited financial statements as of and for the years ended March 31, 2021, 2022 and 2023 and as of and for the six months ended September 30, 2022 and September 30, 2023.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to market risk, liquidity risk and credit risk. Our Company's senior management oversees management of these risks. The senior professionals working to manage the financials risks and the appropriate financial risk governance framework for our Company are accountable to the our Board and the Audit Committee. The process provides assurance that our Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measure and managed with our policies and overall risk appetite.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates.

Our Company had no exposure to financial instruments with an interest rate risk as on March 31, 2023 and March 31, 2022.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a foreign currency) and our Company's net investments in foreign subsidiaries.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our investing activities, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to our established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

We do not hold collateral as security. We evaluate the concentration of risk with respect to trade receivables as low, as our customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by our treasury department in accordance with our Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year subject to approval of the Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet our present and future cash and collateral obligations without incurring unacceptable losses. Our objective is to, at all times maintain optimum levels of liquidity to meet cash and collateral requirements. We closely monitor our liquidity position and deploy a robust cash management system. We maintain adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies in the last three Fiscals and six months ended September 30, 2022 and September 30, 2023.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*– Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 113 and 56, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*– Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 113 and 56, respectively. To our knowledge, except as discussed in this Preliminary Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and this section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 56, 176 and 111, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Preliminary Placement Document, we have not announced and do not expect to announce in the near future any new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 56, 149 and 176, respectively, for further information on competitive conditions that we face across our various business verticals.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue for the last three Fiscals and six months ended September 30, 2022 and September 30, 2023 are as described in "*– Six months ended September 30, 2022 compared to Six months ended September 30, 2023*", "*– Fiscal 2023 compared to Fiscal 2022*" and "*– Fiscal 2022 compared to Fiscal 2021*" above on pages 132, 136, and 138 respectively.

SEGMENT REPORTING

We primarily operate in the electronics manufacturing segment. Based on the management approach as defined in Ind AS 108 – Operating Segments, the chief operating decision maker evaluates our performance and allocates resources based on an analysis of various performance indicators by geographical segments.

Accordingly, we have identified India and outside India as our reportable geographic segments. As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by our Company for the geographical segments identified.

Geographic Segment	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	(₹ million)				
Outside India	1,078.48	1,411.77	1,661.50	628.93	668.74
In India	3,127.79	5,650.72	9,599.64	4,095.43	5,911.48
Total	**4,206.27**	**7,062.49**	**11,261.14**	**4,724.36**	**6,580.22**

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed below and elsewhere in this Preliminary Placement Document, our Company is not aware of any circumstances that have arisen since September 30, 2023 that have a material adverse effect on, or are likely to affect, our operations or profitability, the value of our assets or our ability to pay our material liabilities within the next 12 months.

- We have been allotted land for the proposed OSAT manufacturing facility in Telangana, India.
- We have been provided an in-principle approval for allotment of land for the Bare PCB manufacturing facility in Karnataka, India.
- One of our Subsidiary, Kaynes International Design & Manufacturing Private Limited has received approval for application for submitted under Production Linked Incentive - Telecom scheme for Telecom and Internet Access equipment.
- One of our Subsidiary, Kaynes Electronics Private Limited has received approval for the application submitted under Production Linked Incentive Scheme for IT Hardware.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry report titled "Industry Report on Indian ESDM Market – Focus on OSAT and BARE PCB Markets" dated December 14, 2023 (the "**F&S Report**") prepared and issued by Frost & Sullivan (India) Private Limited ("**F&S**"), and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Issue.*

Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the F&S Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing the report, F&S has also sourced information from publicly available sources, including our Company's financial statements available publicly.

For more information, see "Risk Factors - Certain sections of this Preliminary Placement Document disclose information from the F&S Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 76*. Also see, "Industry and Market Data" on page* 15.

GLOBAL ESDM INDUSTRY OVERVIEW

Introduction to Electronic System Design and Manufacturing Industry

Traditionally, electronics product manufacturing has been the stronghold of companies engaged in assembling components onto printed circuit boards ("**PCBs**") and creating box builds for original equipment manufacturers ("**OEMs**"). OEMs were conventionally responsible for product designs. However, the landscape is evolving rapidly, with OEMs recognizing the capabilities of Electronics System Design and Manufacturing ("**ESDM**") companies. This shift has led to expanded roles for ESDM firms, now involved not only in manufacturing but also in product design and development, testing, and a range of after-sales services that include repair, re-manufacturing, marketing, and comprehensive product lifecycle management. Noteworthy design-related activities undertaken by ESDM companies encompass product design, chip design, very large-scale integration (VLSI), board design, and the development of embedded systems.

Evolution of the Global ESDM Industry

The global ESDM market was established more than five decades ago to execute manufacturing designs from government, defence, and research institutions. As the years progressed, the ESDM market grew to support the demand that exceeded the manufacturing capacity of the brands. By the mid-1990s, the advantages of the ESDM concept became extremely evident and major brands started outsourcing PCB assemblies on a larger scale.

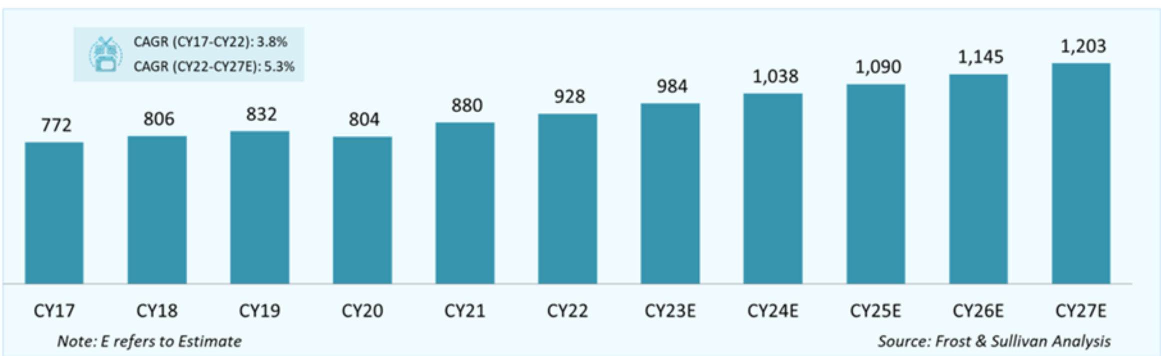
Evolution of Global ESDM industry

Electronics manufacturing in the recent years has observed significant progress in adoption of the advanced robots, due to their capability to perform tasks at enhanced precision levels. Artificial intelligence is another transformative technology in the ESDM market, primarily changing the way a machine functions and interacts. Partnerships, mergers, agreements, and other types of strategic initiatives are becoming more prevalent among the brands, ESDM companies, OEMs, and other stakeholders as they work towards speedy transitions in the electronics manufacturing space globally.

Overview of Global ESDM Industry

The global ESDM market was estimated at US$ 928 billion in 2022 and is expected to reach US$ 1,203 billion in 2027 at a growth rate of 5.1%. Factors such as changing lifestyles and urbanization, growing demand for electronics products, digital transformation through evolving technologies such as IoT, AI, Industry 4.0, etc., accelerated product lifecycles, shift in focus of the brands from core manufacturing activities, large scale manufacturing capabilities and global reach of the ESDM companies are driving global ESDM industry.

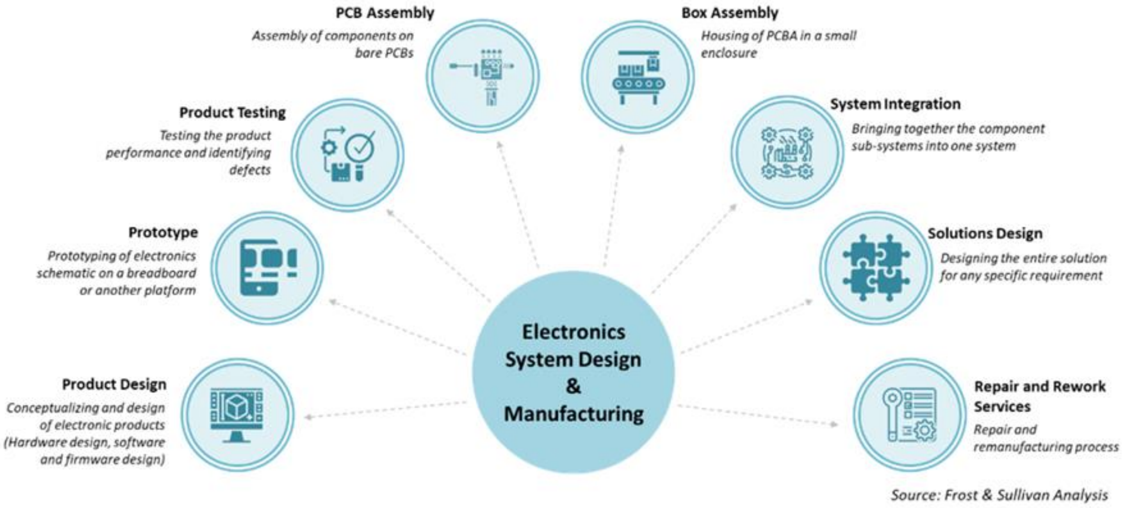
ESDM Industry, Global, value in USD billion, 2017 to 2027E



Range of Services Offered by ESDM Companies Globally

ESDM companies are equipped to provide a range of services which includes design, assembly, manufacturing, and testing of electronic components for the OEMs. These companies can be contracted at different stages of the designing and manufacturing processes. While large companies have the capability to offer entire range of services starting from design, sourcing of components, assembly, and testing (also known as "**ODM**"), smaller companies offer primarily assembly and testing services.

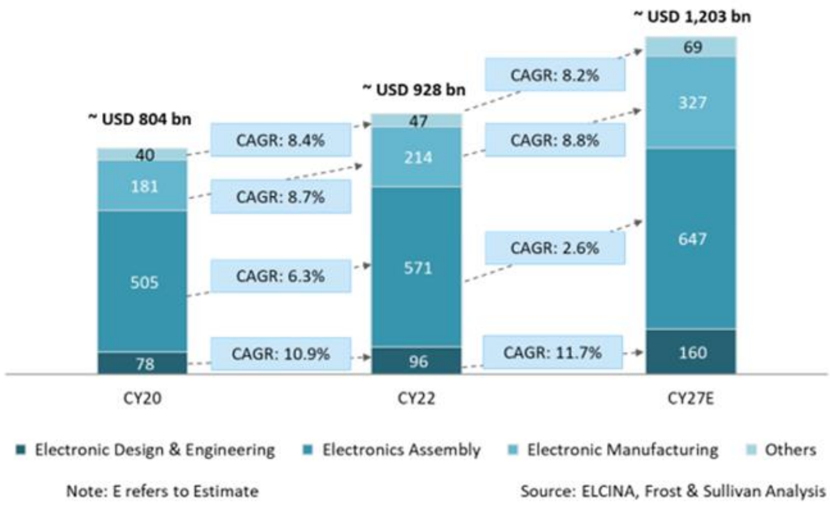
Range of services offered by ESDM companies, Global



Global ESDM Market Split by Services

Large ESDM companies who have mastered the art of manufacturing and assembly, are now trying to move up the value chain and offering enhanced services such as Design, Testing and Sourcing of components. The industry is moving from OEM model to ODM model. The share of ODM business is likely to increase from 9.7% in 2020 to 10.3% in 2022 and 13.3% in 2027.

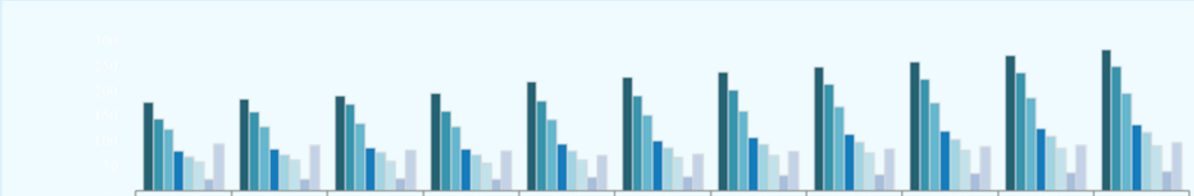
Global ESDM market by services, value in US$ billion, 2022 and 2027E



Global ESDM Market Split by Segments

The global ESDM market spans across multiple end users segments primarily, mobile phones, IT, consumer electronics, industrial electronics, medical electronics, telecom, automotive, and medical electronics. Mobile phones, IT, and consumer electronics are the three largest end user segments and account for approximately 60% share of the global ESDM market. The share is expected to remain same in 2027.

Global ESDM market by end-user industries, value in US% billion, 2017to 2027E



	CY17	CY18	CY19	CY20	CY21	CY22	CY23E	CY24E	CY25E	CY26E	CY27E
Mobile Phones	179	184	191	197	219	229	239	249	259	272	284
IT#	145	159	174	161	180	191	203	214	225	237	250
CEA	124	129	135	129	144	152	161	169	177	187	197
Telecom	80	84	87	84	95	101	107	114	120	126	133
Industrial	69	73	78	72	80	86	93	99	104	110	117
Automotive	59	62	60	56	63	67	72	77	81	85	91
Medical	23	24	25	24	27	29	31	33	35	37	39
Others	94	91	82	81	72	73	79	85	90	92	96

Mobile Phone	IT	CEA	Telecom	Industrial	Automotive	Medical	Others
CAGR (CY17-22): 5.0%	CAGR (CY17-22): 5.7%	CAGR (CY17-22): 4.2%	CAGR (CY17-22): 4.7%	CAGR (CY17-22): 4.7%	CAGR (CY17-22): 2.7%	CAGR (CY17-22): 4.6%	CAGR (CY17-22): -4.9%
CAGR (CY22-27): 4.4%	CAGR (CY22-27): 5.6%	CAGR (CY22-27): 5.3%	CAGR (CY22-27): 5.7%	CAGR (CY22-27): 6.5%	CAGR (CY22-27): 6.3%	CAGR (CY22-27): 6.0%	CAGR (CY22-27): 5.1%

IT – Information Technology products; CEA – Consumer electronics and appliances

* Others include Lighting, Aerospace & and defense, Energy, etc.

Source: Frost & Sullivan Analysis

Note: E refers to Estimate

INDIAN ELECTRONICS INDUSTRY OVERVIEW

Indian Electronics Market – Historical Trends and Outlook

Electronics is one of the fastest growing industries in the country. The total electronics market (domestic electronics production and imports of finished goods) in India was valued at INR 10,860 billion in FY23, expected to grow at a compound annual growth rate ("**CAGR**") of 21.5% to reach ₹ 28,812 billion in Fiscal 2028. The landscape of the industry is changing significantly, and multiple regulatory, economic, and geopolitical factors have contributed towards the recent spurt in manufacturing of electronics products in India.

Indian Electronics market (Production + Import), value in ₹ billion, India, Fiscal 2017 to Fiscal 2028E

Note: E refers to Estimate

Source: MeitY, ELCINA, Frost & Sullivan Analysis

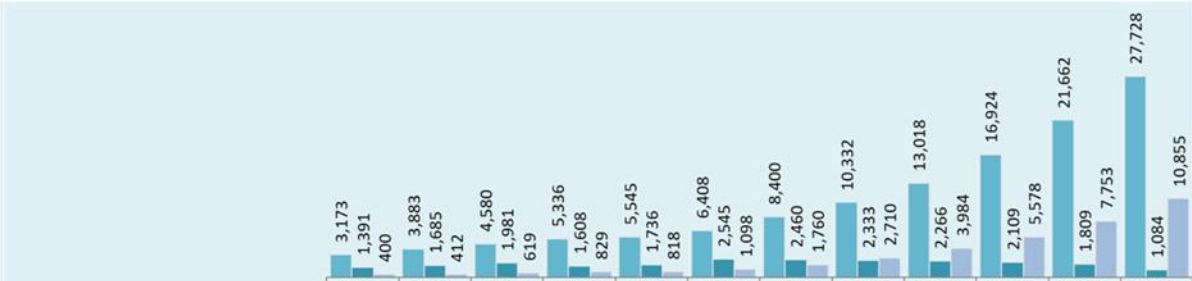
Domestic manufacturing of electronics components, assemblies, and finished products have received significant boost in the recent years owing to Indian government's progressive policies such as Production Linked Incentive ("**PLI**") schemes, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors ("**SPECS**") and Make in India. Comparatively lower manufacturing costs than the manufacturing majors, and a vast pool of young and skilled workforce are some of the driving forces behind development of India's electronics ecosystem. Also, the Indian ESDM companies are slowly shifting their focus from high volume low margin products to high margin low volume products.

Trends in Domestic Electronics Production, Import, and Export

India produced electronics goods worth ₹ 8,400 billion in Fiscal 2023 which is expected to grow at 27% CAGR to reach ₹ 27,728 billion in Fiscal 2028. India has the potential to be one of the global manufacturing hubs and all the stakeholders are working towards the objective of "Make in India for the World". The government is spearheading this movement through various policies and incentives to build a robust electronics manufacturing ecosystem in the country and propel India among the top five countries for electronics production and the top three countries for electronics consumption.

India has imported electronics finished goods worth ₹ 2,460 billion in Fiscal 2023, compared to ₹ 2,545 billion in Fiscal 2022. As the country is striding towards the vision of 'Atmanirbhar' or self-reliant, value of import is expected to decline to ₹ 1,084 billion by Fiscal 2028. On the other hand, exports of electronics finished goods increased by 60.3% in Fiscal 2023 to ₹ 1,760 billion. Strong export led growth has been the foundation of Indian government's manufacturing policies. As India is aiming to become a global manufacturing powerhouse, export of electronics products is expected to increase at a steep 43.9% CAGR to reach ₹ 10,855 billion by Fiscal 2028. India holds superior design competence and the availability of skilled and talented workforce at a comparatively lower wages fortifies India's position as the futuristic, domestic-cum-export-oriented manufacturing destination.

Domestic electronics production, imports and exports, value in ₹ billion, Fiscal 2017 to Fiscal 2028E



	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E
Total domestic electronics production	3,173	3,883	4,580	5,336	5,545	6,408	8,400	10,332	13,018	16,924	21,662	27,728
Import of finished goods	1,391	1,685	1,981	1,608	1,736	2,545	2,460	2,333	2,266	2,109	1,809	1,084
Electronic exports	400	412	619	829	818	1,098	1,760	2,710	3,984	5,578	7,753	10,855

Total domestic electronics production
CAGR (FY17-FY23): 17.6%
CAGR (FY23-FY28E): 27.0%

Import of finished goods
CAGR (FY17-FY23): 10.0%
CAGR (FY23-FY28E): -15.1%

Electronic exports
CAGR (FY17-FY23): 28.0%
CAGR (FY23-FY28E): 43.9%

*Values in brackets are in USD billion

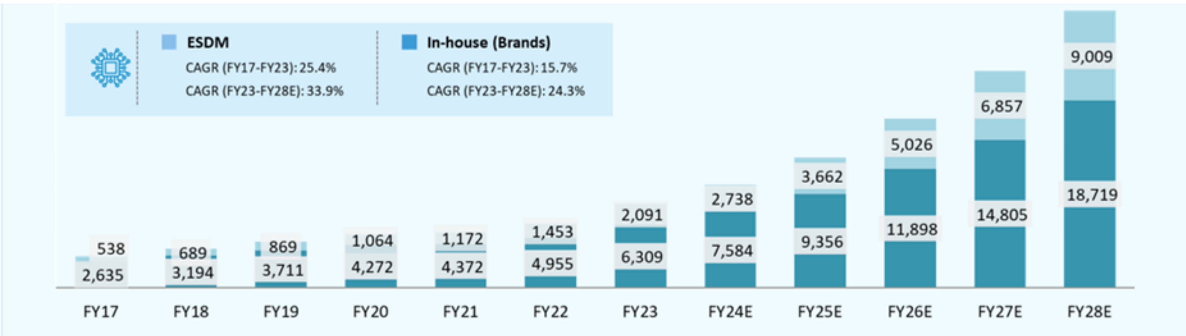
Note: E refers to Estimate

Source: MeitY, ELCINA, Frost & Sullivan Analysis

Share of ESDM Companies in Domestic Electronics Production

While Indian based ESDM companies are gradually evolving to offer full range of services including design and after sales services, many brands are still developing, designing, and manufacturing electronic products in-house. This strategy allows EMS companies to own IP for their designs and command higher margins, while enables the brands to focus on market development and expansion activities, leaving manufacturing related hassled to their ESDM partners.

Electronics production in India split by ESDM and In-house manufacturing, ₹ billion, Fiscal 2017 to Fiscal 2028E



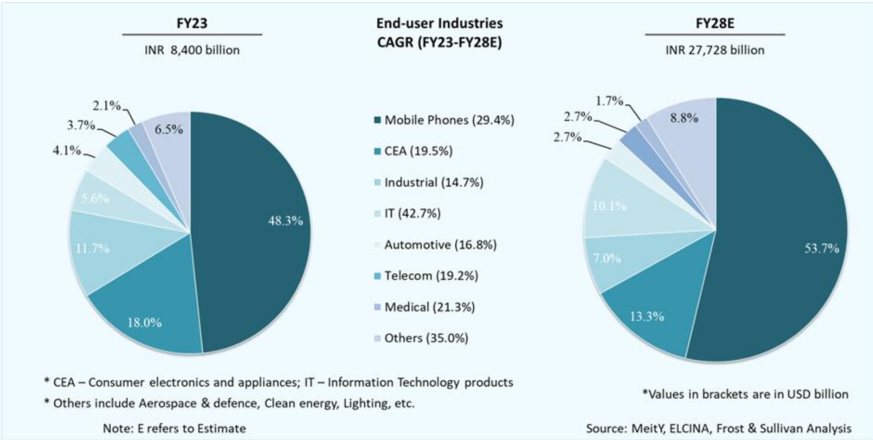
Note: E refers to Estimate

Source: MeitY, ELCINA, Frost & Sullivan Analysis

Contribution of Various End-User Industries in Domestic Electronics Production

India has one of the largest consumer bases in the Asia-Pacific region, and the country's electronics industry is one of the fastest-growing in the world. Currently, India is the second largest mobile phone manufacturer in the world, contributing to nearly 46% of the domestic electronics production. Consumer electronics and appliances is the second largest segment, with a diverse range of electronic products such as televisions, air-conditioner, refrigerators, audio players, and other household products. The electronics manufacturing industry in India has also started to focus on high-margin products such as industrial electronics, medical electronics, automotive electronics, telecommunications, etc. Clean energy and emerging communication technologies are upcoming, high growth segments. The clean energy sector comprises of solar, electric vehicles, and hydrogen. The communication sector comprises of telecom, satellite, and digital infrastructure. Aerospace and defence, also known as Strategic Electronics, are the segments that require highest degree of precision in manufacturing.

Indian electronics production split by end-user industries, ₹ billion, Fiscal 2023 and Fiscal 2028E

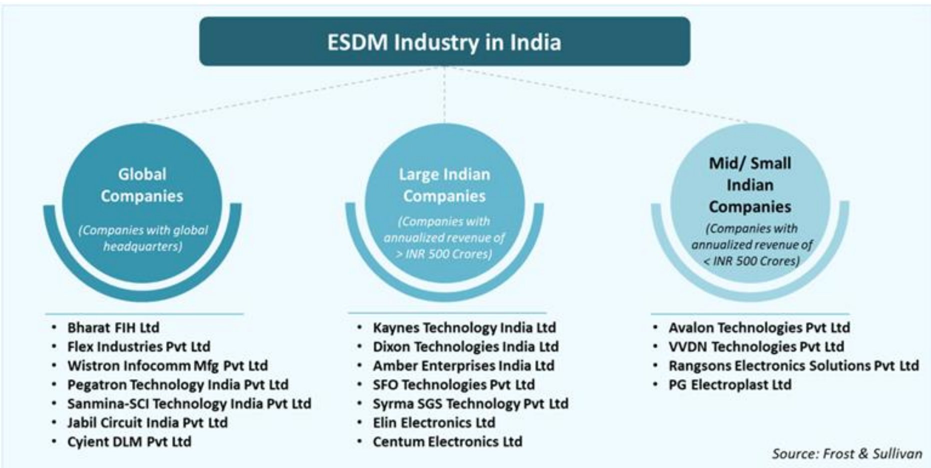


INDIAN ESDM INDUSTRY OVERVIEW

Overview of Indian ESDM Industry

The Indian ESDM industry is relatively young, with nearly three decades of experience. The ESDM industry has grown in prominence over the last decade, particularly in the last six to seven years. The period of 2005 to 2-07 saw the first big ticket investment in ESDM operations in India with entry of Jabil Circuits and Nokia. This triggered a series of large / medium scale investments in the Indian ESDM sector. Period of 2013 to 2014 was a dampener as Nokia wound up its India operation however, this was short-lived. By 2015, global ESDM giants have started showing interest in India. Indian ESDM industry has since then embarked on an upward journey. Now with most of the global Mobile Phone manufacturers and their supply chain partners are investing in manufacturing, Indian ESDM industry is well poised to unlock its true potential in the coming years.

Structure of Indian ESDM industry



There are more than 700 companies in the Indian ESDM market, ranging from large, medium-sized, to small players. Major global companies such as Bharat FIH, Flex, Wistron, Pegatron, Jabil, etc. and large Indian companies such as Keynes Technology India Ltd, Dixon, Amber, SFO Technologies, Syrma, Elin, Avalon Technologies etc. are present in this market. Ambitious expansion plans and capacity augmentation of indigenous ESDM players to capitalise on favourable policy initiatives will drive the growth of Indian ESDM sector in the coming years.

Value chain of Indian ESDM Industry

Business models of Indian ESDM companies can broadly be classified under four categories:

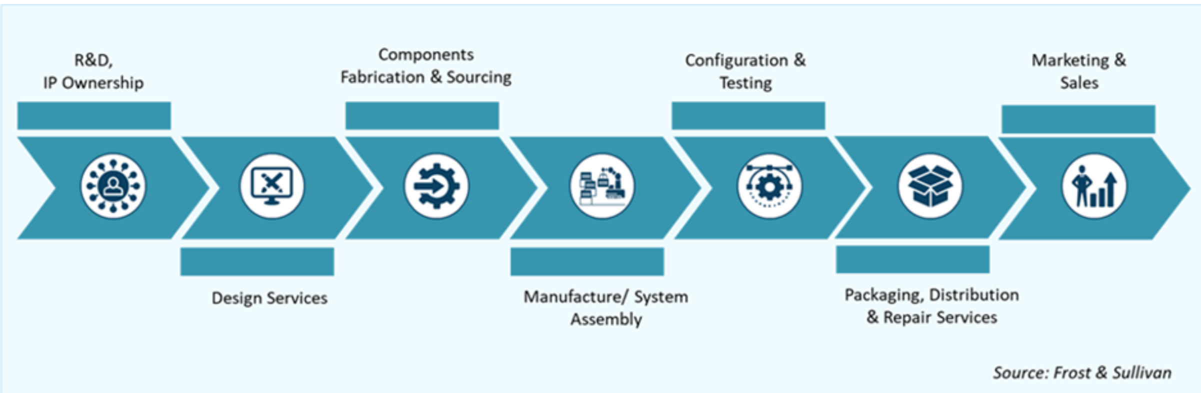
- ODM model;
- EMS model;
- Job work; and
- After-sales service.

EMS model accounts for approximately 75% to 80% share of the Indian ESDM market, while ODM model accounts for the remaining 20% to 25%. Most of the electronics manufacturers in India lack mature R&D set-ups due to large capex investments and long gestation periods. However, India has a competitive edge in design services since most of the design works are outsourced to cost-effective destinations. Many ESDM companies in India are now evolving to offer complete design services apart from manufacturing and assembly services.

The country also has high maturity levels in packaging, distribution, repair, sales, and marketing functions to meet geographical standards and cater to local requirements. After-sales services which include repair and maintenance are important for the Indian buyer as the use-and-throw perception is still not acceptable in the Indian electronics ecosystem. ESDM companies having an extra ability to provide the reverse logistics will get additional business from the brands and at the same time would also be playing a significant role in the e-waste management which is a huge concern globally. Many players like Bharat FIH, Dixon, Flextronics, Kaynes, etc. are offering after-market services like repair, refurbishment, vendor management etc.

Kaynes has capabilities across the spectrum of ESDM services with credentials in concept co-creation, product realization and lifecycle support. It is an end-to-end and IoT solutions enabled integrated electronics manufacturing player. Kaynes has the capabilities to conceptually design simple to complex electronic devices and IoT enabled solutions across industry verticals. It operates a de-risked business model with a wide ranging ESDM portfolio having applications across industry verticals that range from mission critical verticals to industrial and include verticals such as railways, aerospace and defence, outer-space and nuclear, industrial, medical, automotive, IoT and IT.

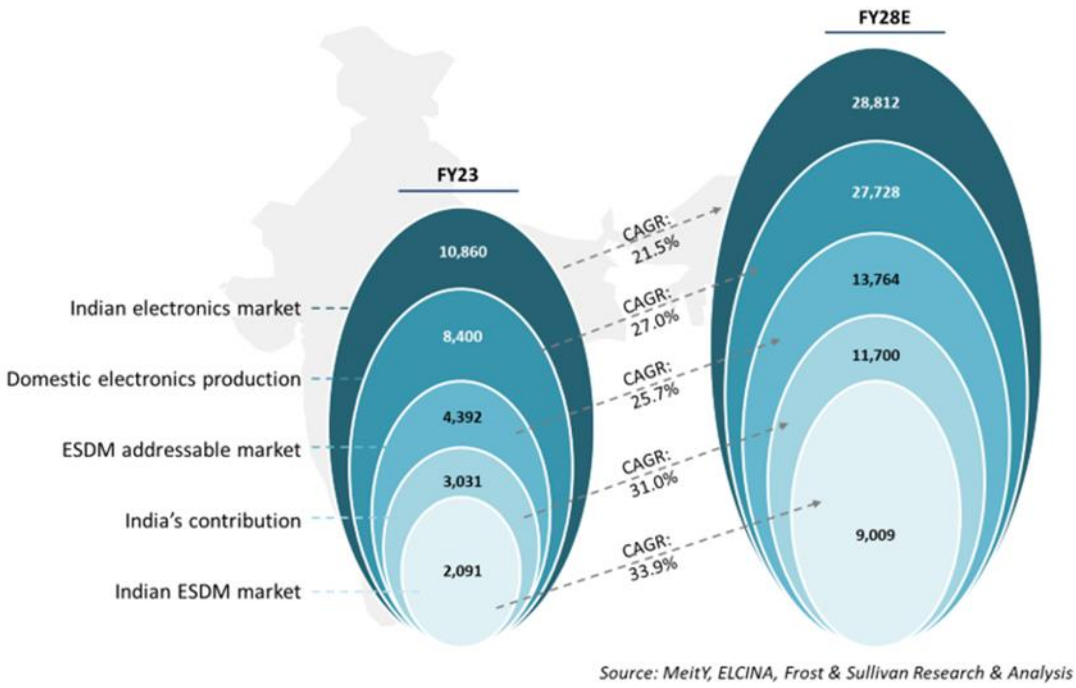
Value chain of Indian ESDM industry



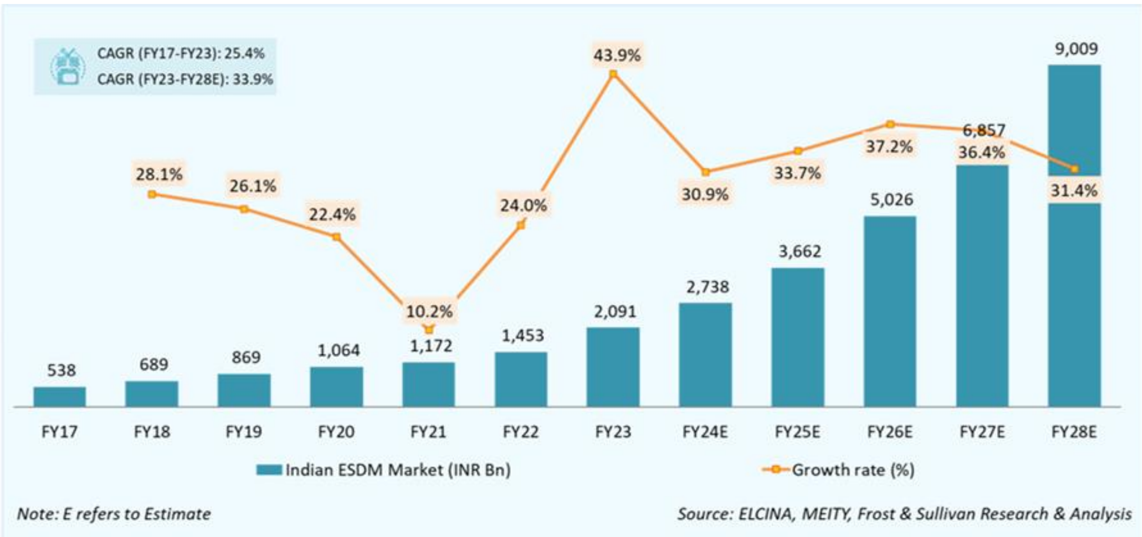
Size of Indian ESDM Industry

Size of the Indian ESDM market in Fiscal 2023 was ₹ 2,091 billion. The industry is expected to grow at a CAGR of 34% to reach ₹ 9,009 billion by Fiscal 2028. A strong consumer economy with increasing demand for consumer and industrial electronics have driven the Indian ESDM sector into the forefront. Domestic production of electronics has received a lot of attention from both industry and the government, owing to the necessity for import substitution. Favourable policy initiatives in recent years, as well as changes in the global manufacturing environment, have drawn attention to India as a preferred destination for electronics manufacturing investments.

Indian Electronics Market Vs ESDM Market; Value in ₹ Billion, Fiscal 2023 to Fiscal 2028E



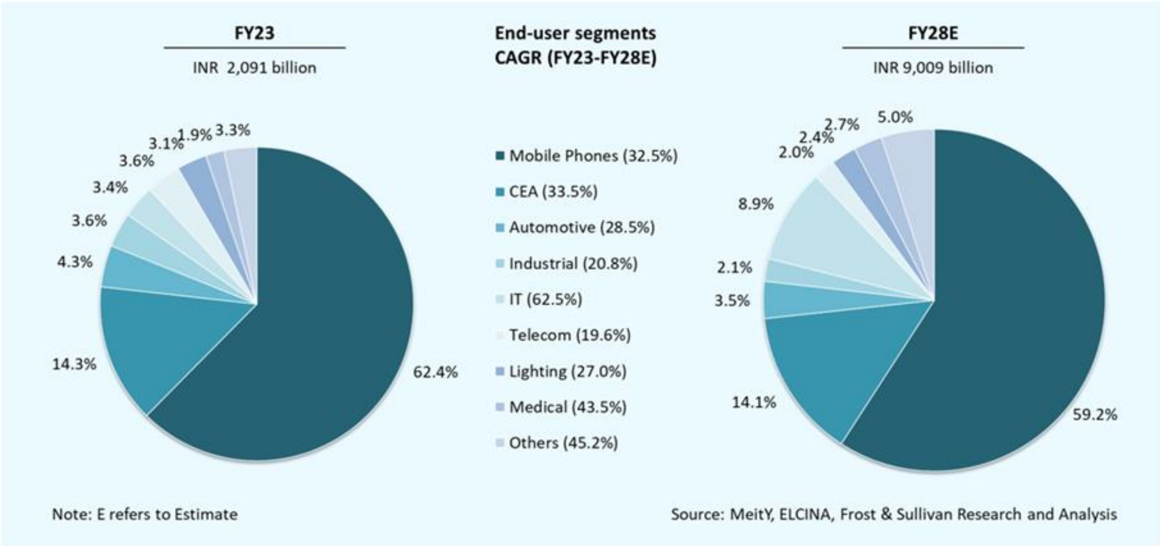
Indian ESDM market, value in ₹ billion, growth in %, Fisca 2017 to Fiscal 2028E



Segmentation of the Indian ESDM market by key end-use industries

Mobile Phones, Consumer Electronics, Automotive, and Industrial Electronics segments account for nearly 85% share of the ESDM business in India. The scenario is however likely to change as Indian ESDM companies are gearing up to manufacture IT and IT related products in India. Share of IT segment in Indian ESDM market is expected to increase from 3.6% in Fiscal 2023 to 8.9% in Fiscal 2028 – the segment is expected to grow at more than 60% CAGR over the next five years.

Segmentation of Indian ESDM market by end-user segments, value in ₹ billion, Fiscal 2023 -Fiscal 2028E



a. **Mobile Phones:** Mobile phones manufacturing is the largest segment within EMS and is growing at a robust pace. India is the world's second-largest manufacturing hub and market, producing 11% of all mobile phones worldwide. While 3G technology enabled smartphones had limited bandwidth, succeeding technologies such as 4G, 4G+, VOLTE and soon 5G, are defining the mobility in terms of data in the country. 4G technology has largely been responsible for enhancing the Internet access and increasing the data usage in the Indian Market.

b. **Consumer Electronics & Appliances ("CEA"):** In India, CEA has the largest market share after mobile phones. Sales are driven by rising income levels and technological innovation, since users tend to adapt to new technologies through early replacement. Untapped markets have been brought to the attention of consumer electronics companies due to digital technology and enabling connectivity infrastructure. Small and kitchen appliances account for a significant portion of the market size. With rise in demand of components, it is very likely that EMS and Tier-1 players would take steps to build a component base within the country.

c. **Automotive:** Automotive electronics sales are expected to go up, driven by rising income levels, and an increasing level of in-vehicle digital experience. Rising awareness among people about advanced safety and communication services, coupled with more embedded connectivity service offerings by automakers, is also one of the drivers for this market.

d. **Industrial:** Industrial electronics play a vital role in improving the efficiency and productivity of industries and are anticipated to grow in industries like energy, transportation, petroleum, chemical, semiconductor, mining, agriculture, and others. Current emphasis is also placed on a branch of power conditioning dealing with power electronic switches, sensors, actuators, meters, intelligent electronic devices (IEDs), automation equipment, semiconductors, nanotechnology, etc., using power semiconductor devices in modernizing industry technology.

e. **Telecom:** A lot of growth potential exists for telecom electronics products like GPON, IP PBX and Media Gateway as well as Router and Modems. Routers, GPONs, and modems are going to remain key revenue contributors within the Telecom and Networking Products business in the forecast period. 5G connectivity will be used in emerging technologies and technology-enabled markets such as IoT, smart cities, and smart agriculture. 5G, due to its greater speed, would also enable next-generation IoT and machine-to-machine (M2M) applications such as autonomous vehicles and virtual or augmented reality. The OEMs' requirements in this industry are technical expertise in the manufacturing of large and complex PCBAs and quick ramp-up capabilities.

f. **Medical:** The Indian Medical Devices, market is experiencing dynamic changes with the emergence of advanced technologies, evolving clinical and administrative needs, and the introduction of new policies and regulations, which is forcing industry participants to innovate to maintain their competitive edge. The healthcare and medical device sectors have grown ominously in the last decade. There is a huge gap in between the current market demand and supply of the medical devices in India and this actually provides a substantial opportunity for the manufacturing devices market to grow in India. At present, numerous medical device manufacturers (domestic & international) are chasing this huge under penetration of the medical devices in India as a substantial growth opportunity.

Growth Drivers for Indian ESDM Industry

Multiple factors are driving the growth of Indian ESDM industry. Following are the notable ones:

a. Growth in per capita electronics consumption in the country;
b. Favourable government policies such as PLI, Design Linked Incentive ("**DLI**"), etc.;
c. Import substitution and enhancing local value additions;
d. Global realignment of supply chain strategy;
e. Global brands are exploring alternate destinations for manufacturing beyond China;
f. Indian government's focus on export led growth in order to become a US$ 5 trillion economy; and
g. Cost advantage and availability of vast pool of skilled and talented workforce

Strong investment pipeline from Global and Indian electronics and semiconductor manufacturing companies.

OPPORTUNITIES IN THE OUTSOURCED SEMICONDUCTOR ASSEMBLY AND TEST (OSAT) MARKET

Overview of Global Semiconductor Market

Semiconductors, known for selective conductivity, are crucial in electronic devices like smartphones. Major players like Intel and Samsung, with significant financial strength, generated US$ 58.4 billion and US$ 65.6 billion in semiconductor revenue in 2022. The semiconductor market is set for substantial growth, projected to reach US$ 553.0 billion by 2023, with integrated circuits leading at US$ 443.3 billion, highlighting their global popularity.

Going forward, the global semiconductors market is anticipated to maintain a steady growth trajectory, with a CAGR of 7.4% from 2022 to 2027. This growth forecast positions the market to achieve a noteworthy market volume of US$ 736.0 billion by 2027, underscoring its positive outlook and potential for profitability in the years to come.

On a global scale, China is poised to lead the Semiconductors market, expecting to generate the highest revenue of US$ 179.5 billion in 2023. This emphasizes China's prominent role as a major player in the worldwide semiconductors market industry.

Global Semiconductor market, value in US$ billion, 2017 to 2027E

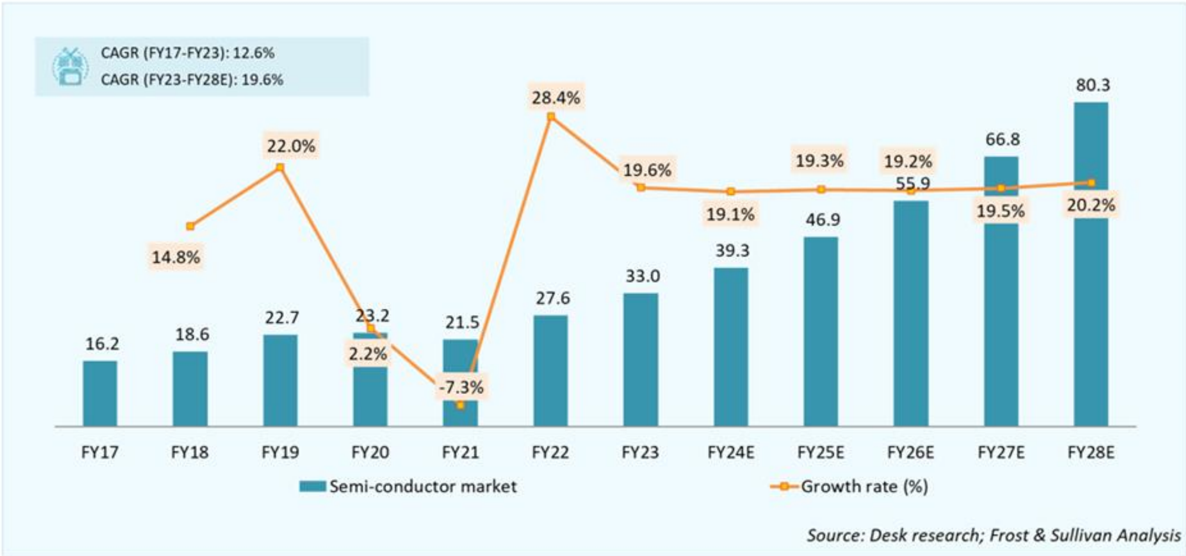
Overview of Indian Semiconductor Market

The semiconductor industry has witnessed significant growth, driven by 5G adoption, increased demand for processing units in cryptocurrency mining, and government initiatives towards digitalization. Global supply chain challenges, exacerbated by strained U.S.-China relations, have contributed to a semiconductor shortage. The Indian semiconductor market, valued at around US$ 33.0 billion, in Fiscal 2023 growing at a CAGR of 12.4% between Fiscal 2017 and Fiscal 2023.

The initial semiconductor shortage that reverberated across the automotive, smartphone, and PC industries during the COVID-19 pandemic has now transitioned into a surplus, impacting major chip manufacturers such as TSMC and SMIC. The disruptions caused by the pandemic significantly impeded the chip supply chain and production, resulting in extended waiting periods for customers and a notable production decline in the automotive sector. Subsequently, the supply situation has stabilized, prompting various regions, including India, the US, China, Japan, and Europe, to proactively offer incentives to encourage local chip manufacturing, aiming to reduce dependence on imports.

With a population of over 1.4 billion and a strong education system, India has the potential to emerge as a semiconductor talent hub. The Ministry of Electronics and IT ("**MeitY**") is investing US$ 10 billion in the India Semiconductor Mission ("**ISM**") to boost R&D, manufacturing incentives, and the DLI scheme for Fabless startups. Despite challenges like higher costs, government incentives aim to position India as an attractive destination for semiconductor manufacturing. The Indian semiconductor market is anticipated to achieve a valuation of US$ 80.3 billion by Fiscal 2028, reflecting a robust CAGR of 19.7% over the forecast period.

India Semiconductor market, value in US$ billion, Fiscal 2017 to Fiscal 2028E



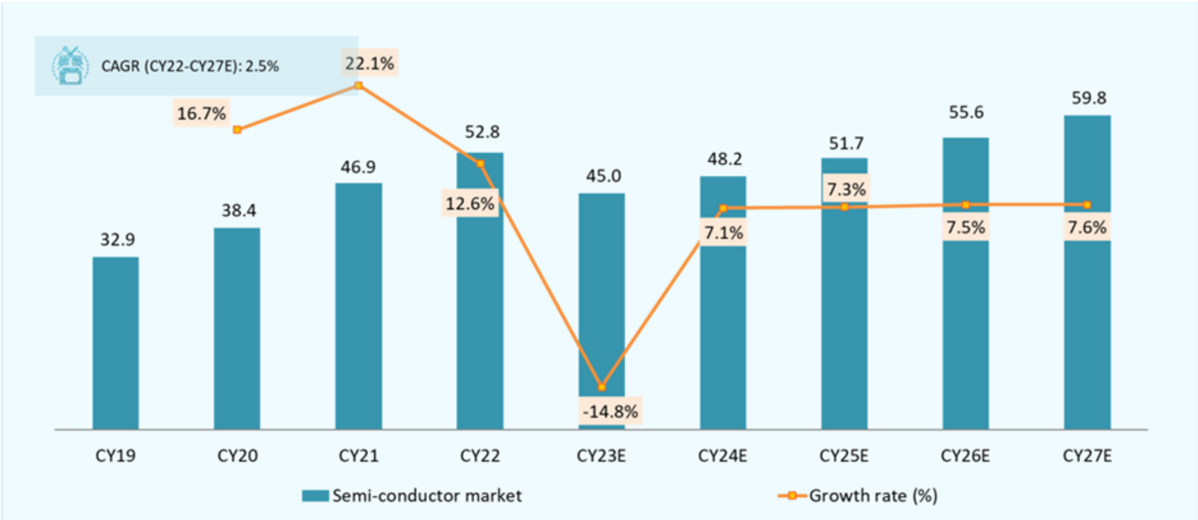
Global Outsourced Semiconductor Assembly and Test (OSAT) market

OSAT, an acronym for Outsourced Semiconductor Assembly and Test, refers to companies specializing in third-party services for the packaging and testing of integrated circuits ("**ICs**"). These firms also extend their expertise to offer assembly services, including QFN, BGA, and WLCSP.

OSATs play a crucial role as strategic collaborators for integrated device manufacturers ("**IDMs**"), foundries, and fabless chip manufacturers. Their primary functions encompass providing packaging solutions for silicon devices produced by foundries and conducting thorough testing of these devices before they are released to the market.

The Outsourced Semiconductor Assembly and Test Services ("**OSAT**") market is projected to grow from US$ 52.8 billion in 2022 to US$ 59.8 billion by 2027, at a CAGR of 2.5%. The industry demonstrated strong growth in the past, US$ 32.9 billion in 2019 to US$ 52.8 billion in 2022. The industry however is expected to shrink in 2023 to US$ 45 billion and thereafter recovering at 7.4% CAGR to reach US$ 59.8 billion by CY27. Challenges like decreased consumer electronics demand and declining cloud service needs have impacted the OSAT market negatively in 2023.

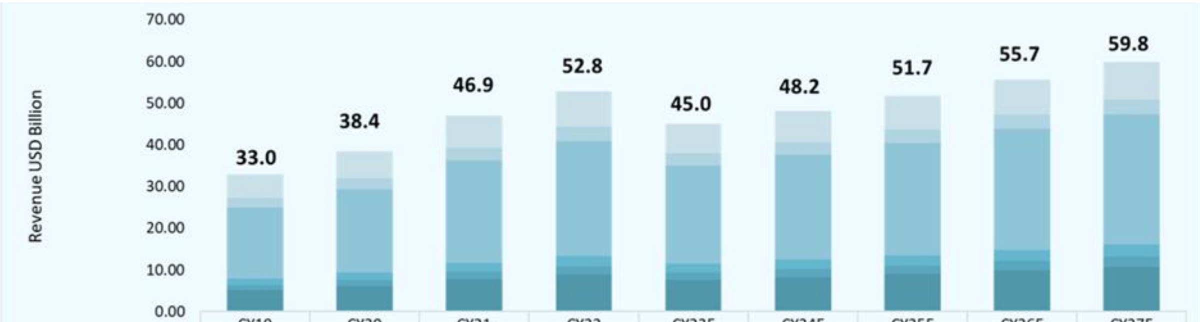
Global Outsourced Semiconductor Assembly and Test (OSAT) market, value in US$ billion, 2019 to 2027E



Source: Statista; Frost & Sullivan Analysis

The infographic below depicts the projected growth of the global OSAT market across various interconnect types between 2019 and 2027. Notable trends include a rising demand for advanced packaging solutions like 2.5D/3D and Flip-chip, with their market shares increasing steadily. Fan-out packaging also experiences consistent growth, while wire bond substrate and lead frame technologies demonstrate sustained demand.

OSAT Revenue Forecast by Interconnect Type, Global, value in US$ billion, 2019 to 2027E



	CY19	CY20	CY21	CY22	CY23E	CY24E	CY25E	CY26E	CY27E
Wire bond leadframe	5.8	6.5	7.6	8.4	7.1	7.5	8.0	8.4	8.9
Wire bond substrate	2.2	2.6	3.1	3.4	2.9	3.1	3.2	3.4	3.6
Flip-chip	17.1	20.0	24.5	27.6	23.5	25.2	27.0	29.1	31.3
Fan-in	1.5	1.8	2.3	2.6	2.2	2.3	2.5	2.7	2.9
Fan -out	1.2	1.4	1.8	2.0	1.7	1.9	2.0	2.2	2.4
2.5D/3D	5.0	6.0	7.6	8.7	7.5	8.1	8.8	9.6	10.4
Others	0.05	0.07	0.09	0.1	0.1	0.14	0.18	0.23	0.31

Source: Frost & Sullivan Analysis

Outsourcing plays a pivotal role in semiconductor manufacturing, with Fabs (Pure-Play Foundries) and OSATs being key examples. OSAT firms provide third-party IC packaging and testing services, delivering innovative and cost-effective solutions for faster processing speeds, higher performance, and enhanced functionality in electronic devices.

The ongoing trend of vertical integration among semiconductor manufacturers into packaging operations poses a significant threat to the global OSAT market. Foundries and integrated device manufacturers now include advanced packaging as part of their core competencies, potentially limiting OSAT vendors' scope and growth. The increasing complexity of semiconductor packaging and testing processes, driven by manufacturing advancements and miniaturization, remains a difficult proposition for the core semiconductor manufacturing companies which in turn will act as a catalyst for the global OSAT market.

OSAT Industry Global Landscape: Company Presence and Vertical Focus

OSAT companies play a critical role in the semiconductor supply chain, and they are essential to produce a wide range of electronic products, including smartphones, computers, consumer electronics, and automotive electronics. The global OSAT market is highly competitive, with a number of major players operating around the world. The leading OSAT companies are ASE Group, Amkor Technology, JCET, Siliconware Precision Industries Co., Ltd. (SPIL), and KYEC. These companies offer a wide range of services and capabilities, and they are constantly innovating to stay ahead of the competition.

Key global OSAT Companies and their Industry Focus

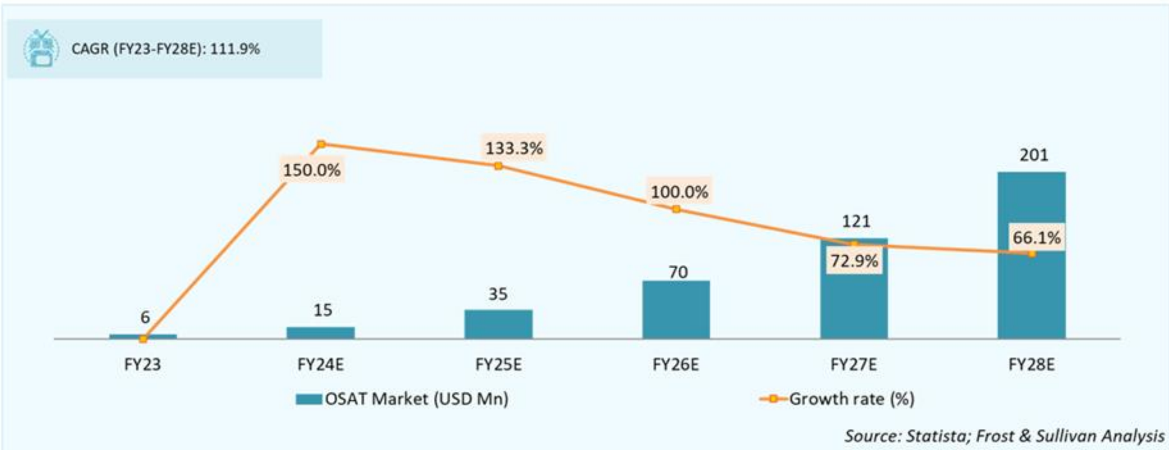
Global OSAT Industry Landscape: Company Presence and Vertical Focus	
ASE Group	Smartphones, computers, consumer electronics, automotive, industrial
Amkor Technology	Smartphones, computers, consumer electronics, communications, automotive
JCET	Smartphones, computers, consumer electronics, memory modules
Siliconware Precision Industries Co., Ltd. (SPIL)	Smartphones, computers, consumer electronics, power management, automotive
KYEC	Smartphones, computers, consumer electronics, industrial
Hana Micron	Smartphones, computers, consumer electronics, memory modules
Signetics	Smartphones, computers, consumer electronics, industrial
Unisem Group	Smartphones, computers, consumer electronics, power management
Walton Advanced Engineering	Smartphones, computers, consumer electronics, industrial
Powertech Technology Inc.	Smartphones, computers, consumer electronics, power management

Source: Frost & Sullivan Research and Analysis

Indian OSAT Market

The Indian OSAT market is currently in its nascent stage, but it holds immense potential for growth in the coming year. The Indian OSAT market is expected to experience significant growth in the coming years, with the potential to reach US$ 201 million by Fiscal 2028. The growth could be even faster if major global OSAT players set up production facilities in India. The Indian government's continued commitment to fostering the semiconductor ecosystem, coupled with the country's inherent strengths in terms of skilled labour, cost competitiveness, and proximity to key markets, will undoubtedly propel the Indian OSAT market to new heights in the years to come.

India OSAT market, value in US$ million, Fiscal 2023 to Fiscal 2028E



Source: Statista; Frost & Sullivan Analysis

Driven by a confluence of favourable factors, including the burgeoning demand for electronics, government support, domestic electronics manufacturing, cost advantages, skilled labour, proximity to end markets, and the adoption of emerging technologies, the Indian OSAT market is poised to play a pivotal role in the global semiconductor landscape. The country has the potential to emerge as a global leader in OSAT manufacturing, attracting major players and establishing itself as a cornerstone of the global semiconductor supply chain.

OSAT Industry Landscape in India: Company Presence and Vertical Focus

The world of semiconductors is undergoing a transformative shift, with India rapidly establishing itself as a pivotal player in the semiconductor ecosystem. Boasting a robust pool of skilled engineers, coupled with proactive government initiatives to foster semiconductor manufacturing, India has become a magnet for leading OSAT companies. The table below provides an in-depth assessment of key OSAT companies in India and their respective industry verticals:

OSAT Companies in India and industry focus

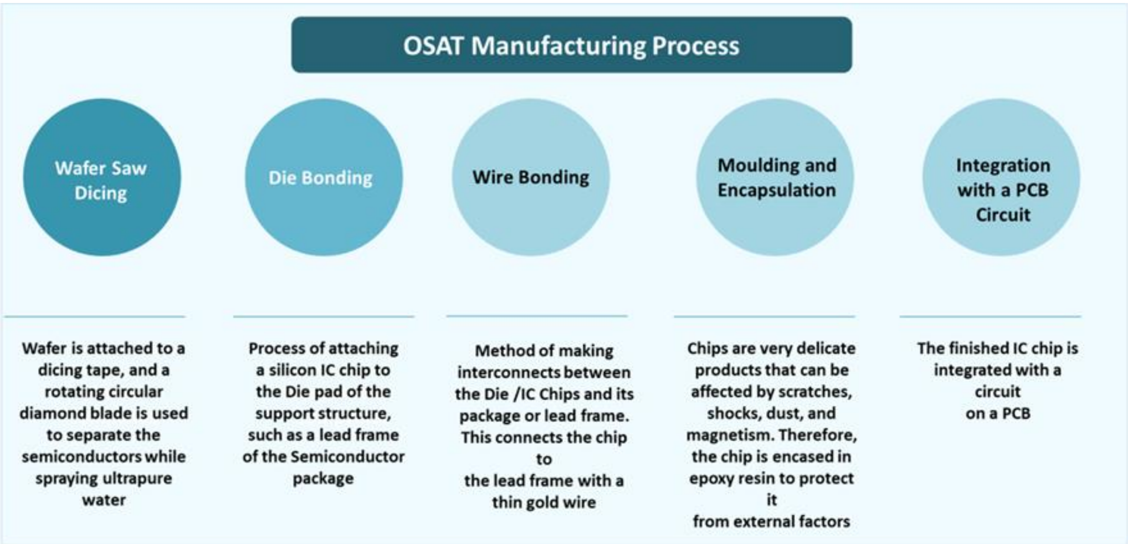
OSAT Industry Landscape in India: Company Presence and Vertical Focus	
Kaynes Technology India Limited	Automotive, Industrial, Telecom, Aerospace & Defence, Medical, Railways, IoT, IT
VVDN	Automotive, Industrial, Telecom, Aerospace & Defence, Medical, Consumer Electronics, IoT
Sahasra Semiconductors	Automotive, Industrial, Telecom, Aerospace & Defence
Micron	Memory, 2.5D and 3D wafer-level packaging, Co-Packaged Optics
CG Power and Industrial Solutions	High-performance computing, networking
Mphasis	IT, Enterprise Systems, Software Solutions
HCL Technologies Limited	IT Services, BPO, Business Consulting
Tata Technologies	Aerospace, Defence, Automotive, Industrial, Consumer Electronics
Hindustan Aeronautics Limited	Aerospace, Defence
Bharat Electronics Limited	Aerospace, Defence, Telecom
Larsen & Toubro	Industrial, Power
Bharat Heavy Electricals Limited	Power, Infrastructure
Reliance Industries Limited	Retail, Petrochemicals

Source: Frost & Sullivan

OSAT Manufacturing Process

The OSAT process is a pivotal stage in the semiconductor industry's manufacturing cycle. OSAT companies specialize in providing essential services such as packaging and testing for integrated circuits produced by foundries. This outsourcing model allows semiconductor manufacturers to leverage expertise and cost efficiencies, ensuring that the final ICs meet rigorous quality and performance standards.

OSAT Manufacturing process



Source: Frost & Sullivan

The OSAT process encompasses several key steps, including die attach, wire bonding, mould encapsulation, testing, and packaging, all aimed at transforming semiconductor wafers into finished, functional ICs ready for integration into various electronic devices. The OSAT (Outsourced Semiconductor Assembly and Test) process plays a crucial role in the semiconductor industry's manufacturing lifecycle. Below is an overview of the key steps involved in the OSAT process:

a. **Package Design:** The process initiates with package design, where the physical and electrical specifications for the semiconductor package are determined. Design considerations include the type of semiconductor device, the intended application, and the desired performance characteristics.

b. **Wafer Testing:** Before packaging, the individual semiconductor devices (chips) on the wafer undergo testing. This ensures that only functional devices proceed to the packaging stage. Testing may involve checking for defects, measuring electrical characteristics, and verifying functionality.

c. **Die Separation:** Once the wafer testing is completed, the next step is die separation. The individual semiconductor devices are separated or diced from the wafer.

d. **Die Bonding:** The **separated** semiconductor dies are then attached or bonded to a substrate, typically a leadframe or a substrate material.

e. **Wire Bonding:** Wire bonding is performed to establish electrical connections between the semiconductor die and the leadframe or substrate. This step involves using thin wires (usually aluminum or gold) to create the necessary electrical pathways.

f. **Moulding/Encapsulation:** The semiconductor device is then encapsulated or moulded using a protective material, such as epoxy resin. This provides physical protection and environmental isolation.

g. **Marking and Singulation:** Each packaged semiconductor is marked with relevant information, such as part numbers and logos. The packaged devices are then singulated or cut into individual units.

h. **Testing and Quality Control:** The packaged semiconductor devices undergo thorough testing to ensure they meet the specified performance criteria. Various tests, including functional tests and electrical tests, are conducted to validate the quality and functionality of the packaged devices.

i. **Final Inspection and Packaging:** A final inspection is carried out to verify the quality of the packaged devices. The devices are then packaged in trays, tubes, or other suitable containers for shipment to customers.

Strategic Benefits and Technology Outlook

A. Strategic Benefits

The landscape of semiconductor manufacturing has undergone a transformative shift with the emergence and evolution of OSAT providers. These specialized entities play a crucial role in the final stages of semiconductor production, offering a range of strategic benefits to semiconductor companies. This includes cost efficiency, global scalability, and a focus on core competencies, ultimately contributing to accelerated time-to-market for innovative semiconductor products.

Beyond their strategic advantages, OSAT providers are pivotal in shaping the technological outlook of the semiconductor industry. They actively participate in driving advancements in packaging technologies, heterogeneous integration, and the ongoing trend of miniaturization. This introduction sets the stage for a detailed exploration of the strategic benefits and technological contributions that OSAT brings to the forefront of semiconductor manufacturing.

a. **Ability to Handle Complex Packaging Requirements:** OSAT/ATMP players possess specialized capabilities to handle intricate packaging demands, including those associated with advanced technologies and diverse semiconductor applications. Their expertise ensures effective solutions for complex packaging challenges, meeting the evolving needs of semiconductor manufacturers.

b. **Expertise in Advanced Packaging Technologies:** With a focus on innovation, OSAT/ATMP players bring a wealth of expertise in advanced packaging technologies. This proficiency is crucial to support the growing demand for miniaturization, enabling semiconductor manufacturers to stay at the forefront of technological advancements and product development.

c. **Consistent Investment in R&D:** OSAT/ATMP players prioritize research and development initiatives to stay abreast of industry trends and technological advancements. This commitment ensures continuous improvement in assembly and testing processes, providing semiconductor manufacturers with access to cutting-edge capabilities.

d. **Quick Turnaround Times and Streamlined Processes:** OSAT/ATMP players are known for their agility and streamlined processes, resulting in quick turnaround times. This efficiency is especially critical in the dynamic semiconductor industry, where speed to market is a key factor in maintaining a competitive edge.

e. **Large-Scale Production and Adaptability to Changing Demand:** The scalability of OSAT/ATMP operations allows semiconductor manufacturers to benefit from large-scale production capabilities. Moreover, the adaptability of OSAT/ATMP players to changing demand patterns ensures a flexible and responsive supply chain, crucial for meeting market fluctuations.

f. **Specialized Testing Capabilities and Quality Control Processes:** OSAT/ATMP providers offer specialized testing capabilities and rigorous quality control processes. This ensures that semiconductor devices undergo thorough testing, meeting stringent quality standards and minimizing the risk of defects or failures in the final products.

g. **Cost Optimization, Operational Efficiency, and Core Competency Focus:** Collaborating with OSAT/ATMP providers not only enables semiconductor manufacturers to optimize costs and enhance operational efficiency through economies of scale and specialized processes but also allows them to strategically outsource non-core functions. This approach empowers semiconductor manufacturers to concentrate on their core competencies, ultimately boosting overall efficiency, innovation, and competitiveness in the dynamic semiconductor landscape.

B. Technology Outlook

a. **Advanced Packaging Technologies:** OSAT plays a pivotal role in the adoption of advanced packaging technologies, including System-in-Package (SiP), 2.5D, and 3D packaging. These technologies enable increased integration, improved performance, and reduced form factors in semiconductor devices.

b. **Heterogeneous Integration:** OSAT providers contribute to the realization of heterogeneous integration, where different technologies, materials, and components are seamlessly integrated into a single package. This approach enhances the performance and functionality of semiconductor devices.

c. **Miniaturization and Microelectronics:** OSAT facilities are at the forefront of supporting the ongoing trend of miniaturization in semiconductor manufacturing. The development of microelectronics and the production of smaller, more efficient devices are key areas of focus.

d. **Testing and Reliability Solutions:** OSAT providers invest in advanced testing methodologies to ensure the reliability and functionality of semiconductor devices. Testing innovations, including system-level testing and thermal analysis, contribute to enhanced product quality.

e. **Innovations in Materials and Substrates:** OSAT facilities explore novel materials and substrates to improve the performance, thermal management, and energy efficiency of semiconductor packages. These innovations support the evolving needs of diverse industries, including automotive, IoT, and telecommunications.

Key growth drivers for OSAT Market in India

a. **Key Government Initiatives to Accelerate Semicon Manufacturing Growth in India:** Recognizing the pivotal role of the semiconductor industry, the Indian government has enacted strategic measures to propel its growth. The 'Make in India' initiative, launched in 2014, serves as a cornerstone to elevate India into a global manufacturing powerhouse. A key catalyst for semiconductor production is the PLI scheme tailored for the electronics sector. This pioneering initiative offers a substantial US$ 1.7 billion incentive package for companies establishing semiconductor manufacturing facilities in India, marking a transformative step forward. Beyond direct benefits for semiconductor firms, this policy is poised to create a ripple effect, generating ancillary job opportunities with specialized skills. In tandem with the PLI scheme, the government has introduced complementary initiatives, including the Design Linked Incentive (DLI), Chips to Startup (C2S), and Scheme for Promotion of Electronic Components and Semiconductors (SPECS). These measures collectively reinforce the government's commitment to fostering a robust semiconductor ecosystem in the country, providing comprehensive support to industry stakeholders.

b. **Vast pool of highly skilled and talented workforce:** India boasts a wealth of highly skilled and talented individuals, a valuable asset that underpins its burgeoning semiconductor industry. In recent years, India has emerged as a global leader in semiconductor design engineering, with over one lakh VLSI Design Engineers contributing to cutting-edge chip development across both global semiconductor companies and domestic design service providers. These engineers play a pivotal role throughout the design process, from initial specifications and architecture to physical implementation, verification, manufacturing support, and post-silicon testing and qualification. To ensure a steady supply of skilled talent for the future, the Indian government has implemented several initiatives to nurture semiconductor expertise. The All-India Council for Technical Education ("**AICTE**") has introduced curriculum revisions, and industry participation is actively sought to further enhance and support India's semiconductor talent pool.

c. **Increasing demand for medical devices:** The OSAT industry is experiencing significant growth, propelled by the escalating demand for medical devices. The manufacturing of medical devices has contributed to an increased need for semiconductor chips. Notably, healthcare spending witnessed a notable rise of across 20 OEC countries, in July 2023. This upswing is attributed to substantial investments in diverse medical devices, encompassing blood pressure monitors, glucose meters, heart rate monitors, wearable fitness trackers, and continuous glucose monitors, consequently driving the demand for OSAT services.

d. **Increasing demand from aerospace and defence:** The OSAT market is witnessing a surge in demand propelled by the aerospace and defense sectors, where the need for high-quality and dependable electronics is paramount. OSAT services emerge as the optimal solution for assembling and testing electronics, ensuring they meet the rigorous standards and stringent requirements inherent in these industries.

e. **The rising collaboration between software and semiconductor manufacturing:** The market experiences heightened growth propelled by the increasing synergy between software and semiconductor manufacturing entities aiming to advance High-Density Advanced Packaging (HDAP) solutions. A notable illustration of this trend is the collaboration between Siemens Digital Industries Software and Advanced Semiconductor Engineering Inc. in February 2022. Together, they unveiled two innovative HDAP enablement solutions, designed to empower shared clients in seamlessly crafting and assessing intricate IC package assemblies and interconnect scenarios. These solutions offer a user-friendly, data-robust graphical environment, exemplifying the industry's commitment to pushing the boundaries of packaging technologies.

Upcoming Investments in Indian Semiconductor Manufacturing and OSAT Domains

As of the end of October 2023, the Indian government has received a total of 45 applications under its ₹ 760 billion semiconductor and display manufacturing scheme. These applications cover five requests for the establishment of semiconductor fabs, two for display fabs, nine for the setup of compound and ATMP facilities, and 29 for the design-linked incentive scheme. Some of the notable investment announcements in the recent months are:

- Kaynes Technology has entered the OSAT/ATMP services domain via subsidiary Kaynes Semicon. The company is set to invest ₹ 28 billion to start a semiconductor OSAT and compound semiconductor facility at Kongara Kalan (near Telangana capital Hyderabad), near Foxconn's upcoming facility. It is estimated to create 2,000 jobs. In the initial three years, Kaynes Semicon will assist global customers with various package types, including QFN (Quad Flat No-leads Package), SOT (Small Outline Transistor), TO (Transistor Outline), BGA (Ball Grid Array), and FC BGA (Flip-Chip Ball Grid Array) for power devices, as mentioned by a government official. The company is also in the process of establishing an R&D center for package research in collaboration with IIT Bombay.

- On November 24, 2023, India and the European Union formalized a memorandum of understanding on semiconductors during a stock-taking call among the leaders of the EU-India Trade and Technology Council. The objective is to enhance a robust supply chain and encourage innovation in the semiconductor sector.

- AMD, the American semiconductor company, launched its largest global design center, the technocrat research and development campus, in Bengaluru on November 28, 2023. This initiative is part of AMD's substantial US$ 400 million investment in India over the next five years.

- Micron Technology plans to build a 1.4 million square feet ATMP (Assembly, Test, and Packaging) plant in Sanand in two phases. Production of packaged chips is set to begin in December 2024 for the first phase, with the second phase scheduled for the latter half of the decade.

- HCL is holding active discussions with the Karnataka state government to set up an OSAT facility (chip packaging unit). The company is planning to invest about US$ 400 million to set up a small-to-medium-sized facility.

- CG Power and Industrial Solutions, a part of the Murugappa Group, stated that it has formally applied to the Ministry of Electronics and Information Technology to establish an OSAT facility. The proposed investment for this venture amounts to USD 791 million (₹ 65.9 billion), to be spread over five years.

- Qualcomm Inc. will outsource the manufacture of semiconductor chips to India when the company sets up its fab plants and OSAT facilities. Qualcomm sees growth opportunities in the Indian market for mass-market 5G phones, in the EV automotive software industry, for implementation of WiFi-6 and WiFi-7 technologies, and wireless fixed broadband solutions.

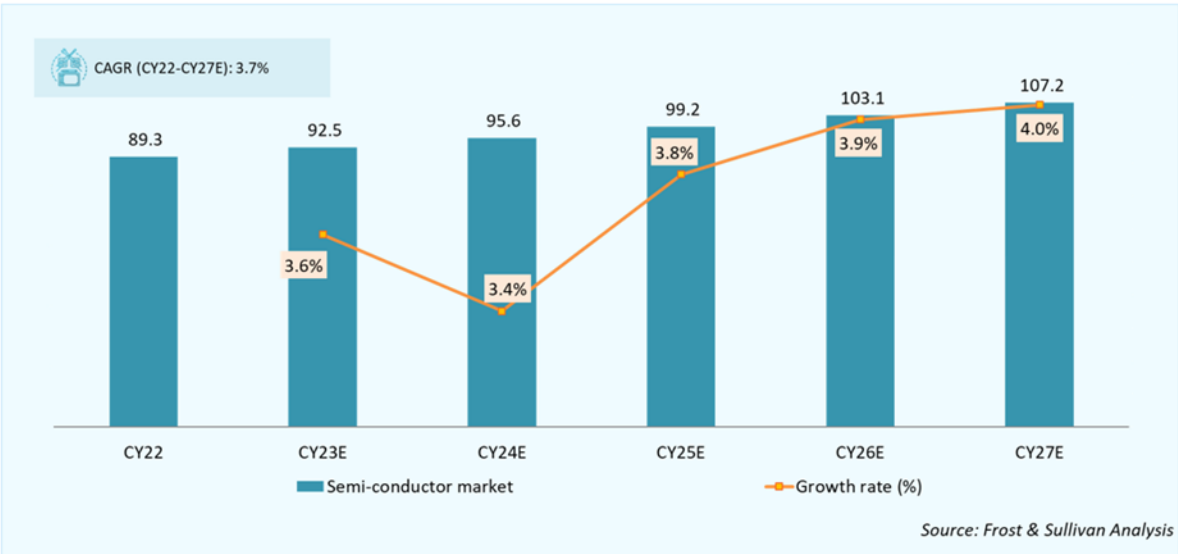
OPPORTUNITIES IN INDIAN BARE PCB MARKET

Global PCB Market

PCBs are the backbone of modern electronics, providing the physical interconnection for electronic components to communicate and function. These versatile and essential components are found in a vast array of devices, from smartphones and laptops to automobiles, medical equipment, and aerospace systems. The widespread adoption of PCBs is driven by their ability to support complex circuitry, miniaturization, and high-speed data transmission.

It is hard to imagine an electronic product without a PCB. With the advent of miniaturization and innovation of many futuristic and cutting age technologies, global PCB market is constantly evolving and size of the market and as well as its technology are advancing at a decent pace. Size of the global PCB market in 2022 was US$ 89.3 billion and the market is expected to grow at 3.7% CAGR to reach US$ 107.2 billion by 2027.

Global Bare PCB market, value in US$ billion, 2022 to 2027E

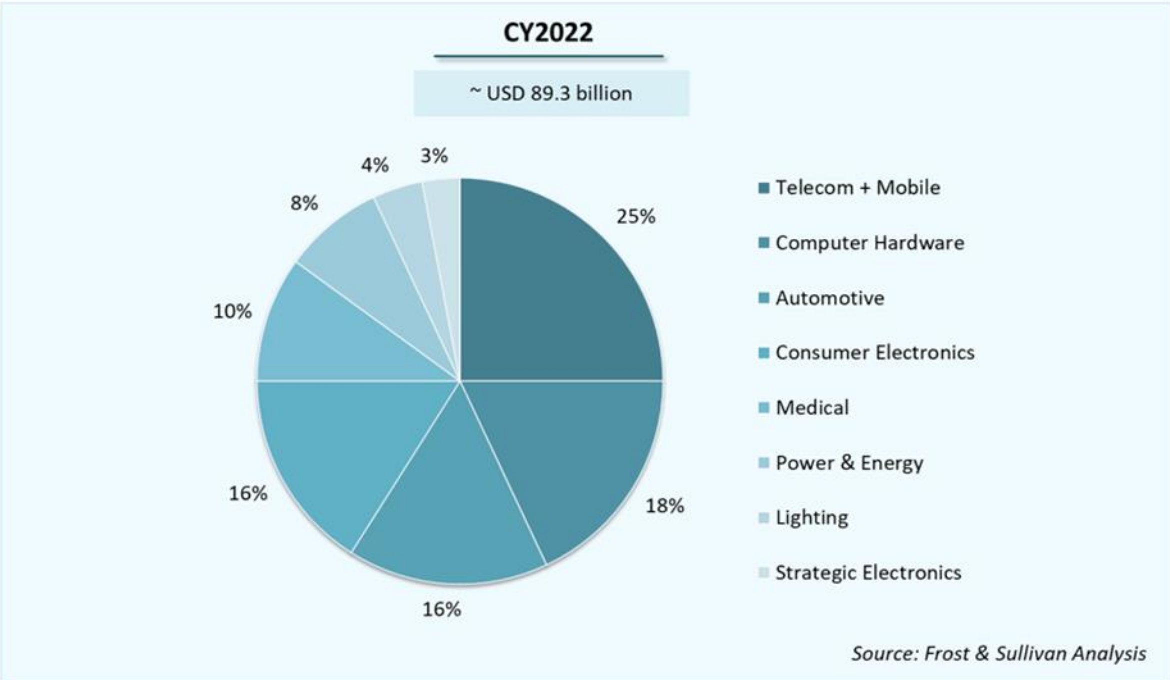


Revenue Contribution of Various End User Segment in the Global PCB Market

Globally, the PCB market is dominated by mobile phones and telecom segment, which accounts for 25% share of the global PCB market. This is followed by computer hardware, automotive, consumer electronics, and medical electronics segments which account for 18%, 16%, 16%, and 10% share respectively. Other segments that contribute to the global PCB market are power and energy, lighting, and strategic electronics. With the advent of many new technologies such as renewables, hydrogen, amongst others, share of power and energy in the global PCB market is expected to increase in the coming years.

The HDI PCB market is a promising sector with strong growth potential. The increasing demand for smart wearables and connected devices, the miniaturization of electronic devices, and the adoption of advanced technologies are all driving the growth of this market. As a result, global HDI PCB manufacturers are well-positioned for strong growth in the coming years. The growth of the HDI PCB market is being led by the Asia-Pacific region, which is expected to account for over 60% of the market by 2030. This is due to the strong demand for electronics as well as the presence of many large PCB manufacturers in the region.

Global PCB market split by end-user industries, 2022



a. Consumer Electronics: PCBs are ubiquitous in consumer electronics, providing the backbone for a wide range of devices, including smartphones, laptops, tablets, televisions, and gaming consoles. These devices demand high-performance PCBs that can handle complex circuitry, miniaturization, and high-speed data transmission. The growing popularity of wearable devices, such as smartwatches and fitness trackers, further expands the demand for compact and flexible PCBs.

b. Automotive: The automotive industry relies heavily on PCBs to control various vehicle systems, including engine control units, body control modules, infotainment systems, and driver assistance systems. PCBs in automotive applications must meet stringent requirements for reliability, durability, and environmental resistance to withstand the harsh conditions of automotive operations. The increasing adoption of electric vehicles and advanced driver-assistance systems is driving demand for high-performance PCBs in the automotive sector.

c. Telecommunications: Telecommunications infrastructure, including base stations, routers, and switches, depends on PCBs to facilitate high-speed data transmission and network connectivity. PCBs in telecommunications applications must offer high signal integrity, low latency, and reliable performance to ensure seamless data communication. The growing demand for 5G technology and the expansion of telecommunications networks are driving the demand for advanced PCBs in the telecommunications sector.

d. Industrial Automation: PCBs play a crucial role in industrial automation, enabling control systems, programmable logic controllers ("**PLCs**"), and other industrial equipment to operate efficiently and precisely. PCBs in industrial automation applications must be robust, reliable, and capable of withstanding harsh industrial environments. The increasing adoption of Industry 4.0 technologies and the growth of smart manufacturing are creating new opportunities for PCBs in the industrial automation sector.

e. Medical Devices: PCBs are essential components of life-saving medical devices, such as pacemakers, hearing aids, and diagnostic equipment. PCBs in medical devices must meet stringent regulatory standards for safety, reliability, and biocompatibility. The advancements in medical technology and the growing demand for minimally invasive procedures are driving the demand for high-precision and reliable PCBs in the medical device sector.

f. **Aerospace and Defence:** PCBs are critical components in aerospace and defense applications, providing the foundation for avionics, satellites, and missiles. PCBs in these applications must meet the highest standards of reliability, performance, and environmental resistance to withstand extreme conditions and ensure the functionality of critical systems. The increasing demand for advanced aerospace and defense technologies is driving the need for sophisticated and high-performance PCBs in this sector.

g. These target applications represent a diverse and growing market for PCB manufacturers, highlighting the versatility and importance of PCBs in today's technology-driven world.

Overview of the Indian Bare PCB Market

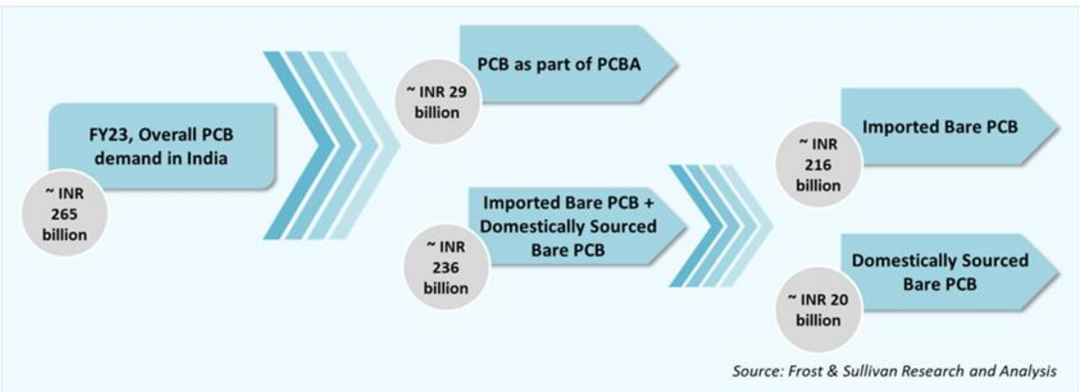
Indian Bare PCB market has grown at a CAGR of 13.9% between Fiscal 2017 and Fiscal 2023 – from ₹ 108 billion in Fiscal 2017 to ₹ 236 billion in Fiscal 2023. This represents a strong growth in demand for Bare PCBs in the country within a short span of time, which cannot be left solely to be catered by the foreign suppliers. The Indian PCB manufacturing industry is developing capabilities to produce new technology PCBs and scale up in the medium term to cater to such huge domestic demand.

Historical growth of Indian Bare PCB market, in ₹ billion, Fiscal 2017 to Fiscal 2023

Composition of Indian Bare PCB Market in Fiscal 2023

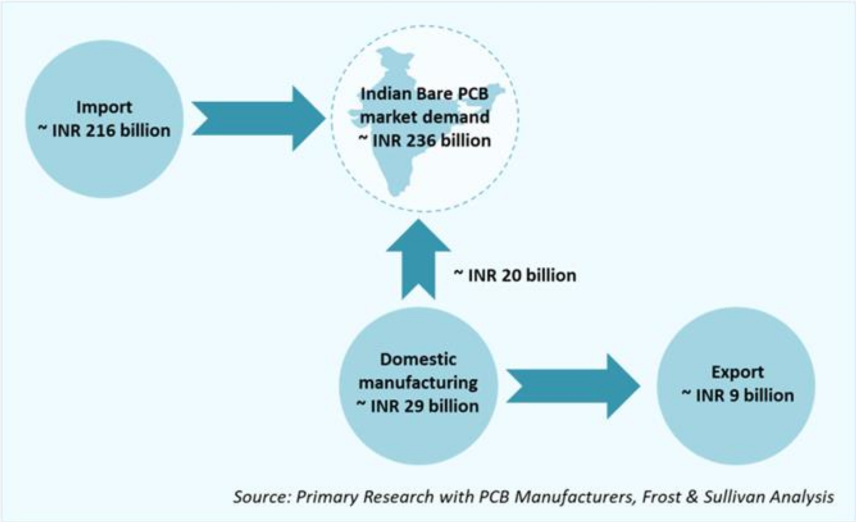
In Fiscal 2023, demand for PCB in India was approximately ₹ 265 billion – out of this, approximately ₹ 29 billion worth of PCB has been imported in the country as PCBA, rest ₹ 236 billion worth of PCB has been sourced as bare PCB and assembled in India. Out of this, ₹ 216 billion worth of Bare PCB has been imported from countries such as China, Taiwan, etc. and the rest has been sourced from the domestic manufacturers. Some of the leading Bare PCB manufacturers in the country are AT&S, Epitome Components, Shogini Technoarts, Ascent Circuits, Shahasra Electronics, Cipsa Tec, Micropack, Vintek Electronics, Genus Electrotech, etc.

Composition of Indian bare PCB market, Fiscal 2023



Indian PCB manufactures have sold bare PCB worth ₹ 29 billion in Fiscal 2023. Apart from supplying ₹ 20 billion worth of Bare PCB in the domestic market, the industry has also generated decent revenue of ₹ 9 billion through exports albeit through select suppliers namely, AT&S, Shahasra Electronics, Meena Circuits, Cipsa Tec, amongst otehrs. Despite the strong growth in electronics manufacturing in the country, domestic PCB manufacturing scenario has not changed much in the recent past. There is strong headroom for growth in domestic manufacturing of Bare PCBs.

Bare PCB supplied by domestic manufacturers, Fiscal 2023

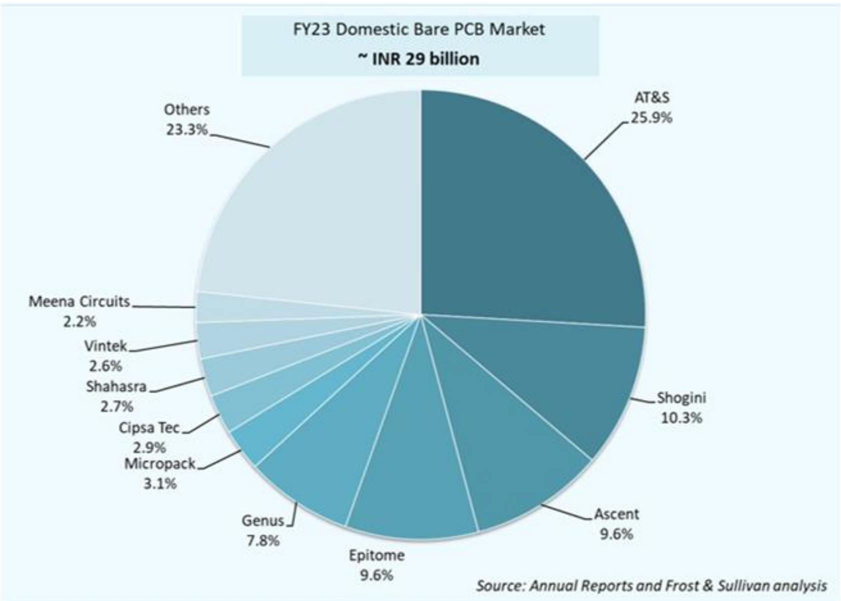


Note: 31% of India's domestic PCB production is exported.

Domestic Bare PCB Supply Landscape

AT&S is the largest manufacturer of Bare PCB in India with approximately 26% market share, however, more than 90% of its revenue came through exports in Fiscal 2023. AT&S is also the largest Bare PCB exporter in the country and enjoys approximately 80% share of the export market. AT&S manufactures multi-layer PCBs for many segments such as Smart Phone, CE, Tablets, Ultra book, Watches / Wearables, Automotive, Industrial and Medical equipment. Shogini Technoarts, Ascent Circuits, Epitome Components, and Genus Electrotech are the other top five companies with approximately 37% cumulative market share.

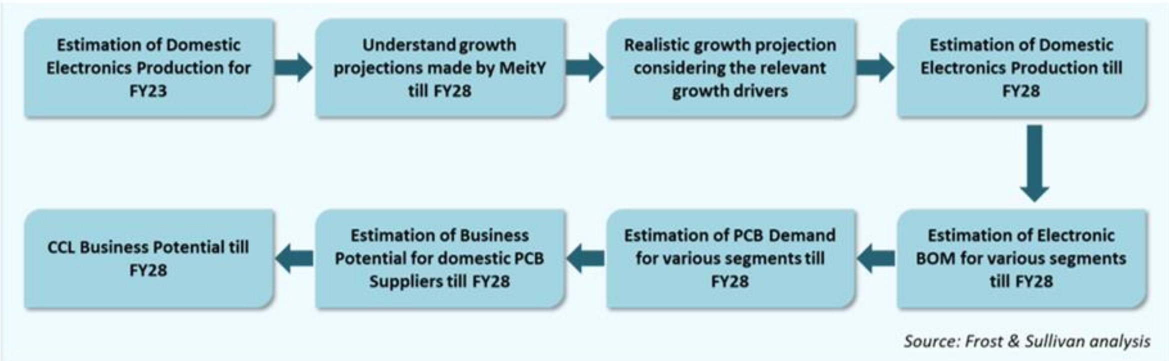
Bare PCB market split by domestic manufacturers, India, Value in ₹ billion, Fiscal 2023



Expected Growth in Bare PCB Demand in India

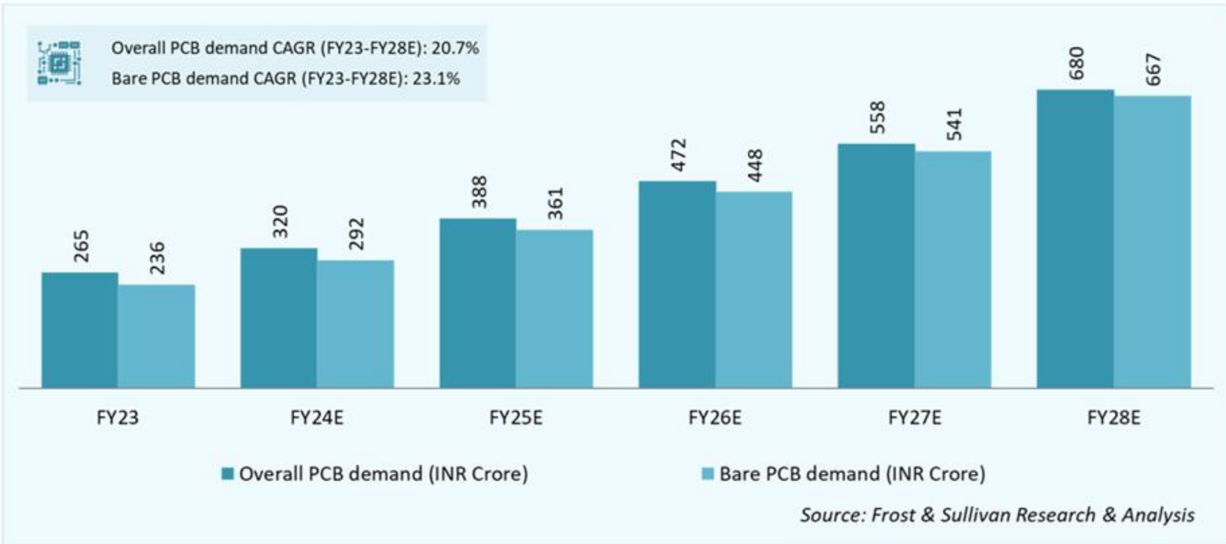
As PCB is the backbone for any electronics products, this will create significant demand for PCB in the coming years. As domestic electronics industry is maturing, majority of this PCB demand will be in the form of Bare PCB and assembly will happen locally in India. Frost & Sullivan has adopted the following methodology to estimate demand for PCB and Bare PCB in India.

Methodology adopted for estimation of future PCB demand in India



As per this methodology, Overall PCB demand in the country is expected to grow at a CAGR of 20.7% to reach approximately ₹ 680 billion by Fiscal 2028. Bare PCB will account for more than 98% of this demand. Bare PCB demand in the country is expected to grow at a CAGR of 23.1% to reach approximately ₹ 667 billion during this period (Fiscal 2023 to Fiscal 2028).

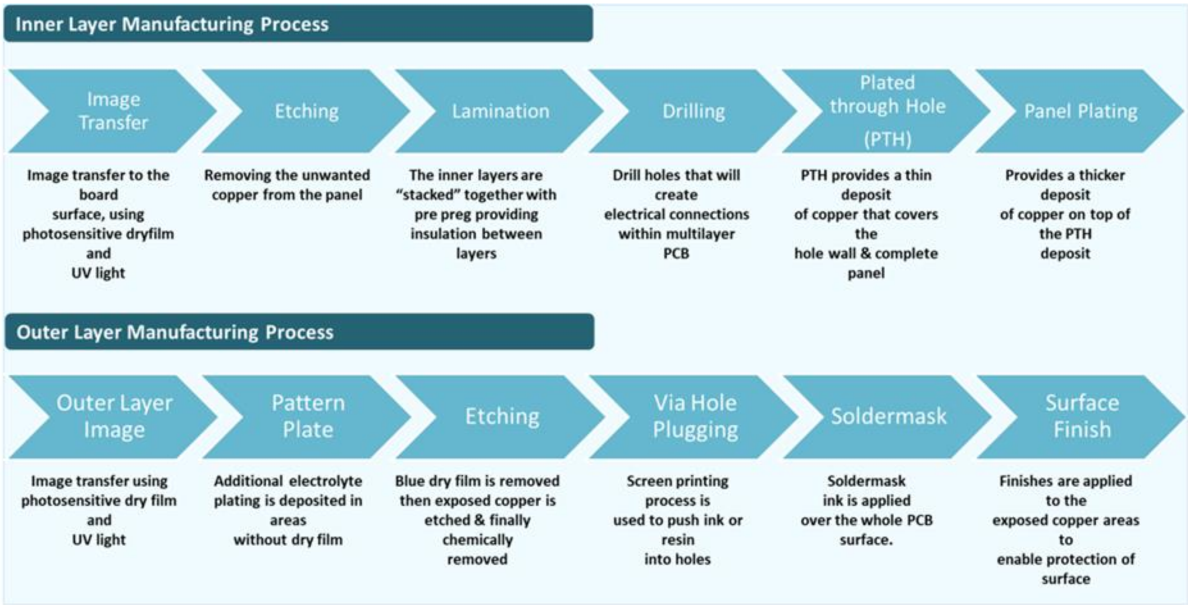
Overall PCB and Bare PCB demand outlook in India, Fiscal 2023 to Fiscal 2028E



Bare PCB Manufacturing Process

The bare PCB manufacturing process is a complex series of steps that involves transforming a raw substrate material into a finished PCB. The process can be broadly divided into six main stages:

Bare PCB manufacturing process



a. **Panel Preparation:** The first stage of the bare PCB manufacturing process is panel preparation. This involves cleaning and inspecting the substrate material, which is typically a fiberglass-reinforced epoxy resin panel. The substrate material is then coated with a photosensitive dry film, which will be used to transfer the circuit pattern onto the board.

b. **Pattern Transfer:** The next stage of the bare PCB manufacturing process is pattern transfer. This involves exposing the dry film to ultraviolet ("**UV**") light through a photomask. The photomask is a transparent film with the circuit pattern printed on it. The UV light exposes the areas of the dry film that correspond to the circuit pattern, while the unexposed areas remain protected.

c. **Etching:** After the pattern transfer stage, the bare PCB is etched. This involves removing the unwanted copper from the substrate material using a chemical solution. The etchant is applied to the board, and it selectively removes the copper from the unexposed areas of the dry film. This leaves behind the circuit pattern in copper.

d. **Drilling and Routing:** Once the etching stage is complete, the bare PCB is drilled and routed. This involves drilling holes in the board for the component leads to pass through. The board is also routed, which means that the unwanted copper between the circuit traces is removed. This helps to isolate the circuit traces and prevent shorts.

e. **Solder Masking:** After the drilling and routing stage, the bare PCB is solder masked. This involves applying a layer of solder mask to the board. The solder mask is a protective coating that prevents solder from bridging between the circuit traces. This helps to ensure that the board can be properly assembled.

f. **Surface Finishing:** The final stage of the bare PCB manufacturing process is surface finishing. This involves applying a thin layer of metal to the exposed copper traces on the board. The surface finish can be nickel, gold, or another metal. The surface finish protects the copper traces from corrosion and improves their solderability.

Once the surface finishing stage is complete, the bare PCB is ready for assembly. The assembly process involves soldering the components onto the board and then testing the board to ensure that it functions properly.

Key Growth Drivers for the Indian Bare PCB Market

Growth drivers for the Indian Bare PCB market are similar to that of domestic electronics production or ESDM market. As India striving for local manufacturing and assemblies, import of PCB assembly is expected to decline significantly in the coming years and nearly all the PCB demand in the country would be met through Bare PCBs. A few growth drivers other the ones mentioned in the previous chapters are mentioned below:

a. Rising demand from end markets like wearable electronics, smartphones, aerospace and defence, medical electronics, etc.

b. Increasing investments in developing smaller, more compact, and high-performance electronics products

c. Digitization and modernization of the end use sectors such as industrial electronics, medical electronics, etc.

d. Increasing trend for computer miniaturization

e. Government programs like 'Digital India' and 'Skill India' aimed at promoting digital literacy through usage of computers and other digital devices.

Strategic benefits of Manufacturing Bare PCB

a. Vertical Integration: The growth of bare PCB manufacturing in India is expected to lead to increased vertical integration within the electronics manufacturing sector. This means that more and more electronics manufacturers will establish their own bare PCB manufacturing facilities, bringing together different stages of the production process under one roof. Vertical integration offers several advantages, including:

- **Reduced Costs and Improved Efficiency:** By controlling the entire production process, electronics manufacturers can reduce costs, improve efficiency, and optimize supply chain management.

- **Enhanced Quality Control**: Vertical integration allows for better control over the quality of bare PCBs, ensuring that they meet the specific requirements of the electronics being manufactured.

- **Faster Time to Market:** With in-house bare PCB manufacturing, electronics manufacturers can reduce the time it takes to bring new products to market, as they are not reliant on external suppliers.

b. Innovation and Speed to Market: A thriving bare PCB manufacturing sector in India will stimulate innovation and accelerate the speed to market for new electronic products. This is because:

- **Closer Collaboration between PCB Manufacturers and Electronics Companies:** The proximity of bare PCB manufacturers to electronics companies will foster closer collaboration, enabling them to work together on new product development and iterate rapidly on designs.

- **Access to Advanced PCB Technologies:** Indian PCB manufacturers' access to advanced technologies will enable them to develop innovative solutions that meet the specific needs of electronics companies.

- **Reduced Lead Times and Faster Prototyping:** Domestic bare PCB manufacturing will reduce lead times for prototyping and production, allowing electronics companies to bring new products to market faster.

c. Supply Chain & Future Market Readiness: The growth of bare PCB manufacturing in India will strengthen the country's supply chain for electronics manufacturing and prepare it for future market demands:

- **Reduced Reliance on Global Supply Chains:** With a robust domestic bare PCB manufacturing sector, India will be less reliant on global supply chains, reducing disruptions and ensuring a more stable supply of bare PCBs.

- **Enhanced Resilience and Adaptability:** A strong domestic bare PCB industry will make India's electronics manufacturing sector more resilient to global supply chain disruptions and more adaptable to changing market demands.

- **Positioning for Future Growth:** India's focus on bare PCB manufacturing will position it well to capitalize on the growing demand for electronics in the coming years, particularly in areas such as IoT, 5G, and artificial intelligence.

d. Better Customer Proposition: The strategic development of bare PCB manufacturing in India will enable electronics companies to offer a more compelling customer proposition:

- **Competitive Pricing:** Domestic bare PCB manufacturing will reduce the overall cost of electronics products, making them more competitive in the market.

- **Faster Delivery Times:** Shorter lead times for bare PCBs will translate into faster delivery times for electronics products, improving customer satisfaction.

- **Enhanced Customization:** Domestic bare PCB manufacturing will allow for greater customization of PCBs, enabling electronics companies to cater to specific customer needs.

FINANCIAL ANALYSIS OF KEY ESDM COMPANIES IN INDIA

Revenue Comparison of key ESDM companies, India, Value in ₹ million, Fiscal 2020 to Fiscal 2023

Name of the ESDM Company	FY20	FY21	FY22	FY23
Kaynes Technology India Ltd	3,682.4	4,206.3	7,062.5	11,261.1
Dixon Technologies (India) Ltd	44,001.2	64,481.7	106,970.8	121,920.1
Amber Enterprises India Ltd	39,627.9	30,305.2	42,064.0	69,270.1
Avalon Technologies Ltd	6,418.7	6,904.7	8,407.2	9,447.2
Elin Electronics Ltd	7,855.8	8,623.8	10,937.5	10,754.3
Syrma SGS Technology	8,656.5	8,873.9	12,666.5	20,483.0

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

EBITDA Comparison of key ESDM companies, India, Value in ₹ million, Fiscal 2020 to Fiscal 2023

Name of the ESDM Company	FY20	FY21	FY22	FY23
Kaynes Technology India Ltd	425.3	419.5	936.7	1,683.2
Dixon Technologies (India) Ltd	2,230.6	2,865.9	3,791.1	5,127.5
Amber Enterprises India Ltd	3,092.7	2,202.9	2,753.8	4,179.3
Avalon Technologies Ltd	644.8	661.4	975.5	1,127.9
Elin Electronics Ltd	554.6	664.8	790.2	651.1
Syrma SGS Technology	1,365.6	999.1	994.3	1,877.7

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

EBIDTA [Formula considered for Kaynes Technology India Ltd] = Profit before tax & EI – Other Income + Finance cost/ Interest expense + Depreciation & Ammortisation expense

EBITDA Margin Comparison of key ESDM companies, India, Ratio in %, Fiscal 2020 to Fiscal 2023

Name of the ESDM Company	FY20	FY21	FY22	FY23
Kaynes Technology India Ltd	11.2%	9.7%	13.3%	14.9%
Dixon Technologies (India) Ltd	5.1%	4.4%	3.5%	4.2%
Amber Enterprises India Ltd	7.8%	7.3%	6.5%	6.0%
Avalon Technologies Ltd	10.0%	9.6%	11.6%	11.9%
Elin Electronics Ltd	7.1%	7.7%	7.2%	6.1%
Syrma SGS Technology	15.8%	11.3%	9.3%	9.2%

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

PAT comparison of key ESDM companies, India, Ratio in %, Fiscal 2020 to Fiscal 2023

Name of the ESDM Company	FY20	FY21	FY22	FY23
Kaynes Technology India Ltd	93.6	97.3	416.8	952.0
Dixon Technologies (India) Ltd	1,205.0	1,597.9	1,903.3	2,550.8
Amber Enterprises India Ltd	1,641.4	832.8	1,113.2	1,637.8
Avalon Technologies Ltd	123.3	230.8	674.6	525.0
Elin Electronics Ltd	274.9	348.6	391.5	268.0
Syrma SGS Technology	915.1	655.4	566.7	1,230.8

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

PAT Margin comparison of key ESDM companies, India, Ratio in %, Fiscal 2020 to Fiscal 2023

Name of the ESDM Company	FY20	FY21	FY22	FY23
Kaynes Technology India Ltd	2.5%	2.3%	5.9%	8.5%
Dixon Technologies (India) Ltd	2.7%	2.5%	1.8%	2.1%
Amber Enterprises India Ltd	4.1%	2.7%	2.6%	2.4%
Avalon Technologies Ltd	1.9%	3.3%	8.0%	5.6%
Elin Electronics Ltd	3.5%	4.0%	3.6%	2.5%
Syrma SGS Technology	10.6%	7.4%	5.6%	6.0%

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

RoE and RoCE comparison of key ESDM companies, India, Ratio in %, Fiscal 2020 to Fiscal 2023

	RoE (%)				RoCE (%)			
Name of the Company	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
Kaynes Technology India Ltd*	10.5%	8.1%	24.5%	24.9%	14.4%	13.5%	24.4%	24.2%
Dixon Technologies (India) Ltd	22.3%	21.7%	19.1%	19.9%	30.7%	27.4%	20.5%	27.5%
Amber Enterprises India Ltd	14.1%	5.1%	6.3%	8.4%	15.7%	8.1%	7.2%	10.1%
Avalon Technologies Ltd	357.7%	75.7%	76.0%	9.8%	23.9%	17.1%	23.6%	12.7%
Elin Electronics Ltd	12.1%	13.3%	12.9%	5.4%	15.7%	15.2%	16.2%	8.5%
Syrma SGS Technology	20.0%	12.1%	9.7%	8.0%	23.1%	14.8%	11.2%	10.6%

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

RoE= Profit after tax/ Closing Total Equity (inclusive of NCI); RoCE=EBIT/ (Closing Non-current borrowings + Closing Current borrowings + Closing Total Equity (inclusive of NCI).

RoE= Profit after tax/ Closing Total Equity (inclusive of NCI); RoCE=EBIT/ (Closing Non-current borrowings + Closing Current borrowings + Closing Total Equity (inclusive of NCI).

Note: For Kaynes (RoE and RoCE is adjusted for unutilized initial public offering proceeds)

- *ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*

- *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost. Total capital employed is calculated as tangible net worth plus non-current borrowings plus current borrowings. Tangible net worth is calculated as total assets less total non-current liabilities (except non-current lease liabilities and deferred tax liabilities), total current liabilities (except current lease liabilities), intangible assets, intangible assets under development, goodwill and right of use asset.*

- *Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, debenture redemption reserve and foreign currency translation reserve.*

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 56, 283 and 111, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, 2022 and 2023 has been derived from our Audited Consolidated Financial Statements beginning on page 330. The financial information included in this section as of and for the six months ended September 30, 2022 and 2023 has been derived from our Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results beginning on page 284. See, "Financial Information" on page 283. The Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements. Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Kaynes Technology India Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Kaynes Technology India Limited on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Industry Report on Indian ESDM Market – Focus on OSAT and BARE PCB Markets" dated December 14, 2023 (the "**F&S Report**"), prepared and issued by Frost & Sullivan (India) Private Limited. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by Frost & Sullivan (India) Private Limited exclusively commissioned and paid for by us for such purpose." on page 76. Also see, "Industry and Market Data" on page 15.*

OVERVIEW

We are an end-to-end integrated and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of electronics system design and manufacturing ("**ESDM**") services. We have experience in providing conceptual design, process engineering, integrated manufacturing and life-cycle support for major players in the automotive, industrial including electric vehicle ("**EV**"), aerospace, outer-space and strategic electronics, medical, railways, Internet of Things ("**IoT**"), Information Technology ("**IT**"), and IT hardware – high performance computing servers ("**HPCS**").

Our business is classified based on the stage of services that we provide to our customers. We classify our operations primarily under the following business verticals:

*OEM – Turnkey Solutions – Box Build ("**OEM – Box Build**")*: We undertake "Build To Print" or "Build to Specifications" of complex box builds, sub-systems and products across various industry verticals.

*OEM – Turnkey Solutions – Printed Circuit Board Assemblies ("**PCBAs**") ("**OEM – Turnkey Solutions**")*: We undertake turnkey electronics manufacturing services of PCBAs, cable harness, magnetics and plastics ranging from prototyping to product realization including mass manufacturing.

ODM: We offer ODM services in smart metering technology, smart street lighting, brush less DC ("**BLDC**") technology, inverter technology, gallium nitride based charging technology and providing IoT solutions for making smart consumer appliances or devices IoT connected.

Product Design and Engineering and IoT Solutions: We offer conceptual design and product engineering services in industrial and consumer segments. Our services include PCB cladding or electrical schematics to embedded design and submitting proof of concept to prototyping. We also offer connected product engineering and solutions.

We have a portfolio of hardware, software accelerators and proprietary sensors along with cloud platform based service and solution offerings in asset tracking, remote device management and smart product development. Our digital engineering offerings leverage latest technologies including IoT, big data, machine learning, cloud and media to improve customers' efficiency. We also provide end-to-end IoT and cloud enablement solutions and offer IoT data and analytics platform and vertical IoT solutions.

The table below shows our revenue from operations across various business verticals for the periods indicated:

Services	Fiscal						Six months ended September 30			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
OEM – Turnkey Solutions – Box Build	1,276.25	30.34%	1,988.21	28.15%	3,322.36	29.50%	1,366.16	28.92%	2,629.59	39.96%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	2,509.07	59.65%	4,436.19	62.81%	7,008.48	62.24%	2,894.35	61.26%	3,532.97	53.69%
ODM	184.21	4.38%	278.04	3.94%	381.32	3.39%	185.67	3.93%	168.32	2.56%
Product Engineering and IoT solutions	236.74	5.63%	360.06	5.10%	548.99	4.88%	278.18	5.89%	249.33	3.79%
Total	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**11,261.14**	**100.00%**	**4,724.36**	**100.00%**	**6,580.22**	**100.00%**

We operate 10 strategically located manufacturing facilities across India with eight of them being operated by our Company in the states of Karnataka (four facilities, namely, Mysuru – Unit I, and Unit – II, Bengaluru – Unit I and Unit II), Haryana (Manesar – Unit I and Unit - II), Himachal Pradesh (one facility at Parwanoo), and Tamil Nadu (one facility at Chennai); and two manufacturing facilities operated by our Subsidiaries, at Chamarajanagar, Karnataka (operated by our Subsidiary Kaynes Electronics Manufacturing Private Limited); and Mysuru, Karnataka (operated by our Subsidiary Kaynes International Design & Manufacturing Private Limited). We have recently completed phase-I of our new manufacturing facility at Chamarajanagar, Karnataka which commenced commercial operations on May 5, 2023. Our facilities are located in proximity to our customers, allowing us to service their requirements efficiently and cost-effectively. Certain of our manufacturing facilities are approved under the Electronics Hardware Technology Park Scheme of Software Technology Park of India, Bengaluru and 100% Export Oriented Unit Scheme of Madras Export Processing Zone, Chennai, Tamil Nadu that offer incentives similar to a special economic zone. As of September 30, 2023, our manufacturing infrastructure also included two design facilities at Bengaluru, Karnataka and Ahmedabad, Gujarat and two service centres at Navi Mumbai, Maharashtra and Kochi, Kerala.

We lay significant emphasis on research and development. This has enabled us to address our consumers' diverse needs, enhance existing products with emerging technologies, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. We have a dedicated research and development facility located within our facility at Mysuru, Karnataka – Unit – I and a separate research and development facility located at Ahmedabad, Gujarat. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities and original design manufacturing capabilities. As of September 30, 2023, our research and development team comprised 28 employees, including engineers, designers and other workers.

Over the years, we have focused on creating robust manufacturing systems and processes that comply with health and safety, as well as environmental and social and governance requirements. Our operations comply with global standards and our facilities have 12 global accreditations. We are an ISO 9001/14001/45001 BVCI certified company. Our facilities are approved by global product certification agencies including Underwriters Laboratories, Canadian Standards Association and TUV Rhineland. In addition, we have separate vertical specific certifications including EN/AS 9100 for defence and aerospace products, International Railway Industry Standard ("**IRIS**") (ISO/TS 22613) for railway signalling, IATF 16949 for automotive, and ISO:13485 for medical systems. We have also been recognized in the "*Great Place to Work India*" list in February 2023. Further, we were a manufacturing partner for soft landing of Chandrayaan-3 and launch of Aditya-L1 missions.

We have long-term relationships with a large customer base diversified across verticals and geographies. In the six months ended September 30, 2023, we served 278 customers in 18 countries globally and multiple industry verticals such as automotive, aerospace, outer-space and strategic electronics, industrial including EV, railways, medical, IT / ITES and HPCS. Of the customers contributing 80.00% of our revenue from operations for the six months ended September 30, 2023, 56.59% of our customers (by value) have been associated with us for over seven years and accounted for 47.32%, 50.63%, 54.46%, 57.62% and 45.38%, respectively, of our revenue from operations for Fiscal 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023, respectively. We collaborate with our customers through the entire product life-cycle and after-sales and end-of-life services including assisting with concept creation, product development, prototyping, testing and mass manufacturing. This results in customers shortening their product development and time-to-market cycles. We are well positioned to increase the number of different products that we manufacture for them, increase the volume of our shipments to them of each particular product and expand our coverage to other areas where they require similar solutions.

We are led by experienced Promoters with significant experience in the ESDM industry. Our Promoter and Managing Director, Ramesh Kunhikannan, started Kaynes Technology as a sole proprietorship in 1989. Ramesh Kunhikannan is a technocrat and has over 34 years of experience in the electronic manufacturing services industry. Savitha Ramesh, our Promoter and Whole-time Director has been associated with our Company since 1996 and is responsible for the overall implementation of process and control across our operations. Under their leadership we have been able to expand our operations and have established a significant presence in India. We also have qualified and experienced Key Managerial Personnel that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

Particulars	**As of and for the year ended March 31,**			**As of and for the six months ended September 30,**	
	2021	**2022**	**2023**	**2022**	**2023**
	(₹ million, except percentages)				
Revenue from Operations	4,206.27	7,062.49	11,261.14	4,724.36	6,580.22
Gross Margins(1)	31.98%	30.70%	30.73%	29.75%	29.20%
EBITDA(2)	408.91	936.71	1,683.18	678.08	890.54
EBITDA Margin(3)	9.7%	13.3%	14.9%	14.4%	13.5%
Profit After Tax for the Year/Period	97.33	416.75	951.96	310.47	569.58
Profit After Tax Margin(4)	2.31%	5.90%	8.45%	6.57%	8.66%
Return on Equity ("**ROE**") (adjusted for unutilised initial public offering proceeds)(5)	8.08%	24.50%	24.94%	14.18%* 28.29%#	9.05%* 18.05#
Return on Capital Employed ("**ROCE**") (adjusted for unutilised initial public offering proceeds)(6)	13.47%	24.44%	24.18%	13.45%* 26.82%#	10.20%* 20.35%#
Net Worth(7)	1,365.10	2,018.18	9,576.65	2,337.95	10,141.45
Asset Turnover Ratio(8)	3.68	4.79	6.22	3.05%* 6.09#	2.87%* 5.72#
Net Working Capital Days(9)	117.19	97.57	99.25	116.42#	118.74#
Debt to Equity Ratio(10)	1.02	0.84	0.14	1.01	0.26
Net Debt to Equity Ratio (adjusted for unutilised initial public offering proceeds)(11)	0.92	0.73	0.05	0.93	0.12
Inventory Turnover Ratio(12)	2.67	3.62	3.52	3.38#	2.72#

Notes:
* *Not annualized*
 # Annualised

(1) *Gross margin is calculated as revenue from operations less cost of materials consumed and changes in inventories of finished goods and traded goods divided by revenue from operations.*

(2) *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income.*

(3) *EBITDA margin is calculated as EBITDA divided by revenue from operations.*

(4) *Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.*

(5) *ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*

(6) *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost. Total capital employed is calculated as tangible net worth plus non-current borrowings plus current borrowings. Tangible net worth is calculated as total assets less total non-current liabilities (except non-current lease liabilities and deferred tax liabilities), total current liabilities (except current lease liabilities), intangible assets, intangible assets under development, goodwill and right of use asset.*

(7) *Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, debenture redemption reserve and foreign currency translation reserve.*

(8) *Asset Turnover Ratio is calculated as revenue from operations divided by gross block of assets.*

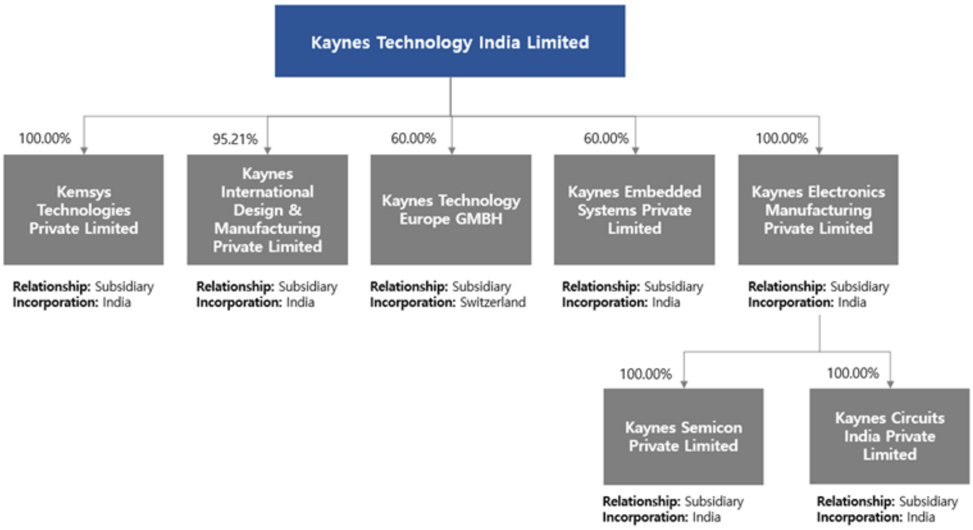
(9) *Net Working Capital Days is calculated as average inventory days plus average receivable days less average payable days.*

(10) *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowing.*

(11) *Net Debt to Equity Ratio is calculated as net debt divided by Net Worth. Net debt is calculated as non-current borrowings plus current borrowing less Cash and cash equivalents less Bank balances other than cash and cash equivalents.*

(12) *Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.*

Organizational Structure



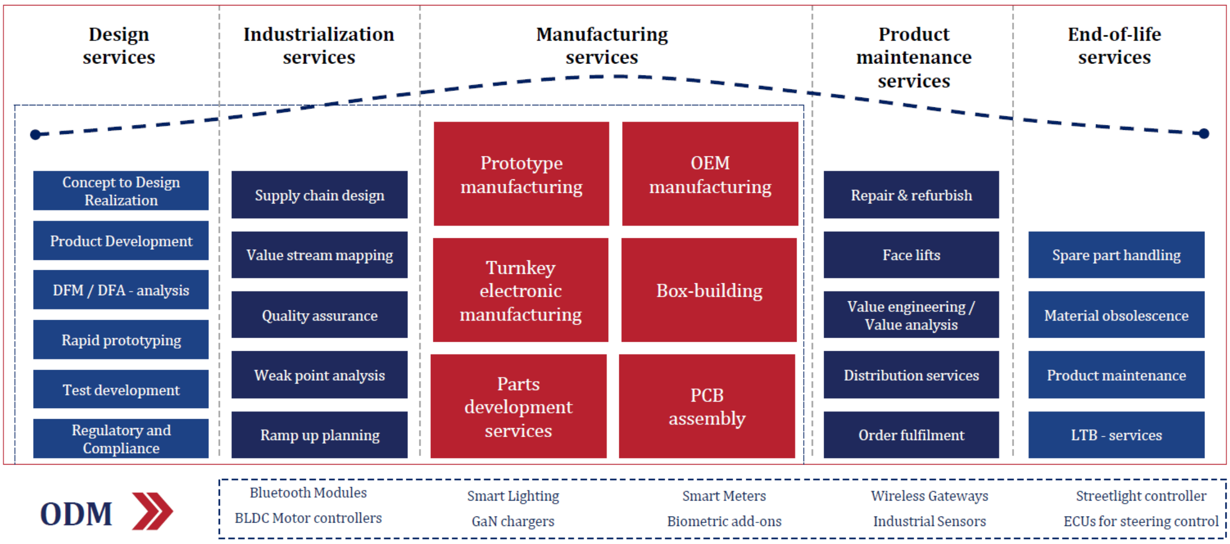
STRENGTHS

The following competitive strengths have contributed to and will continue to drive our business growth:

Internet of Things ("IoT") solutions enabled integrated electronics manufacturing player with end-to-end capabilities across the Electronics System Design and Manufacturing spectrum

We are an end-to-end integrated and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the spectrum of ESDM services (*Source: F&S Report*). We are engaged in concept co-creation with our customers followed by product realization and life-cycle support.

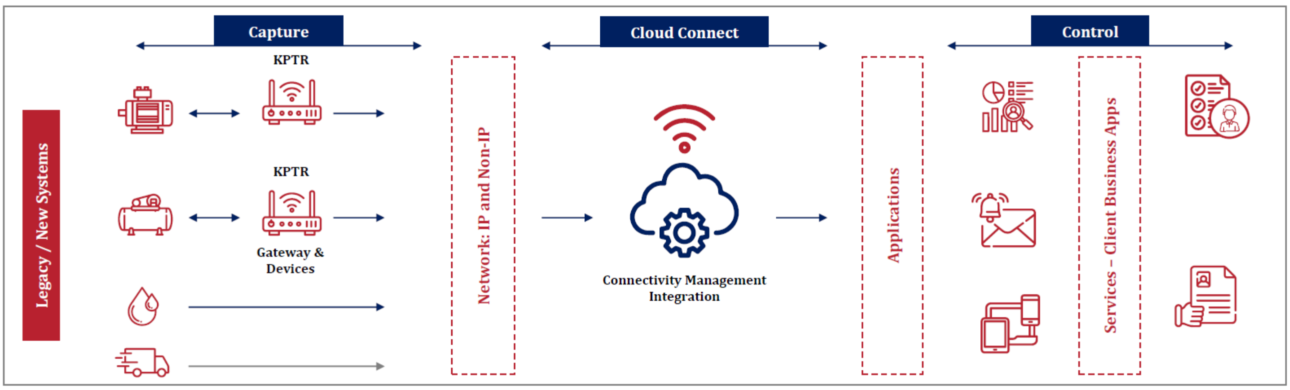
Service offering across entire customer value chain



We also provide various value-added services such as obsolescence management, warehousing support, value engineering and value analysis, last time buy services that include purchase of electronic components that are either being discontinued or have been discontinued in larger quantities than immediately required for manufacturing continuity, regulatory and compliance and DFM / DFA analysis. Our ODM capabilities include hardware, software and firmware design, mechanical design, product integration and testing, amongst others. We have also evolved to offer customers in-house developed IoT technology consisting of hardware, software, and firmware design and tools which accelerate time-to-market and de-risk our customer's product development lifecycle. We have developed designs for miniaturized Bluetooth modules, smart lighting with embedded Bluetooth, ceiling fans and remotes with embedded Bluetooth, various industrial sensors, wireless gateways with Bluetooth, Wi-Fi and 4G, streetlight controller working on wireless area network ("**WAN**") technology, smart meters compliance 4G WAN and connected vending machines.

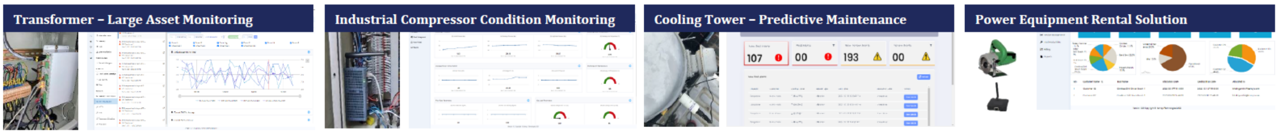
We possess the ability to manufacture complex products through innovative engineering across various industry verticals. We offer optimised product realization solutions to customers in flexible volumes and higher complexity products across industry verticals (*Source: F&S Report*). Further, we were a manufacturing partner for soft landing of Chandrayaan-3 and launch of Aditya-L1 missions. We also provide integrated manufacturing that include manufacturing plastics, wiring and cable harnesses, magnetics, PCB assemblies and box builds. In addition, we also implement testing solutions. Our technology infrastructure complements our in-house testing capabilities to ensure quality products.

End-to-end connected asset platform, including business applications, managed cloud service, and ODM Device solution



We operate our canvas-to-cloud industrial internet of things ("**IIoT**") solutions through our Subsidiary, Kemsys. Our value proposition is to assist OEMs to transform their legacy products into smart systems by incorporating combination of sensors, micro-processors, software, and connectivity technologies in multiple ways. We differentiate our self by providing in-house developed IoT IPs and tools which accelerate time to market and de-risk our customer's product development lifecycle. As of September 30, 2023, we have a dedicated facility with a team of 36 engineers and employees who possess in-depth technical knowledge and expertise in assisting customers of our Subsidiary, Kemsys, in their solutions.

Kemsys Platform Product: Snapshots



We have portfolio of hardware and software accelerators, cloud platform based service and solution offerings which includes ODM product design, IoT data and analytics platform, and vertical IoT solutions.
Our key capabilities are as below:

Platform: We offer a customizable remote device and data management platform, ready to white label, making it convenient for OEMs to securely register, organize, monitor, collect and remotely manage IoT devices and all relevant data at scale.

Solutions: We offer IoT solutions in vertical applications for asset tracking, asset performance monitoring, and predictive maintenance solutions targeting industrial OEMs both in Asia Pacific region, and USA.

Devices: We have built IoT ODM products including sensors, gateways, HMIs, connectivity modules targeting industrial and consumer IoT market.

Diversified business model with portfolio having applications across industry verticals

We have a wide-ranging product portfolio having applications across industry verticals such as automotive, telecom, aerospace, outerspace and strategic electronics, medical, IoT and industrial including EV, each of which are individually growing (*Source: F&S Report*). Our diverse portfolio limits our exposure to downturns associated with a particular vertical. It also ensures that our revenues are consistent across periods on account of our customers serving different industry verticals with different business or industry cycles. The table below sets forth our revenue from operations across the various end-use industry verticals we serve for the periods indicated:

Industry	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Automotive	1,003.59	23.86%	2,370.38	33.56%	4,322.48	38.38%	1,809.56	38.30%	2,198.13	33.41%
Industrial including EV	1,393.85	33.14%	2,104.78	29.80%	3,096.06	27.49%	1,289.08	27.29%	2,427.83	36.90%
Aerospace, Outer-space and Strategic Electronics	135.53	3.22%	177.71	2.52%	199.98	1.78%	40.26	0.85%	174.34	2.65%
Medical	462.17	10.99%	711.74	10.08%	692.54	6.15%	304.52	6.45%	281.12	4.27%
Railways	596.03	14.17%	731.12	10.35%	1,347.22	11.96%	577.48	12.22%	856.17	13.01%
IoT / IT, Consumer and Others	615.10	14.62%	966.76	13.69%	1,602.86	14.23%	703.46	14.89%	642.63	9.77%
Total	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**11,261.14**	**100.00%**	**4,724.36**	**100.00%**	**6,580.22**	**100.00%**

Long-standing relationships with marquee customer base

We have, through our business operations, established long-term relationships with well-known customers across industries we cater to. We have a diversified customer base and we served 278 customers in 18 countries across four continents, during the six months ended September 30, 2023. Our customers span multiple sectors, ranging from electronics, to automotive, to healthcare, industrial and IoT. We have a balanced mix of domestic and international customers including certain Fortune 500 companies, multinational corporations and start-ups. We believe that our continued success is, in part, due to our customer centric practices such as open book costing, internal and external audits, and direct shipments to end-customers. Our customers include a leading company which manufactures headlamps, rear combination lamps, fog lamps, and other signal/indicator lamps for auto applications; a leading global manufacturer of electronic instruments and electromechanical devices; a leading provider of global digital infrastructure; a leading company specializing in advanced imaging and sensor solutions for applications in defense, security, and industrial sectors; one of the one of the world's leading suppliers of avionic-standard aircraft communications, navigation and audio/intercom systems; a company dedicated to the development, manufacturing, and distribution of diagnostic reagents, instruments, and other medical solutions; a leading company specializing in advanced rail signaling and automation solutions for efficient and safe railway transportation; a leading owner of consumer audio accessories; a leading company specializing rail signaling and traffic management solutions; and a leading company operating in the field of energy solutions and services.

The table below sets out certain information about our various customers in different industry verticals for the periods indicated:

Industry Vertical	Number of Customers (Fiscal 2023)		Number of Customers (For the six months ended September 30, 2023)		Average period of business relationship of top 10 customers (years)*
	Domestic	International	Domestic	International	
Automotive	55	7	45	3	7.93
Industrial including EV	169	23	133	16	8.39
Aerospace, Outer-space and Strategic Electronics	16	5	13	4	7.57
Medical	24	5	18	2	8.78
Railways	14	4	10	3	8.33
IoT / IT, Consumer and Others	38	12	30	9	7.55

Notes: Certain customers are present across multiple verticals.
** Average period of business relationship is determined based on the length of relationship of top 10 customers in each vertical.*

We have low customer revenue concentration and our reliance on any single customer is limited. No customer contributed to over 15% of our revenue from operations for the last three Fiscals and the six months ended September 30, 2022 and September 30, 2023. For Fiscal 2021, 2022 and 2023, and six months ended September 30, 2022 and September 30, 2023, our top 10 customers generated ₹ 1,936.20 million, ₹ 3,603.07 million, ₹ 6,802.97 million, ₹ 3,020.44 million and ₹ 4,178.34 million, of our revenue from operations, respectively and accounted for 46.03%, 51.02%, 60.41%, 63.93% and 63.50%, respectively, of our revenue from operations in such periods. The value of each customer order has been increasing from an average order size of ₹ 1.63 million for Fiscal 2021 to an average order size of ₹ 7.21million for Fiscal 2023, at a CAGR of 110.55%. Further, our average order value (*defined as order book value divided by the number of sales outstanding*) for Fiscal 2021, 2022 and 2023 and six months ended September 30, 2023, were ₹ 1.63 million, ₹ 5.53 million, ₹ 7.21 million, and ₹ 8.51 million, respectively.

Our business footprint spans across geographies and as of September 30, 2023, we serve customers across 18 countries and we have a sales and business development team of 50 employees that allow us to generate business across such geographies. The table below sets forth details of our exports and revenues generated from export sales for the periods indicated:

Particulars	As of / for the year ended March 31,			As of / for the six months ended September 30,	
	2021	2022	2023	2022	2023
No. of Countries Products Exported	18	20	25	21	17
Revenue from Operations (₹ million)	1,078.48	1,411.77	1,661.50	628.93	668.74
Percentage of Total Revenue from Operations (%)	25.64%	19.99%	14.75%	13.31%	10.16%

The table below sets forth details of the geographies where we export our products and revenues generated for the periods indicated:

Particulars	Fiscal			Six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ million)				
North America	306.45	443.20	349.28	98.56	164.86
Europe	360.67	790.68	973.33	382.87	372.01
South East Asia	62.92	51.66	78.35	26.89	71.43
Others[(1)]	348.44	126.22	260.54	120.62	60.44
Total	**1,078.48**	**1,411.27**	**1,661.50**	**628.93**	**668.74**

[(1)] *Others primarily include China, Kingdom of Saudi Arabia, United Arab Emirates, Taiwan, and Japan.*

Our manufacturing capabilities allow us to develop designs which are based on customer specific requirements through our ODM capabilities. We believe our quality products, internationally recognized and certified manufacturing facilities, and customized services have enabled us to serve and retain our customers. Our customer acquisition process involves analyses of the market to understand OEMs looking at ESDM players for either conceptual designing or OEM turnkey manufacturing or OEM box build and thereafter engaging our vertical specialist business development executives with such potential clients. Our customer acquisition process requires understanding customer requirements and pitching our capabilities to design both product and process for either design or manufacturing with detailed techno-commercial proposal, undergoing customer audits, preparing proto-builds or proof of concepts, undertaking joint review of quality standards, preparation of production plans to include first article for inspection and ensuring long-term engagement with customers for the complete life cycle of the product.

Global certifications for each industry vertical catered to and multiple facilities across India with advanced infrastructure

Global Certifications

Over the years, we have focused on creating robust manufacturing systems and processes. We adhere to global standards and have obtained various global certifications. This ensures that our processes comply with customer specific, industry specific, statutory health and safety, as well as environmental and social and governance requirements.

Our systems and processes are also certified by global certification bodies that helps us to serve our customers stringent quality specifications and assists in new customer acquisition. For further information regarding our certifications, see " – *Quality Control, Testing and Certifications*" on page 206. We are also part of the Maruti Center For Excellence ("**MACE**") and have been consistently participating and getting approved as part of the Supplier Excellence Programme. This allows us to be seen by potential customers as a MACE approved supplier for electronic assemblies. Further, we have qualified as a "Green" partner for a certain customer and accredited for electronic assemblies for space craft applications from U.R. Rao Satellite Centre, ISRO. We have also received the Certification of Military Airworthiness documents or CEMILAC for instrumentation electronics repair, which enables us to perform avionics repair. We are also certified by the Center for Design and Development of Chittaranjan Locomotive Works of the Indian Railways for the repair and rehabilitation of three phase locomotives.

As part of our services offerings, we undertake repairs and provide rehabilitation of electronic cards in the railways, aerospace and defense and industrial verticals at our servicing and maintenance business unit at Navi Mumbai. The said business unit also specializes in re-engineering at component and PCBA level in order to meet obsolescence and discontinuance issues, along with design and development of cards edge level test set up for electronic assemblies. This third-party service support is extended in electronics repair for railways, and aerospace and defence establishments. In addition to our Mysuru – Unit I, Karnataka which is EN 9100/ AS 9100 D certified, this business unit is EN 9110/ AS 9110 certified for avionics repairs. This certification allows for critical electronics repair and maintenance of commercial, private, and military aircrafts.

Within each facility, all of our systems and processes are backed by our own fully customized full-stack ERP that assists in automating our business operations. Our ERP platform is comprehensive, and has modules to manage lead generation, engineering, material requirement planning, purchase, inventory and costing, manufacturing, dispatch and logistics, servicing and accounting and finance, real-time management dashboards for analysis, review and monitoring, amongst other functions. Our ERP platform also enables us to track all processes from procurement to production, handle batch and series production, and other processes in terms of the number of component parts and complexity of products within the same system. Across facilities, we have an integrated management system which allows us to continually comply with the standards expected with our certifications. We are able to face our customers' system audits or compliance requirements quickly and successfully. Our focus on internal systems and processes have provided us with ease of customer acquisition, and culminated in our obtaining of various certifications and awards, which acts as potential entry barriers for future competitors.

Manufacturing Facilities

As of September 30, 2023, we operated 10 manufacturing facilities, two design facilities, and two service centers located in Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, Kerala and Maharashtra. Our facilities at Manesar, Haryana; Chennai, Tamil Nadu; and Parwanoo, Himachal Pradesh are strategically located in close proximity to our customers which in our experience helps reduce logistics costs, increase our efficiency and ensure minimal capital expenditures. Major automotive OEMs are located in Gurugram, Haryana; and Chennai, Tamil Nadu. This helps in reducing the logistics time and support our clients in their operations to the OEM. Our Mysuru – Unit I, Karnataka, facility is approved under Electronics Hardware Technology Park Scheme of Software Technology Park of India, Bengaluru our manufacturing facility at Chennai, Tamil Nadu is approved under 100% Export Oriented Unit Scheme of Madras Export Processing Zone, Chennai, both such schemes offer incentives similar to a special economic zone. Being a part of the ESDM Cluster of Reliability Lab that was started under the modified cluster scheme by the Ministry of Electronics and Information Technology, we benefit from access to electromagnetic interference testing and electromagnetic compatibility testing, component testing, reliability testing, and environmental testing laboratories.

We have capability in manufacturing RoHS compliant products and have set up an environmentally friendly and exclusive "lead free" manufacturing line for PCBAs at our Mysuru – Unit I, Karnataka, Mysuru – Unit II, Karnataka and Manesar, Haryana facilities. We also have the capability to make engineering changes through component engineering to convert a product into being RoHS compliant.

As of September 30, 2023, our manufacturing infrastructure includes 361,335 square feet of electrostatic discharge free facilities with 18 robotics surface mount lines, 70 through-hole devices ("**THD**") and exclusive clearance lines, class 10,000 cleanrooms, humidity controlled component stores, flying probes, in-circuit testers, X-ray machines, automatic optical testing machines and walk-in thermal cycling chambers. have obtained product approvals on behalf of customers for several safety related requirements, for example, Underwriters Laboratories, Canadian Standards Association and TUV Rhineland approved for supplying toggle switches, dental chair control units and medical diagnostic machines.

We possess customised lines for box building, integration and testing, with facilities for manufacturing cable forms and harnesses, plastic moulding and fabrication facility infrastructure as well as a burn-in / soak-test facility. We also possess build-capabilities for customised designing of testing hardware for a wide range of automated test equipment, functional testers right from firmware flashing fixture, PCBA fixture, end of line tester and product functional testers. These test equipment are designed and built in-house and custom firmware supporting various platforms, processors and microcontrollers. Test application software for automated testing, analysis, report generation, alert generation and data push to the server is also in-house designed based on specific requirements. These advanced service of in-house development of test fixture, provides customers with increase in productivity by reduction of time and skilled resources.

- ✓ **18** SMT Lines
- ✓ **70** THD Lines
- ✓ **26** Cable Harness Lines
- ✓ **15** plastic moulding machines
- ✓ **10,000** class clean room
- ✓ Most manufacturing at **low-cost locations**
- ✓ Dedicated humidity-controlled stores
- ✓ Fungible infrastructure
- ✓ **2** exclusive RoHS compliant lines for green manufacturing

Note: Number of SMT lines as of September 30, 2023

Our facilities are scalable allowing us to expand our capacity within a short time period without incurring significant capital expenditure This is primarily on account of relatively short procurement and installation time for surface mount technology ("**SMT**") lines and ability to augment manual lines without requiring incremental real estate. As such, our capacity can be scaled. All our manufacturing lines are fungible with the flexibility to service customers across industry verticals and across diverse product requirements. We also have the capability to manufacture the new generation SMT technology-based boards containing ceramic columnar grid array, ball grid array, land grid array and quad flat package.

Strong supply chain and sourcing network

We possess a mature and reliable supply chain network. We have long-term relationships with our vendors within India and outside India, that has led to improvement in credit terms over the years. As of September 30, 2023, we work with over 1,352 vendors and source materials from various regions including Asia, Europe and North America as well as locally within India. Our top 10 suppliers have an average relationship period of 11 years, as of September 30, 2023.

We do not rely on a single source or vendor for components, instead, have alternative sources for vendors for each component category. This offers us leverage to ensure availability of materials and negotiate better credit terms at cost-effective rates. As of September 30, 2023, we had over 1,000 suppliers with multiple sources for a single component and utilise specialized dealers for niche verticals. For example, for railway projects, there are only a select few vendors who have the requisite sourcing network to supply the required components to us. In such verticals, we foster good relationships with these suppliers for us to get the required components without any disruption or issues. We also possess the technical expertise to re-engineer components that are difficult to source, or components that are on the verge of becoming obsolete or has been discontinued by the various vendors.

Track record of consistent financial performance

We have been delivering consistent financial performance and our revenue from operations has grown at a CAGR of 63.62% from ₹ 4,206.27 million for Fiscal 2021 to ₹ 11,261.14 million for Fiscal 2023 and was ₹ 4,724.36 million and ₹ 6,580.22 million for the six months ended September 30, 2022 and September 30, 2023, while our EBITDA has grown at a CAGR of 102.89% from ₹ 408.91 million for Fiscal 2021 to ₹ 1,683.18 million for Fiscal 2023 and was ₹ 678.08 million and ₹ 890.54 million for the six months ended September 30, 2022 and September 30, 2023.

We have been profitable for every year since inception. We believe that our operational and financial performance will allow us to capitalize on the tailwinds in the electronics industry. The following table sets forth certain information relating to certain key financial performance metrics as of the dates and for the periods indicated:

Particulars	As of and for the year ended March 31,			As of and for the six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ million, except percentages)				
Revenue from Operations	4,206.27	7,062.49	11,261.14	4,724.36	6,580.22
Gross Margins[(1)]	31.98%	30.70%	30.73%	29.75%	29.20%
EBITDA[(2)]	408.91	936.71	1,683.18	678.08	890.54
EBITDA Margin[(3)]	9.7%	13.3%	14.9%	14.4%	13.5%
Profit After Tax for the Year/Period	97.33	416.75	951.96	310.47	569.58
Profit After Tax Margin[(4)]	2.31%	5.90%	8.45%	6.57%	8.66%
Return on Equity ("**ROE**") (adjusted for unutilised initial public offering proceeds)[(5)]	8.08%	24.50%	24.94%	14.18%* 28.29%#	9.05%* 18.05#
Return on Capital Employed ("**ROCE**") (adjusted for unutilised initial public offering proceeds)[(6)]	13.47%	24.44%	24.18%	13.45%* 26.82%#	10.20%* 20.35%#
Net Worth[(7)]	1,365.10	2,018.18	9,576.65	2,337.95	10,141.45
Asset Turnover Ratio[(8)]	3.68	4.79	6.22	3.05%* 6.09#	2.87%* 5.72#
Net Working Capital Days[(9)]	117.19	97.57	99.25	116.42#	118.74#
Debt to Equity Ratio[(10)]	1.02	0.84	0.14	1.01	0.26
Net Debt to Equity Ratio (adjusted for unutilised initial public offering proceeds)[(11)]	0.92	0.73	0.05	0.93	0.12
Inventory Turnover Ratio[(12)]	2.67	3.62	3.52	3.38#	2.72#

Notes:

* *Not annualized*

 # Annualised

(1) *Gross margin is calculated as revenue from operations less cost of materials consumed and changes in inventories of finished goods and traded goods divided by revenue from operations.*

(2) *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income.*

(3) *EBITDA margin is calculated as EBITDA divided by revenue from operations.*

(4) *Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.*

(5) *ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*

(6) *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost. Total capital employed is calculated as tangible net worth plus non-current borrowings plus current borrowings. Tangible net worth is calculated as total assets less total non-current liabilities (except non-current lease liabilities and deferred tax liabilities), total current liabilities (except current lease liabilities), intangible assets, intangible assets under development, goodwill and right of use asset.*

(7) *Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, debenture redemption reserve and foreign currency translation reserve.*

(8) *Asset Turnover Ratio is calculated as revenue from operations divided by gross block of assets.*

(9) *Net Working Capital Days is calculated as average inventory days plus average receivable days less average payable days.*

(10) *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowing.*

(11) *Net Debt to Equity Ratio is calculated as net debt divided by Net Worth. Net debt is calculated as non-current borrowings plus current borrowing less Cash and cash equivalents less Bank balances other than cash and cash equivalents.*

(12) *Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.*

Experienced Promoters and senior management with extensive knowledge of the sector

We are led by an experienced management team. Our Managing Director and Promoter, Ramesh Kunhikannan, is a first-generation entrepreneur, and has more than three decades of experience in the ESDM industry. Our management team includes our Chairperson and Whole-time Director, Savitha Ramesh, who has over two decades of experience in operations management, and our Whole-time Director and Chief Financial Officer, Jairam Paravastu Sampath, who possesses over three decades of experience in manufacturing, operations, sales and marketing. Our other key management personnel have been with our Company for more than 15 years and head the functions of Market Development, Plant Operations and Commercial and have been instrumental in managing our rapidly expanding growth, implementing strategic marketing with overseas business initiatives and improving financial performance. We have a well-qualified senior management team with extensive experience in the EMS industry, which positions us well to capitalize on future growth opportunities. The quality of our management team is enhanced with specific yet extensive industry experience. For further information, see “*Board of Directors and Senior Management*” on page 216.

Strategies

Improve operational efficiency through backward integration into OSAT and Bare PCB Fabrication Manufacturing

In order to improve our operational efficiency, we intend to implement comprehensive backward integration measures by manufacturing in-house components like bare printed circuit boards and get into deep competencies in design of integrated circuits, chip sets and system on chips to leverage complete backward integration for supporting semiconductor component and module development. We believe these backward integration measures will allow us to reduce our dependence on third party components, reduce lead time on account of synchronization of actual requirements leading to faster utilization of remaining components, better management of our material inventory, and contribute to higher margins while making us a comprehensive and integrated ESDM company.

Further, semiconductors are known for selective conductivity, are crucial in electronic devices such as smartphone *(Source: F&S Report)*. The semiconductor industry has witnessed significant growth, driven by 5G adoption, increased demand for processing units in cryptocurrency mining, and government initiatives towards digitalization. Global supply chain challenges, exacerbated by strained U.S.-China relations, have contributed to a semiconductor shortage. The Indian semiconductor market, valued at around US$ 33.0 billion, in Fiscal 2023 growing at a CAGR of 12.4% between Fiscal 2017 and Fiscal 2023. With a population of over 1.4 billion and a strong education system, India has the potential to emerge as a semiconductor talent hub *(Source: F&S Report)*. Considering this growth opportunity, our Company through our step-down subsidiary, Kaynes Semicon Private Limited, we are in the process of expanding our operations by setting-up of an outsourced semiconductor assembly and testing (“**OSAT**”) and compound semiconductor manufacturing facility at Kongara Kalan, Telangana which will support customers worldwide in QFN / QFN stack die, SOT, flip chip ball grid array and TO220 kind of packages for power devices and many other device packages including advanced packaging.

As part of the project execution plan for the OSAT facility, we are partnering with raw material vendors to establish ecosystem in India and will source electricity, and raw water from local authorities while establishing a de-ionized plant for converting raw water to de-ionized water at the manufacturing facility. Further, we have partnered with a global OSAT player which will provide us with a range of packaging technologies and a global distribution and sale network with access to key export markets such as Europe, USA and Japan. We have also partnered with Ponni Tech, a Malaysia based company experienced in OSAT and semiconductor material manufacturing having expertise in development and manufacturing in multiple semiconductor applications including automotive, power, memory, LED, solar, micro-controller and sensor, as an execution partner for the project. We have also entered into strategic memorandum of understandings with a telecommunication company based out of United States for assistance in go-to-market strategy of its products and with a leading semiconductor packaging and systems company that provides end to end solutions for semi-conductor package design.

Further, we are also in the process of preparing an implementation plan for the bare PCB fabrication facility in Karnataka that will manufacture multilayer, advanced HDI PCBs and other hitech and standard types required by customers.

Overview of Products Offerings

Proposed Products	Description
DS	Standard Double Side PCB
ML4	4 Layer PCB
ML6	6 Layer PCB
ML8	8 Layer PCB
ML10	10 Layer PCB
HDI 6	6 Layer Standard HDI PCB
HDI 8	8 Layer Standard HDI PCB
HDI 10	10 Layer Standard HDI PCB
1-n-1	Simple advanced HDI PCB
2-n-2	Complex advanced HDI PCB

HDI PCBs have been the key driving factor behind the reducing size and weight of consumer electronic products while improving the speed, performance and power consumption. We have been allotted 20 acres of land for the proposed manufacturing facility.

With backward integration, we will have greater control on the manufacturing process, quality standards and benefit from cost efficiencies. As a result, we expect to fulfil our customers' needs in a timely manner, increase our sales per customer and improve our working capital and supply chain processes. In addition, we believe that by incorporating OSAT and PCB fabrication capabilities into our operations, we are strategically positioned to deliver comprehensive and integrated solutions to customers. This proposed vertical integration will allow us to be involved in the entire electronics supply chain, spanning across wafer fabrication to end-user product. The synergy between these two aspects will not only enhance our ability to meet customer demands but is also expected to yield significant cost efficiencies and superior quality control. This approach will empower us to optimize each stage of the production process, ensuring a seamless and high-quality end-to-end experience for customers.

We are also looking to participate in the Design Linked Incentive scheme of the Government of India. Further, our Company has received approval under the Production Linked Incentive Scheme for White Goods (Air Conditioner parts and LED Lights). In addition, our Subsidiary, Kaynes International Design and Manufacturing Private Limited has received an approval under the Scheme Design Led Manufacturing of Telecom and Networking Equipments, PLI Telecom 2.0 and our subsidiary Kaynes Electronics Manufacturing Private Limited has received approval under PLI IT Hardware 2.0.

Focus on full product / box build capabilities

As an ESDM player catering to OEMs through in-house build of test fixtures, provide product reliability at closer proximity with faster turn-around time, delivering complex prototypes in shorter lead times and setting-up product or box build manufacturing with zero defects will ensure more customers with larger revenue share. In addition as an integrated manufacturing player, providing almost all the services in-house from electronics to tooling, sheet metal, magnetics, cable harness, test benches will increase the share of box build which we believe will positively impact revenue and margins. To fulfil this aspect of integrated manufacturing, we have completed phase-I of our new manufacturing facility at Chamarajanagar, Karnataka, with integrated inhouse and onsite infrastructure with specialized skills to do complete product or Box Build. As an ODM, we are responsible for products we manufacture, from initial design stage and subsequently all the aspects of manufacturing, including planning and sourcing of raw materials and components. In our experience, although, the ODM model of business requires additional investment in research and development as well as working capital, we believe that it results in higher margins, recurring business with high customer retention, as compared to the OEM model.

Outsourcing of design and manufacturing of electronic components have been adopted in the industry for more than three decades. This trend is expected to continue among OEMs and most of the design and manufacturing is expected to be outsourced to contract manufacturers and ODMs in the long-term. This would contribute to the growth of the ESDM industry. (*Source: F&S Report*)

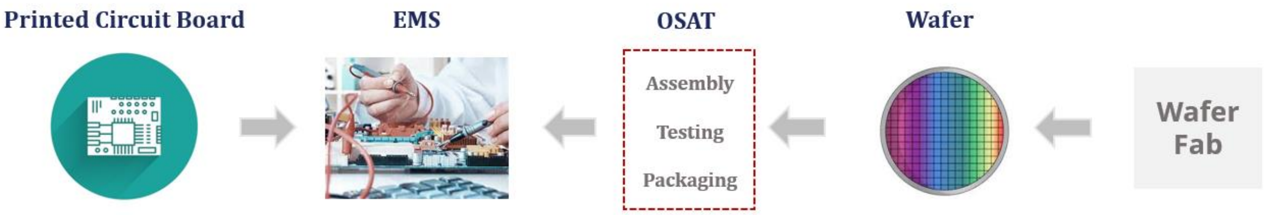
The table below provides contribution from box build customers in the periods indicated:

Particulars	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Contribution from box build customers	1,276.25	30.34%	1,988.21	28.15%	3,322.36	29.50%	1,366.16	28.92%	2,629.59	39.96%

We are in the process of upgrading and expanding our existing facility at Mysuru, Karnataka – Unit – I and have commenced operations at a new facility at Chamarajanagar, Karnataka on May 5, 2023. We intend to expand our box build clientele for a more expansive reach. We have already built capabilities in BLDC motor controllers, invertors, IoT modules integration, smart energy meters and applied products such as street light controllers and biometric add-ons. We propose to grow our customer base in these areas and add newer product categories going forward.

Leverage our research and development capabilities to continue to diversify product portfolio and provide value-added services

As an ODM, we have the ability to provide product design and development services and even whole product lifecycle services. We intend to leverage on our experience and capabilities of our in-house design and research and development team to further our ODM capabilities. ODM services allows us to design and develop a product for a customer as per stated specifications and features and thereby develop and control supply chain along with the manufacturing process. We believe, this results in deeper customer relationship with constant improvement in product features and introduction of newer variants. We are increasing our product design competency in our chosen areas of technological competency and trying to introduce newer applications with increased focus in developing collaboration with chip manufacturers and building stronger team with skills in embedded hardware design, firmware and software. This is a continuous process of up-skilling and adding infrastructure by investing in newer licenses, testing equipment and application software. We have a dedicated team of engineers focusing on our ODM strategy. As of September 30, 2023, our design, research and development team comprised 28 employees and has capabilities to provide end-to-end support, including verifying and developing conceptual designs received from customers and converting such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The team also provides solutions to improve manufacturing efficiency on the existing products, reduce production costs and assists our customers in designing durable products by providing design and engineering support. We believe that our focus on research and development will allow us to focus on ODM capabilities on new business verticals like consumer electronics. Our expansion strategies also include customer acquisition for smart meter ODM, appliance electronics ODM, solar panel cleaners as ODM, BLDC electric motor ODM as part of our diversified product portfolio. Our endeavour is to identify newer technology applications in consumer appliances, smart technology, IT accessories and cloud based, sensor driven IoT solutions which can easily be scaled, leading to growth in revenue with better margins. We also have a separate design team which offers non-intellectual property design and engineering services in consumer and industrial segments. This team provides hardware or device design and can contribute towards design led manufacturing.

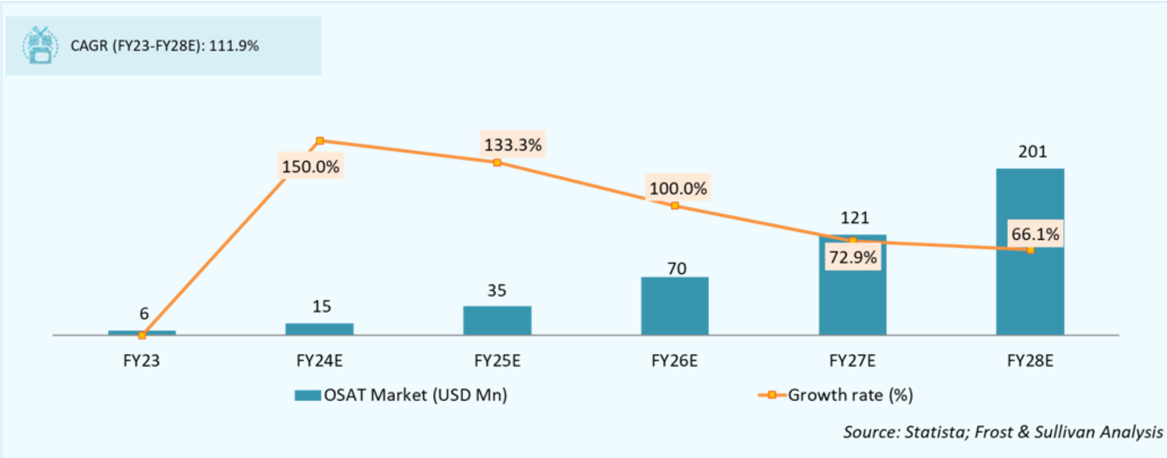


Focus on expansion across each vertical as well as on the OSAT and PCB manufacturing to on industry opportunity

We intend to undertake vertical-focused expansion, to expand our business using different strategies for our different business verticals. We intend to expand our order book by scaling our opportunity across our customer and business verticals. Our diversified products and customer base over the years, backed by our end-to-end integrated business model and our manufacturing capabilities has led to our order book growing from ₹ 6,704.65 million as of March 31, 2021 to ₹ 26,481.68 million, as of March 31, 2023. As on September 30, 2023, we had an order book of ₹ 34,618.35 million, with orders from several customers across business verticals. Currently, we are involved in several projects in our different business verticals like smart-meters, automotive lighting, electronic control units, hand-held diagnostic hardware, IOT driven smart solutions, dispensing solutions and avionic electronics.

Further, the Indian OSAT market is currently in its nascent stage, but it holds immense potential for growth in the coming year. *(Source: F&S Report)* The Indian OSAT market is expected to experience significant growth in the coming years, with the potential to reach US$ 201 million by Fiscal 2028. *(Source: F&S Report)* Beyond their strategic advantages, OSAT providers are pivotal in shaping the technological outlook of the semiconductor industry. *(Source: F&S Report)* They actively participate in driving advancements in packaging technologies, heterogeneous integration, and the ongoing trend of miniaturization. *(Source: F&S Report)*

India OSAT market, value in US$ million, Fiscal 2023 to Fiscal 2028E



Key growth drivers for OSAT market in India includes: *(Source: F&S Report)*

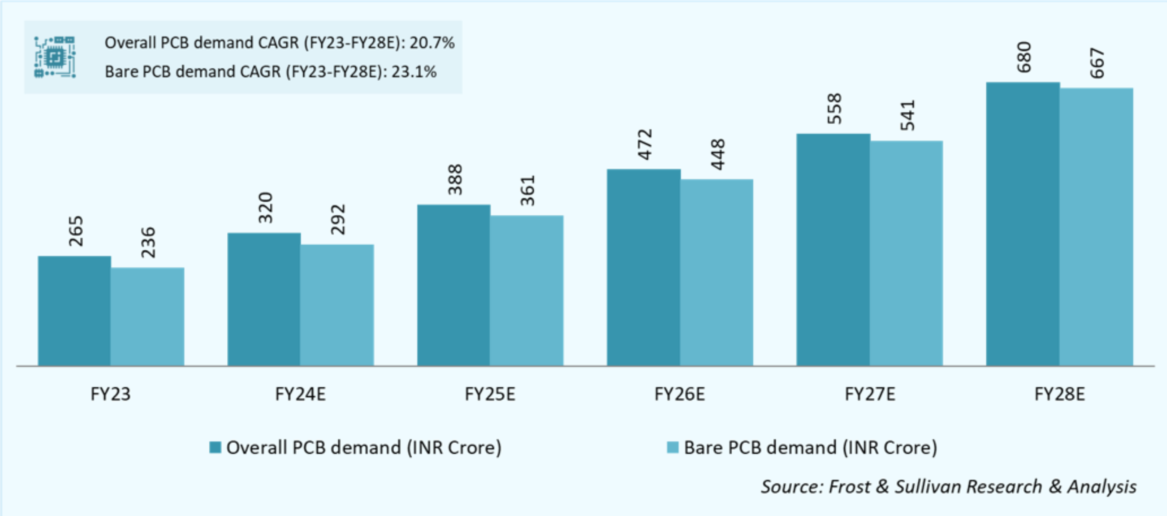
- Key Government initiatives to accelerate semicon manufacturing growth in India;
- Vast pool of highly skilled and talented workforce;
- Increasing demand for medical devices;
- Increasing demand from aerospace and defence; and
- The rising collaboration between software and semiconductor manufacturing.

Further, PCBs are the backbone of modern electronics, providing the physical interconnection for electronic components to communicate and function. *(Source: F&S Report)* These versatile and essential components are found in a vast array of devices, from smartphones and laptops to automobiles, medical equipment, and aerospace systems. *(Source: F&S Report)* The widespread adoption of PCBs is driven by their ability to support complex circuitry, miniaturization, and high-speed data transmission. *(Source: F&S Report)* Indian Bare PCB market has grown at a CAGR of 13.9% between Fiscal 2017 and Fiscal 2023 –from ₹ 108 billion in Fiscal 2017 to ₹ 236 billion in Fiscal 2023. *(Source: F&S Report)* This represents a strong growth in demand for Bare PCBs in the country within a short span of time, which cannot be left solely to be catered by the foreign suppliers. *(Source: F&S Report)* The Indian PCB manufacturing industry is developing capabilities to produce new technology PCBs and scale up in the medium term to cater to such huge domestic demand. *(Source: F&S Report)*

Historical growth of Indian Bare PCB market, in ₹ billion, Fiscal 2017 to Fiscal 2023

As PCB is the backbone for any electronics products, this will create significant demand for PCB in the coming years. *(Source: F&S Report)* As domestic electronics industry is maturing, majority of this PCB demand will be in the form of Bare PCB and assembly will happen locally in India. *(Source: F&S Report)*

Overall PCB and Bare PCB demand outlook in India, Fiscal 2023 to Fiscal 2028E



Key growth include: *(Source: F&S Report)*

a. Rising demand from end markets like wearable electronics, smartphones, aerospace and defence, medical electronics, etc.
b. Increasing investments in developing smaller, more compact, and high-performance electronics products
c. Digitization and modernization of the end use sectors such as industrial electronics, medical electronics, etc.
d. Increasing trend for computer miniaturization
e. Government programs like 'Digital India' and 'Skill India' aimed at promoting digital literacy through usage of computers and other digital devices.

We believe that our diverse customer base and our relationships with them across verticals, along with recent Indian government schemes including loan schemes like the Karnataka New Industry Policy and other government grants, significantly aids in our vertical focused expansion strategy.

Expand manufacturing capacity at our existing facilities and set-up additional strategically located facilities

As of September 30, 2023, we operated 10 manufacturing facilities located in Karnataka, Haryana, Himachal Pradesh, and Tamil Nadu. For further information, see *"- Manufacturing Facilities"* on page 201. In order to support our growth strategy across India. We have recently completed phase-I of our new manufacturing facility at Chamarajanagar, Karnataka and commenced commercial operations on May 5, 2023 and are undertaking significant expansion at our current facility at Mysuru, Karnataka – Unit - I. We also intend to expand our existing manufacturing facilities to increase our manufacturing capacity. The following table sets forth further information relating to our proposed manufacturing facilities for PCB assemblies.

Locations	Verticals	Area (sq. ft.)	Proposed Capacity (PCB Assemblies per annum)*
Mysuru, Karnataka – Unit I	Defence, Railways, Medical and Industrial	98,243	13.74 million
Chamarajanagar, Karnataka (Phase II)	Automotive, Telecom, IOT, IT, Defence and Aerospace, Medical and Industrials	245,000(2)	12.55 million(1)
Total Additional Capacity			**26.29 million**

**As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.*
(1) The proposed capacity includes Phase-I completion which commenced commercial operations with effect from May 5, 2023.
(2) The Chamarajanagar area includes the designated space for box build assembly.
 # For risks associated with the estimated schedule commercial date of our proposed manufacturing facilities, see "Risk Factors - Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023." on page 63.

The following table sets forth further information relating to our proposed manufacturing facilities for OSAT and Bare PCB:

Locations	Verticals	Unit of measure	Proposed Capacity* (in respective units)
Kongara Kalan, Telangana	OSAT	Million packages per annum across various types of packages	3,620.00 (expected to be commissioned by Fiscal 2028)
Mysuru, Karnataka	Bare PCB Fabrication	Square meter per annum	300,000.00 (expected to be commissioned by Fiscal 2025)

As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.
 # For risks associated with the estimated schedule commercial date of our proposed manufacturing facilities, see "Risk Factors - Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2021, 2022 and 2023 and in the six months ended September 30, 2022 and September 30, 2023." on page 63.

Certain of these facilities will also benefit from subsidized land grants and tax incentives. We believe that our strategy will allow us to better serve our existing customers, assist us in better addressing the business requirements of large customers, and allow us to expand into new business verticals, in particular, consumer electronics and smart meters.

We are in the process of expanding our manufacturing capabilities by setting-up of OSAT manufacturing facilities, at an estimated cost of ₹ 28,496.34 million. The first phase is proposed to be established at Kongara Kalan Industrial Park, Telangana, for an estimated cost of ₹ 20,471.46 million, which will support customers worldwide with various types of packages including but not limited to in QFN / QFN stack die, SOT, flip chip ball grid array and TO220. This phase is proposed to be part-financed from the Net Proceeds.

Further, we also propose to expand our capabilities to manufacture in-house bare printed circuit boards for an estimated cost of ₹ 13,957.49 million. The first phase is being established at Mysuru, Karnataka, for an estimated cost of ₹ 7,301.80 million, which will manufacture advanced high density interconnect PCBs. This phase is proposed to be part-financed from the Net Proceeds. For further information, see “*Use of Proceeds*” on page 97.

Continue to expand our customer base to focus on large customers

Over the last three Fiscals and the six months ended September 30, 2022 and September 30, 2023, we have been able to consistently grow our customer base. For Fiscal 2021, 2022 and 2023, and the six months ended September 30, 2022 and September 30, 2023, we served 292, 346, 361, 297 and 278 customers, respectively, across our different business verticals. With the growing customer demand for our products, we intend to capitalize on this strong industry tailwind by continuing to grow our customer base.

Our expansion of customer base is generally four-pronged. We intend to acquire customers that can provide higher value business, to increase the wallet share with our existing customers through a combined means of marketing strategies and capacity enhancement of our manufacturing facilities to improve our services to our customers, and to attract customers who can provide to us higher margins. As we look to expand our operations both domestically and internationally, we intend to have additional sales and business development representatives in geographies outside India to acquire new and larger customers in such geographies. To generate brand awareness, we intend to continue to utilize content-based marketing through content articles, search engine optimization, email newsletters, social media, press mentions and media partners. We intend to increase the share of our export sales as these offer better margins. To further this strategy, we intend to set up sales and marketing offices in the United States, Japan and Europe in order to grow our exports. As of September 30, 2023, we have 50 employees in our sales and business development team who specialise in assisting us in customer acquisition efforts.

To better serve our customers, we will continue to expand our geographical footprint by enhancing current manufacturing capacities in Mysuru, Karnataka and Manesar, Haryana and have recently set-up a new manufacturing facility in Chamarajanagar, Karnataka. Our facility in Chamarajanagar, Karnataka is strategically located in proximity to our existing facility. As we expand our manufacturing capacities and set up new manufacturing facilities to enhance our business in India and globally, we will continue to develop new customer relationships in a wider range of geographic markets, further decreasing our single market dependency and customer revenue concentration.

Pursue inorganic growth through selective partnerships and acquisitions

We intend to pursue inorganic growth opportunities through selective strategic acquisitions to complement the scale of our operations and growth in recent periods. As part of our foray into the consumer electronics segment, we intend to pursue strategic acquisitions and investments and other strategic alliance partnerships within the ESDM sector that are complementary to our current and future business verticals. We believe that these partnerships will complement our existing marketing approach, expand into newer geographies such as the United States and Middle East and North Africa by addressing additional business verticals and augment our coverage of electronic product servicing into the consumer segment. Our extensive industry experience and insights enables us to identify suitable target companies for acquisition and effectively evaluate and execute potential opportunities. Our senior management along with external experts evaluate potential inorganic opportunities and assists us in evaluating each potential acquisition in determining how their business model or solution will integrate with our existing product portfolio, and how both the companies can mutually benefit from such potential investments or acquisitions.

For example, our Board has approved the 100% acquisition of Digicom Electronics Inc ("**Digicom**"), an electronic manufacturing services company headquartered in the United States for a total cash consideration of US$ 2.5 million subject to execution of definitive documentation, satisfactory completion of customary closing conditions and receipt of requisite regulatory approvals. The proposed acquisition is part of our strategy to enter and expand into additional geographies. The proposed acquisition will also enable us to have a direct footprint in the United States, cater to potential EMS customers in such market and provide access to Digicom's clients in the industrials segment.

BUSINESS OPERATIONS

We engage along the entire product development lifecycle for our customers as summarized below:

Product Development Life Cycle	OEM -Turnkey / OEM – Box Build	ODM	Product Engineering and IoT Solutions
Identification of customer need	N.A.	N.A.	Yes
Current technology and state of the art	N.A.	N.A.	Yes
Finalization of specification both generic and customized	N.A.	Yes (Generic Specification)	Yes
Engineering design	N.A.	Yes	Yes
Prototyping user testing and finalization	Yes	Yes	Yes
Product realization / industrialization – development of supply chain, manufacturing process, testing infrastructure, including part obsolescence / end of life actions	Yes	Yes	Yes
Pilot and Series production	Yes	Yes	Yes
Post-sales – Warranty and out of warranty	Yes	Yes	Yes
After-Market	N.A.	N.A.	Yes

N.A.: Not Applicable

Business Verticals

Original Equipment Manufacturer ("OEM") – Box Build

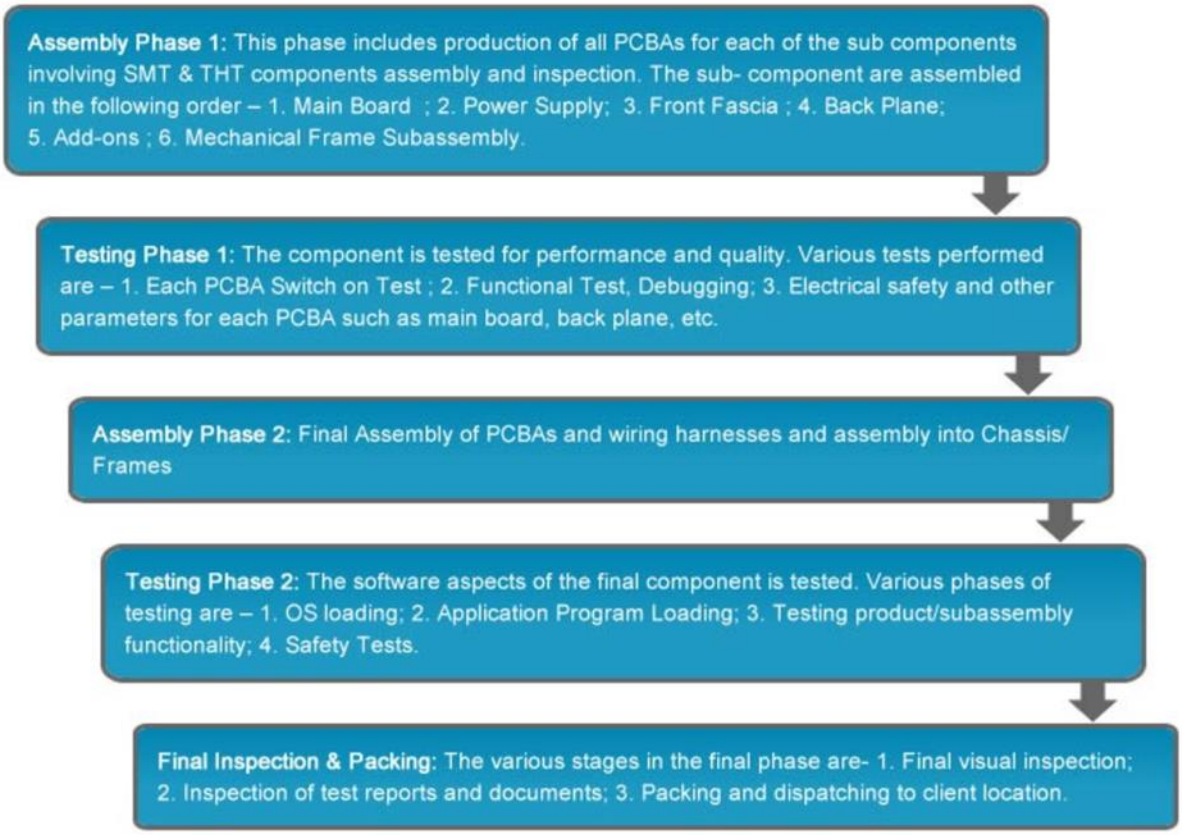
We work with our customers to offer complete "Build To Print" or "Build to Specifications" of complex Box Builds, sub-systems and products in the defence and aerospace, transportation, healthcare, IT and industrial verticals.

We have customised manufacturing lines for box building, integration and testing, with facilities for manufacturing cable forms and harnesses, plastic moulding and fabrication facility infrastructure as well as a burn-in / soak-test facility. We also possess build-capabilities for customised designing of testing hardware for a wide range of automated test equipment, functional testers right from firmware flashing fixture, PCBA fixture, end of line tester and product functional testers. Our OEM products are shipped directly to the warehouse of our customers.

We have a dedicated 'New Product Introduction' team that is capable of localizing custom built parts including tooling for plastics. As of September 30, 2023, we completed over 43 transfers of technology from overseas customers, wherein both the process and the complete product has been qualified and approved for manufacturing for global requirements.

We offer services from the concept to design stage and undertake prototyping and pilot and thereafter mass manufacturing. As part of our project management services, we undertake product reliability, validation and approvals. Type tests required for reliability of products are also carried out at external labs.

The infographic below sets forth the typical process for our end-to-end OEM – Box Build and OEM – Turnkey solutions:



OEM – Turnkey Solutions

We provide end-to-end turnkey solutions in manufacturing of PCB assemblies. We undertake prototyping, sourcing including supplier development for bare PCBs, building test jigs and designing processes for PCBAs. We then manufacture at our SMT lines and deliver tested and validated boards to customers globally.

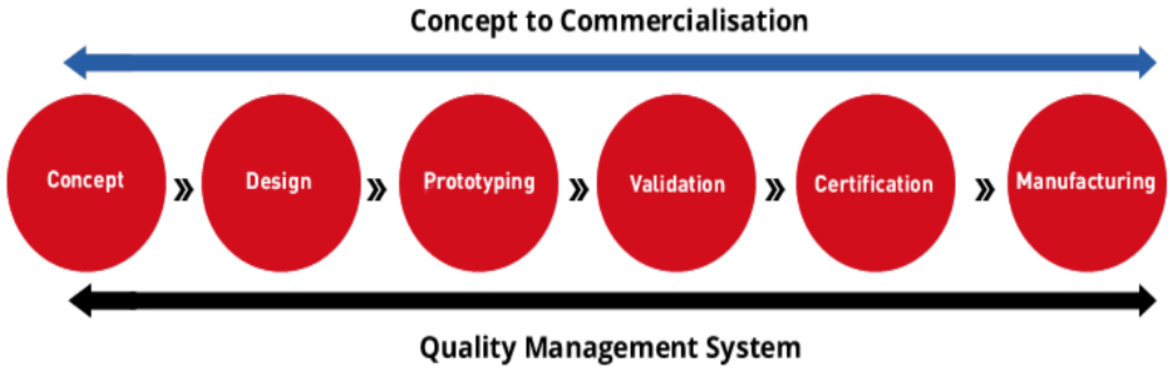
We focus on high mix, high technology, flexible volume production, and provide value added services to customer across aerospace, defence and outer-space, railways, medical, IT/ITES, industrial and automotive electronics verticals.

We have machines and capabilities for SMT devices and THD boards with latest packaging of QFPs, BGAs, LGAs / QFNs, 0402/0201/01005 chips, and handle all types of boards – processes based RF, power electronics and discrete logic boards.

We also have complete testing facilities for the PCB assembly and products including AOI, flying probe, x-ray, ICT and high precision voltmeter, frequency controls, digital oscilloscopes, spectrum analyzers, signal generators and customer specific test jigs and automated testing equipment.

Original Design Manufacturing ("ODM")

Concept to Commercialization



Software Services: We assist customers in creating new technology solutions. Our Kaynes Embedded Systems service develops customized products for our customers as per their requirements.

PCB Design Services: We specialise in high-speed, multi-layer, mixed signals, RF PCB designing along with fabrication and assembly. We offer two stage design reviews, either offline or interactive online. Designs are provided using industry standard PCB design software. We also offer RoHS compliant designs for new layouts and conversions of existing assemblies.

Mechanical Designs and Engineering Services: We provide product design solutions, enclosures design, remastering jigs and fixtures.

Prototyping: We provide turnkey prototyping solutions and rely on DFM, DFT and DFS review for transition of prototypes to bulk production. We have capabilities to manufacture prototype of small quantity of two to 10 numbers with expertise in handling SMT technology based boards, BGAs, LGAs, QFNs, QFPs and chip bonding.

We offer complete testing facility of basic measurements like oscilloscope, frequency counters, spectrum analyzer, power supply and specific test like the JTAG based testing for DSP designs. We provide prototypes on a turnkey basis; tests involving mechanical boxing for demo package design and door- to-door logistic services like ship to bill to where the end-user directly gets a technical product reducing time to market for customers.

Validation and Regulatory Compliance

We provide solutions for testing, verification, validation of products for quality assurance. We also support reliability demonstration through a series of reliability tests on prototype before release to manufacturing.

We evaluate the product for compliance to national and international regulatory standards (BIS, CE, FCC and others). We also provide end-to-end support for identifying requirements, pre-compliance and compliance testing, documentation and certification.

Use cases of certain of our ODM applications are set out below:

Products	Vertical	Description
Smart meter	Industrial	Our customer is a European company that has entered the Indian market and have supported with a design and qualification of smart meters suitable for the Indian standards.
Home diagnostic products	Medical	Start-up entering into at-home diagnostic market. We undertake the design, prototype and bulk manufacturing
Streetlight controllers	IoT and IT	Customer has its own long range network for which we designed and developed a street-light controller which has a built-in energy meter. The product has qualified for reliability and taken up for bulk manufacturing including exports.
IoT appliance	Consumer	Looking for support in IoT driven smart solutions for appliance. Handled design, proto and currently doing bulk manufacturing.

Products	Vertical	Description
Consumer audio	Consumer	Customer looking to localize manufacturing through assembly of semi-knockdown unit. We supported in SKU and localizing for complete knockdown unit.

Product Engineering and IoT solutions

Our service offerings in this vertical are set out below:

Device Engineering: We offer turnkey solutions for product companies across verticals requiring custom embedded system development. Device engineering is an interplay of hardware, embedded and mechanical designs involving advanced technologies such as high-end processors, sensors, connectivity, and advanced embedded software and device

Digital Engineering: We bring a one-stop-shop for our customers looking for an end-to-end IoT and Cloud enablement solution offering. We have a comprehensive remote device management IP and cloud platforms to accelerate our customer solution journey.

Quality Engineering: We provide quality assurance services across the entire connected product lifecycle spectrum, covering quality assurance consulting services, IoT quality assurance implementation services, to end-of-life quality assurance support services. Through our comprehensive suite of service offerings and best practices, we ensure high product quality, operational excellence, and agility to meet our customer's dynamic and complex end-to-end solution testing needs.

Prototype and Bulk Manufacturing: We manage product development and product certifications, mechanical casing design, BOM optimization, and mass manufacturing services. This results in time saving for customers and in better control.

Manufacturing Processes

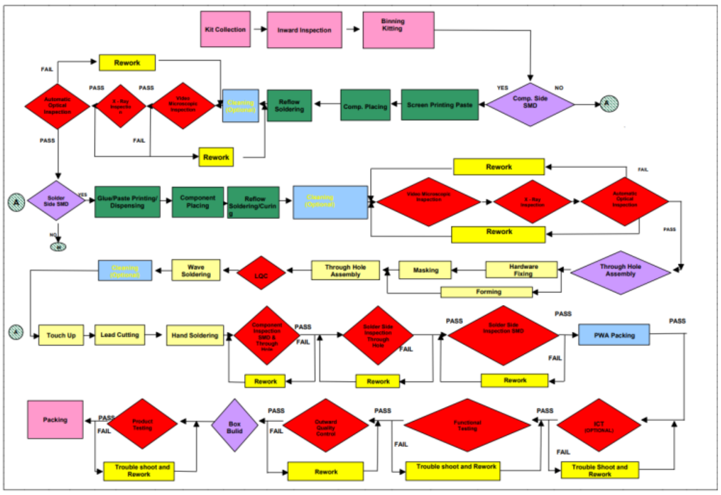
Manufacturing

Our manufacturing activities primarily comprise the SMT process and module assembly process.

SMT Process

SMT process is an automated process with specific machines performing the job as per pre-set programs. The different sub processes in SMT are performed serially in process specific machines. The unit under assembly are moved from one machine to another thro' an automated conveyor. All the machines in the line as well as the connecting conveyors are conforming to SMEMA Electrical Equipment Interface Standard. This ensures proper sequencing of entry and exit of the unit under assembly from each individual machine.

The sequence of operations in SMT section and the machines used in each of them are as per the manufacturing process flow chart below:



Screen Printing: A bare PCB is passed through the machine and the solder paste (a combination of lead, tin and in certain cases silver powder suspended in thick flux) is deposited on the board through a stencil. The stencil is specific to the product and will have openings corresponding to the solder-able pads on the bare PCB. The machine operation parameters like squeegee movement speed and pressure are set in the machine through different programs.

Component Placement: After solder paste printing is brought into the machine through conveyor and the components to be placed on the PCB are loaded in bulk packages through different feeders. The feeder and the location where the component is to be placed on the board are defined in a program.

Reflow Oven: During re-flow process, the PCB with components placed on solder paste deposits is moved through a conveyor. There are multiple heating zones in the oven. The temperature of each of the zone is set based on the temperature profile measured on the PCB during the movement of the PCB through the oven. The speed of the movement also is fixed based on the temperature profile measured on the board. By the time the PCB comes out of the oven, the solder paste get converted from paste form to solid form and the electrical connection from components to the pad on the board is established.

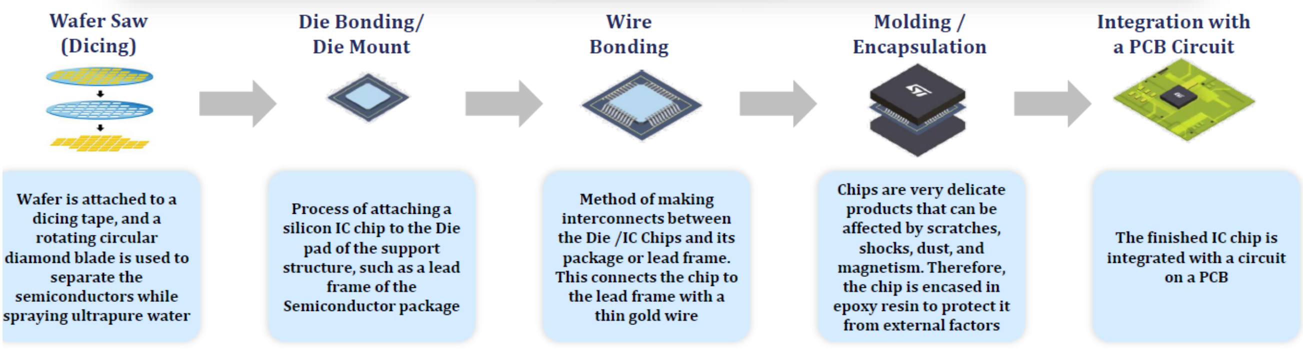
Wave Soldering and Selective Soldering: This process is used when any through hole components are to be soldered. Here the PCB after mounting the components is passed over a bath of molten solder. Due to capillary action, the molten solder passes through the plated holes in the PCB and once solidified, the electrical connection is established. If the component to be soldered is sensitive to heat, selective soldering process is adopted, where instead of a solder bath, a small solder wave is used and the board is moved in different axes so that the area to be soldered alone comes into contact with the wave.

Module Assembly Process

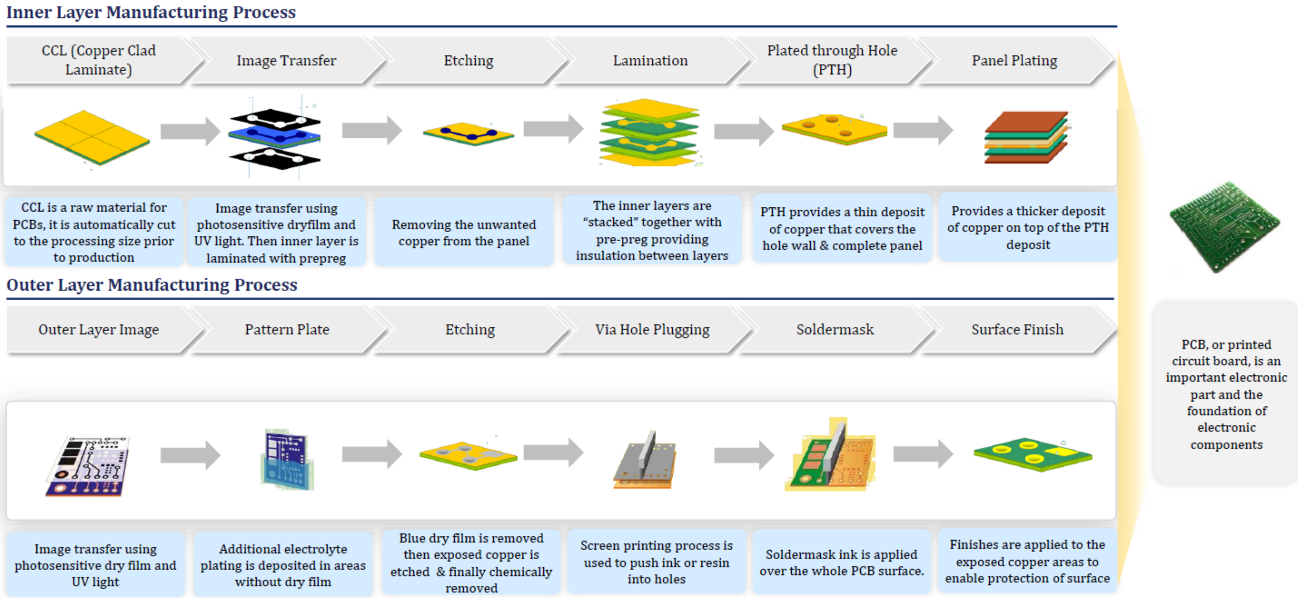
This process is also known as the box build process or final assembly process. In this process, all the sub-assemblies are assembled together to get a final product which is then tested and packaged for shipment. This stage may include some assembly processes, some testing processes, and final testing and quality control processes. At this stage all quality documentation and production documentation that is required for shipment is collated.

Manufacturing Process for Proposed OSAT and Bare PCB

OSAT Manufacturing Process



Bare PCB Manufacturing Process



Inspection Systems and Processes

There are different stages of inspections for ensuring products are defect free and the processes followed are in compliance with the standards / guidelines adopted for manufacturing. In addition to the manual inspections, there are automated inspection systems also.

After reflow soldering, the PCB from reflow oven is passed onto automatic optical inspection system. Here the soldering qualities as well as the identity of the components are verified with reference to the reference data available in the system.

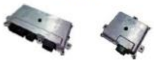
For certain customers, there is a requirement that they require fully-assembled and tested OK boards. In such assembly lines, at the end of the line there will be an automatic test equipment, In-Circuit Tester ("**ICT**"). The final product is loaded onto the machine and connected through a customized testing jig specific to the product. Once connected, the assembly will power up from the ICT machine and all functionalities of the assembly are verified by electronic means through output from different test points.

In certain PCBs, the electrical connection will be from beneath the component. In such cases, no visual inspection can be undertaken to ensure soldering quality. In such cases, the inspection is conducted with the help of an inspection system employing X-ray.

Once the product is ready, there are additional tests undertaken to ensure reliability. These include vibration tests and temperature cycling. To ensure mechanical stability, the product undergoes a vibration test for a specified time at specified amplitude of vibration on a vibration table of suitable capacity. To ensure functionality of the product under varied operating conditions, the unit is kept in Power ON or OFF condition in a thermal cycling chamber, where temperature is varied between – 30°C and 80°C. Temperature ramp up and down is done in different cycles and rates based on product requirement and application.

Products

The table below sets forth details of the products we manufacture based on the verticals for which they are manufactured:

Industry	Type of Products
Automotive	**Cluster PCBA**  **LED Headlamp/Tail Lamp/LED Position Lamp/DRL PCBA**  **Switches PCBA[1]**  **BCU Master / BCU Slave PCBA** 
Industrial and EV	**Engine Control Panel**  **Street light controller**  **BLE Module**  **Precision Bridge and Strain Gage** 
Aerospace, Outer-space and Strategic Electronics	**HH Sonar**  **Mission Critical Products[2]**  **ESAF**  **ATE & LRU Cable Assemblies** 

Industry	Type of Products
Medical	**Endoscopy cart & ICP sensor module**  **X-ray & Dental X-ray machine**  **Controller Units**  **Protein & clinical chemistry analyzers** 
Railways	**UM71 - Receiver**  **ETCS cubicle**  **SDTC cubicle**  **SDTC Card File** 
IoT / IT and Others	**Bar Code Scanner & RFID gateway**  **PLC & Asset Condition Monitoring gateway**  **Sensors[2]**  **Industrial HMI Reader & Industrial Tablet** 

Notes:

(1) *Headlamp level switch / steering control switch / windowlift motor / rocker switch PCBA*

(2) *We were an industry partner for soft landing of Chandrayaan – 3 launch of Aditya-L1 missions; and*

(3) *Different air pressure / vibration / RTD temperature*

Platforms

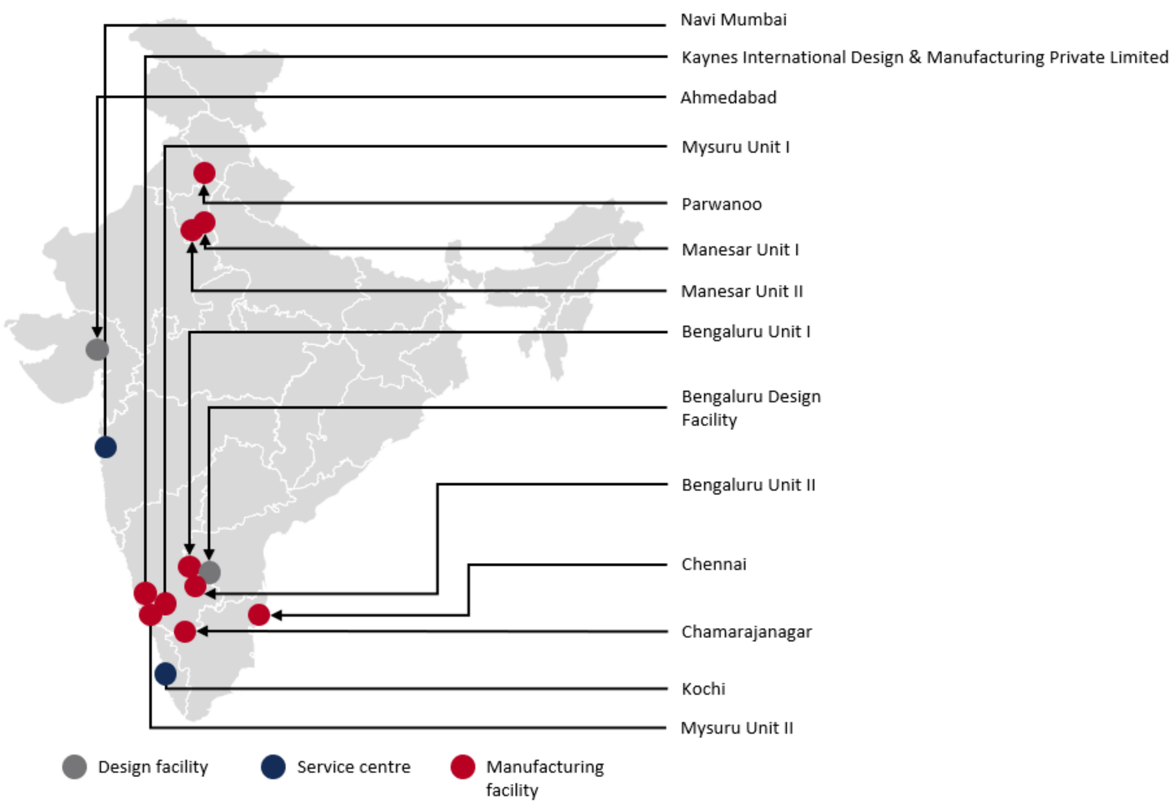
KPTR – IIoT Products and Accelerators: The Smart Edge platform powers our array of ODM products including industrial sensors and multi-protocol gateways. These devices are essential to make assets smart by capturing and contextualizing the machine data in real-time. KPTR designs are field-proven and have industry certifications. They support varied industrial protocol and IoT connectivity stack out-of-box.

KemPaaS – Remote Device Management Platform: KemPaaS provides a managed and secure cloud platform to capture, store, and analyse industrial machine data at scale. KemPaaS extends IoT data as an API for building vertical applications and enabling OT-IT data integration with known IT platforms. The platform also offers turnkey remote device management, rule-based workflow automation, and a notification engine.

KemSights – Analytical Applications: Connected industrial applications targeted for various IIoT use cases including condition monitoring, asset tracking, predictive maintenance, energy optimization, and equipment rental. KemSight offers the opportunity to use out-of-box applications, build custom applications, or port third-party application on KemPaaS data APIs.

Facilities

The map below sets forth details of our facilities, as of September 30, 2023.



[Map not to scale]

Manufacturing Facilities

As of September 30, 2023, our Company has eight manufacturing facilities situated in India at various locations as set out below:

S. No.	Location	Verticals	Area (Square Feet)	Owned / Leased
1.	Mysuru, Karnataka – Unit I		126,085	Owned

S. No.	Location	Verticals	Area (Square Feet)	Owned / Leased
2.	Mysuru, Karnataka – Unit II	Railways, Defence and Aerospace, Medical and Industrials		Leased
3.	Parwanoo, Himachal Pradesh	IT, Telecom, Industrial, Medical and Automotive	5,253	Owned
4.	Bengaluru, Karnataka – Unit I	Automotive, Medical, IOT, IT and Industrial	12,425	Leased
5.	Bengaluru, Karnataka – Unit II	Automotive and Industrial	13,447	Leased
6.	Chennai, Tamil Nadu	Automotive, Medical and Industrial	10,125	Leased
7.	Manesar, Haryana – Unit I	Industrial, Medical and Automotive	25,000	Leased
8.	Manesar, Haryana – Unit II	Industrial, Medical and Automotive	88,000	Leased

In addition, as of September 30, 2023, our Subsidiaries, operate two manufacturing facilities in India at two locations as set out below:

S. No.	Location	Verticals	Area (Square Feet)	Owned / Leased
1.	Chamarajanagar, Karnataka (Phase-I) (operated by Kaynes Electronics Manufacturing Private Limited)	Automotive, Telecom, IOT, IT, Defence and Aerospace, Medical and Industrials	78,000*	Owned
2.	Mysuru, Karnataka (operated by Kaynes International Design & Manufacturing Private Limited)	Industrial	3,000	Leased

** only includes phase-I currently operational. Phase II will be spread across 245,000 square feet.*

Our facilities are routinely audited and approved by our customers including various multinational corporations as a part of their approval process.

Service Centers

As of September 30, 2023, our Company has two service facilities situated in India as set out below:

S. No.	Location	Verticals	Area (in Square Feet)	Owned / Leased
1.	Kochi, Kerala	Aerospace and Defence	2,000	Leased
2.	Navi Mumbai, Maharashtra	Railway, Aerospace, Defence and Industrial	6,350	Leased

Design Facilities

As of September 30, 2023, our Subsidiary, Kemsys Technologies Private Limited, has two design facilities in India as set out below:

S. No.	Location	Verticals	Area (in Square Feet)	Owned / Leased
1.	Bengaluru, Karnataka	Automotive, Industrial, Aerospace, Defence, Outer-space and Nuclear, Medical, Railways, IoT / IT and Others and Consumer	4,990	Leased
2.	Ahmedabad, Gujarat	Automotive, Industrial, Aerospace, Defence, Outer-space and Nuclear, Medical, Railways, IoT / IT and Others and Consumer	1,882	Leased

Aggregate Installed Capacity and Capacity Utilization

The following tables sets forth certain information relating to the installed capacity and capacity utilisation (on the basis of total installed capacity and actual production) of SMT components placement/ assembly and PCB assemblies at our manufacturing facilities located at (i) Mysuru, Karnataka – Unit I and Mysuru, Karnataka – Unit II; (ii) Parwanoo, Himachal Pradesh; and (iii) Manesar, Haryana Unit – I and Unit - II. The two facilities each at Mysuru, Karnataka and Manesar, Haryana, respectively are used interchangeably for the assembly of SMT components. Accordingly, the facility-wise data cannot be determined for individual capacity utilization calculations and have been clubbed for the purpose of determination of capacity utilization.

The installed and utilized capacity of our facilities located at: (i) Bengaluru, Karnataka – Unit I; (ii) Bengaluru, Karnataka – Unit II; (iii) Chennai, Tamil Nadu; and (iv) Mysuru, Karnataka (operated by Kaynes International Design & Manufacturing Private Limited) cannot be specified these facilities are engaged in ancillary placement/assembling activities. Since these facilities are not involved in SMT component assembly and PCB assemblies, an estimate with respect to installed or utilised capacity cannot be specified. The capacity of the placement/assembly operations varies significantly depending on products manufactured and hence an estimate of the installed / utilized capacity cannot be provided accurately.

The capacity is measured in two ways: (i) number of SMT components placed on a PCB (in million SMT components places per annum); and (ii) number of PCB assembled (in million PCB assembles per annum).

<u>*SMT Components Placement/ Assembly*</u>

Facility	As of and for the financial year ended March 31,								
	2021			2022			2023		
	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)
	(SMT Components Placement/ Assembly per Annum) (Million)			(SMT Components Placement/ Assembly per Annum) (Million)			(SMT Components Placement/ Assembly per Annum) (Million)		
Mysuru, Karnataka – Unit I and Unit II	458.26	377.78	82.44%	652.55	587.76	90.07%	1,001.46	893.74	89.24%
Parwanoo, Himachal Pradesh	60.53	27.43	45.32%	72.64	26.82	36.92%	72.64	38.74	53.33%
Manesar, Haryana – Unit I and Unit II	148.67	102.44	68.91%	196.24	184.01	93.76%	476.59	401.09	84.16%

Facility	As of and for the six months ended September 30,					
	2022			2023		
	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)
	(SMT Components Placement/ Assembly per Annum) (Million)			(SMT Components Placement/ Assembly per Annum) (Million)		
Mysuru, Karnataka – Unit I and Unit II	480.24	351.06	73.10%	593.31	409.25	68.98%

Facility	As of and for the six months ended September 30,					
	2022			2023		
	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)
	(SMT Components Placement/ Assembly per Annum) (Million)			(SMT Components Placement/ Assembly per Annum) (Million)		
Parwanoo, Himachal Pradesh	36.32	14.27	39.30%	36.32	18.82	51.81%
Manesar, Haryana – Unit I and Unit II	238.29	155.25	65.15%	317.02	270.87	85.44%
Chamarajanagar, Karnataka(5)	-	-	-	300.88	112.16	37.28%

<u>*PCB Assembly*</u>

Facility	As of and for the financial year ended March 31,								
	2021			2022			2023		
	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)
	(PCB Assemblies per Annum) (Million)			(PCB Assemblies per Annum) (Million)			(PCB Assemblies per Annum) (Million)		
Mysuru, Karnataka – Unit I and Unit II	29.24	24.10	82.44%	37.12	33.44	90.07%	39.58	35.33	89.24%
Parwanoo, Himachal Pradesh	1.96	0.89	45.32%	3.21	1.19	36.92%	1.33	0.71	53.33%
Manesar, Haryana – Unit I and Unit II	3.30	2.28	68.91%	4.94	4.64	93.76%	12.39	10.43	84.16%
Chamarajanagar, Karnataka(5)	-	-	-	-	-	-	-	-	-

Facility	As of and for the six months ended September 30,					
	2022			2023		
	Installed Capacity*(1) (PCB Assemblies per Annum) (Million)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1) (PCB Assemblies per Annum) (Million)	Actual Production	Utilisation (%)*(2)
	(PCB Assemblies per Annum) (Million)			(PCB Assemblies per Annum) (Million)		
Mysuru, Karnataka – Unit I and Unit II	19.22	14.05	73.10%	36.67	25.29	68.98%
Parwanoo, Himachal Pradesh	0.83	0.32	39.30%	0.63	0.33	51.81%

Facility	As of and for the six months ended September 30,					
	2022			2023		
	Installed Capacity*(1) (PCB Assemblies per Annum) (Million)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1) (PCB Assemblies per Annum) (Million)	Actual Production	Utilisation (%)*(2)
	(PCB Assemblies per Annum) (Million)			(PCB Assemblies per Annum) (Million)		
Manesar, Haryana – Unit I and Unit II	6.20	4.04	65.15%	7.37	6.30	85.44%
Chamarajanagar, Karnataka(5)	-	-	-	4.62	1.72	37.28%

**As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated December 18, 2023.*

Notes:

(1) The information relating to the existing installed capacity of our manufacturing facilities as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the component manufacturing industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing facilities. The installed capacity for the six months ended September 30, 2023 and September 30, 2022 have been calculated on a pro-rata basis. Further, the installed capacity for the Chamarajanagar, Karnataka facility has been calculated on a pro-rata basis for the six months ended September 30, 2023 and hence actual production and capacity utilization reflects the information for four months and 28 days of operations.

(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending September 30, 2022 and September 30, 2023, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.

(3) The assumptions and estimates taken specifically into account include the following:

a. Number of working hours per day taken at 22 hours per day; Number of working days per month taken at 25 days per month; and Number of months in a year taken at 12 months per year; and

*b. The SMT machines have a rated capacity in terms of number of components placements per hour ("**CPH**") and based upon 3(a) above, the rated CPH for the year was determined for each of the machines in terms of total number of component placements in a year which is the rated theoretical capacity for each machine.*

c. Due to COVID-19 lock down, all facilities were operational only for 10 months out of 12 months. Accordingly, the effective Installed Capacity for Fiscal 2021 was 10/12th of the annual capacity for Fiscal 2021.

(4) Actual production levels and utilization rates may vary significantly from the capacity information of our manufacturing facilities included in this Preliminary Placement Document and undue reliance should not be placed on such information.

(5) Phase-I of the manufacturing facility at Chamarajanagar, Karnataka commenced manufacturing facility with effect from May 5, 2023. Hence, actual production and utilisation are for a period of until September 30, 2023

Also, see "*Risk Factors – Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Preliminary Placement Document is based on various assumptions and estimates and future production and capacity utilization may vary.*" on page 76.

Research, Development and Technological Capabilities

We believe that R&D is critical in maintaining our competitive position in the ESDM industry, including in order to address changing customer trends, be updated with technological advancements, industry developments and business models. Our R&D capabilities focus on technology development, costs and operating efficiencies, product design and development, production processes and environmental management by understanding current market demands and evolving customer trends. We believe that the ESDM industry is rapidly evolving due to technological advancements and deeper penetration of information technology. We have a dedicated research and development facility located within our facility at Mysuru, Karnataka – Unit – I and a separate research and development facility located at Ahmedabad, Gujarat. In addition, we intend to establish a new research and development facility in Telangana for OSAT and compound semiconductor.

Manpower: As of September 30, 2023, we have 144 personnel engaged as part of our R&D and engineering operations. Through our R&D and innovation capabilities, we have successfully designed and developed a portfolio of wide ranging products that are used across various industry verticals. We have the ability to manufacture most of our products from the concept and design stage until the final delivery thereby covering the entire manufacturing value chain.

Quality Control, Testing and Certifications

Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. Our quality control programs at most of our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods. In addition, our manufacturing facilities are subject to compliance audits in relation to quality management by third party agencies as well as by our customers.

IATF 16949 is the required QMS standard for the global automotive supplier base. Any automotive supplier who supplies a component or system that ends up in an automobile must be certified, along with any automotive supplier who is contractually required by an automotive OEM to be certified.

ISO 9001 certification provides us with tools to improve our business performance, such as defining policy and objectives, monitoring and measuring processes and product characteristics, specifying corrective and preventive actions and encouraging continuous improvement. We have also obtained ISO 14001:2015 certifications to ensure compliance with environmental standards.

To complement our existing quality certifications, we have also obtained ISO 13485: 2016 registration to support our activities in the manufacture of medical devices and implants as well as AS 9100 – Rev D to validate our quality system for the aerospace and defence applications.

Other accreditations and certifications pertaining to quality and health and safety standards obtained by us include NADCAP certification for our aerospace products.

Our customers expect us to undertake extensive product approvals and/or certification process and some of our customers also perform their own quality checks to ensure that our products meet their demands and comply with the requirements.

Certain information regarding our certifications are shown in the table below:

Certifications	Certification Type	Vertical	Description
EN 9100	Industry specific	Aerospace, Defence and Nuclear	• Mandatory for all electronic and mechanical supplies to aerospace industry • Assists in vendor selection by a global MNC. • Certification to manufacture and service populated PCBs, electromechanical assemblies, and cable harnesses for aerospace application.
National Aerospace and Defense	Industry specific	Aerospace, Defence and Nuclear	• Certification is managed by a consortium of all aerospace and defence contractors in the United States for suppliers who need to be accredited before any supplies for Aerospace industry.

Certifications	Certification Type	Vertical	Description
Contractors Accreditation Program (“**NADCAP**”)			• We are NADCAP accredited for all electronic processes for delivering products compliant with EN 9100 standards.
International Railway Industry Standard (“**IRIS**”) / ISO TS22163	Industry specific	Railways	• Required standard for any supplies to railway authorities or companies in Europe. • Scope of the certification comprises design, development, and manufacturing of components for populated PCBAs, electromechanical assemblies, and services.
IATF 16949	Industry specific	Automotive	• Manufacturing permitted exclusions, design and development of products and services for the Automotive electronics.
ISO 9001	Industry specific	Industrial	• Minimum standard required for supplies of industrial products • Design, manufacture, and service of populated PCBAs, electromechanical assemblies, and transformers for electronic assemblies.
ISO 13485	Industry specific	Medical	• The management system is applicable for: ▪ Manufacturing of PCBAs, electromechanical assemblies, cable assemblies for active and in-vitro diagnostics, medical devices and laboratory equipment, ▪ High level assembly of in-vitro diagnostic and medical devices ▪ Designs and engineering / value engineering support for manufacture of parts and assemblies used in medical devices
EN 9110/ AS 9110C	Industry specific	Aerospace, Defence and Nuclear	• Repair and maintenance of PCB assemblies for aerospace and other industries
SA 8000	Social Accountability	Various	• Certification to develop, maintain, and apply socially acceptable practices in the workplace.
ANSI S 20.20	Generic	Various	• Certification for implementing and maintaining electrostatic discharge control program.
IEC 61340	Generic	Various	• Certification for implementing and maintaining electrostatic discharge control program.
ISO 14001	Regulatory	Various	• Adhering to environmental standards and regulations.
ISO 45001	Regulatory	Various	• Adhering to safeguarding health and safety in workplace.

Customers

We have a diversified customer base and we served 278 customers across industries and geographies in the six months September 30, 2023. We have long-established relationships with most of our customers. We have low customer concentration. The table below sets forth details of revenues generated from our single largest customer, top 5 customers and our top 10 customers for the periods indicated.

Customer	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	498.69	11.86%	728.06	10.31%	1,597.96	14.19%	694.52	14.70%	675.45	10.26%
Top 5	1,349.41	32.08%	2,629.57	37.23%	4,908.03	43.58%	2,230.83	47.22%	2,897.14	44.03%
Top 10	1,936.20	46.03%	3,603.07	51.02%	6,802.97	60.41%	3,020.44	63.93%	4,178.34	63.50%

The table below sets forth details of some of our major customers and products supplied by us to them:

Segment	Customer	Major Products Supplied
Automotive	A leading company which manufactures headlamps, rear combination lamps, fog lamps, and other signal/indicator lamps for auto applications	Cluster PCBAs, all types of electronics for automotive lighting, passenger entry passenger exit, electronic control units, switches for steering control, doors, windows, HVAC and lumbar support.

Segment	Customer	Major Products Supplied
Industrial including EV	• Leading global manufacturer of electronic instruments and electromechanical devices • Leading provider of global digital infrastructure	• Engine control panels, biometric add-ons, surge protectors, accelerometers, street light controller, BLE modules, precision bridges, test equipment, temperature controllers, switch gear electronics, instrumentation, power electronics, control systems, energy metering and controls, process control electronics, machinery electronics, security and surveillance systems, BLDC motor controllers, HVAC system electronic and alternate energy electronics. • PCBAs, high end test instruments, integrated circuit card readers, BLE modules, streetlights, energy meters, controllers, and night vision cameras.
Aerospace, outer-space and strategic electronics	• A leading company specializing in advanced imaging and sensor solutions for applications in defense, security, and industrial sectors • One of the one of the world's leading suppliers of avionic-standard aircraft communications, navigation and audio/intercom systems	Electronics for navigation and sensors, airborne radio communication systems, thermal imaging systems and line replaceable unit for power supplies.
Medical	• A company dedicated to the development, manufacturing, and distribution of diagnostic reagents, instruments, and other medical solutions	Ventilators, respirators, controller units for dental chairs, smart glucometers, single and multiple-bed patient management systems, endoscopy carts, fetal monitoring systems, X-ray machines with display, tube sealers, incubators and agitators, Specific protein analyzers and clinical chemistry analyzers, foreign body extractors and diagnostic devices.
Railways	• Leading company specializing in advanced rail signaling and automation solutions for efficient and safe railway transportation • Leading company specializing rail signaling and traffic management solutions • Leading company delivering railway sensor solutions for train detection and asset monitoring	Audio frequency track circuits, short distance track circuits, cubicles, electronics for interlocking, axel counters, passenger information systems.
IoT / IT, Consumer and Others	• Leading company operating in the field of energy solutions and services • Leading owner of consumer audio accessories	• Bar code scanners, industrial tablets, industrial human machine interface, programmable logic controller gateways, gateway – asset condition monitoring, artificial intelligence IIoT gateway, magnetics, relays, plastic moulding, high complex and high mix PCBAs, printer electronics, robotics, development kits, infotainment systems, street-light controllers, vending and dispensing machines, industrial display electronics, semi-conductors based products, IoT solutions, IoT modules and remote asset management. • Wired headsets, wireless headsets, accessories, true wireless stereo, smart watches and Bluetooth speakers.

Customer Service and Support

We endeavour to ensure customer satisfaction not only by delivering customized products to make our customers achieve their intended goals but also by assisting customers through their journey during the envisaged products life span and beyond. We consider customer satisfaction and feedback as a critical measure of our business success and use the valuable information for improve our processes and procedures.

Our customer service and support team has 36 qualified engineers, as of September 30, 2023. We also periodically advice our customers on product life cycle updates and upgrades to keep pace with technological changes and also to circumvent obsolescence.

Repair and Maintenance

We schedule regular repair and maintenance programs for our facilities, including maintenance of machinery and equipment, to maximize production efficiency and avoid unexpected interruption of our operations. We also have periodic scheduled shutdowns for maintenance. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the facilities and machinery on an as-needed basis.

Raw Materials and Suppliers

The primary raw materials used in the manufacture of our products are:

Electronic Components (micro controllers, IC, resistors, capacitors, LED, PCB and other semiconductors): We procure these components directly from overseas manufacturers or their authorized distributors.

Wound Components: Wound components or magnetic components are either manufactured in-house, sourced from approved vendors. Periodic and non-periodic audits are conducted to ensure quality.

Wiring Harness: These are critical for long-term quality of our products since these carry actual electrical load in our products. Wiring harness for export products are manufactured in-house while those required for domestic markets are procured from approved vendors. Drawings of wiring harness specifying the gauge of wires, number of strands in each wire, insulation strength, make and material of crimping pins, and the make and specification of the insulation tape are detailed in the drawings provided by us. Periodic and non-periodic audits are conducted to ensure quality.

Plastic Parts: These are procured from dedicated plastic moulding companies. The drawings and specifications for the moulds are provided by us, and the moulds for these parts are owned by us. Strict quality control procedures, including third party testing, are carried out to ensure compliance with our quality specifications.

Sheet Metal Parts: These are made based on our drawings.

Process consumables: These are sourced from various third-party manufacturers. We rely on certified and recognized laboratories to verify the quality of these components.

The table below provides details of our cost of materials consumed as a percentage of our total expenses:

Particulars	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of total expenses (%)	Amount (₹ million)	Percentage of total expenses (%)	Amount (₹ million)	Percentage of total expenses (%)	Amount (₹ million)	Percentage of total expenses (%)	Amount (₹ million)	Percentage of total expenses (%)
Cost of materials consumed	2,822.99	68.22%	4,931.07	75.71%	8,478.01	83.82%	3,493.79	80.96%	4,829.48	79.98%

We have a centralized system across our manufacturing facilities for procurement of raw material. We procure raw material from various domestic and foreign vendors. Majority of our raw materials are sourced from 1,352 vendors based on our engineering designs, as of September 30, 2023. Further, we subject our suppliers to a qualification process to ensure that the supplied raw materials are of appropriate quality.

The purchase price of our raw materials generally follows market prices. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Moreover, we do not rely on a single source or vendor for components, instead, have alternative sources for vendors for each component category. This offers us leverage to ensure availability of materials and negotiate better credit terms at cost-effective rates.

The table below sets forth details of our supplier concentration (based on value of purchases) in the periods indicated and the average relationship period with such suppliers:

Supplier Concentration (%)	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Average Relationship Period (Completed Years)
Top 1	6.97%	8.42%	11.06%	9.42%	15.04%	18.00
Top 5	27.99%	29.03%	29.13%	25.47%	38.86%	12.20
Top 10	38.24%	36.74%	38.10%	34.81%	49.68%	11.00
Top 15	44.44%	42.89%	44.11%	41.72%	56.28%	9.53

The table below sets forth details of our suppliers in the periods indicated:

Suppliers	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	Number of Suppliers				
Domestic	814	933	1,179	908	940
International	395	447	525	375	412

Utilities

We consume a substantial amount of power and fuel for our business operations. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture high quality products. Our power requirement for our manufacturing facilities is sourced from local providers. We have also installed generators in our manufacturing facilities to ensure constant supply of power.

For further information, see "*Risk Factors - Our manufacturing facilities are dependent on adequate and uninterrupted supplies of electricity, water and fuel; shortage or disruption in electricity or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.*" on page 81.

Marketing, Sales and Distribution

Our principal markets are India, North America, Europe and South East Asia. Our diversified customer base enables us to reduce our dependence on any particular segment or market. Our marketing activities involve our development and engineering teams working closely with customers or prospective customers, and our design and manufacturing facilities to design products tailored to meet specific customer requirements.

We supply our products and services directly to the Indian and global OEMs. Further, our sales and marketing team is regularly in contact with our OEM customers, distributors, sales representatives and agents to understand the evolving needs of customers as well as market trends. We also engage in a variety of marketing and promotional activities tailored to different customers groups to promote brand recognition of our products, including by participating in technical shows and events as well as through periodic interactions and by direct marketing to existing and potential OEM customers.

Exports

A portion of our revenue is generated from export of our products to Asia, Europe and North America. The table below provides details of our revenue from operations from exports in the periods indicated:

Particulars	Fiscal						Six months ended September 30,			
	2021		2022		2023		2022		2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Exports	1,078.48	25.64%	1,411.77	19.99%	1,661.50	14.75%	628.93	13.31%	668.74	10.16%

Environmental, Social and Corporate Governance

Our financial performance allows us to make investments in order to ensure responsible and safe operations and help us enrich the communities we work and live in. We believe in caring and nurturing the environment and the community. We work collectively and individually towards a sustainable and green environment.

Environment

We are focused on conserving the environment, and have made various contributions and undertaken initiatives towards environmental sustainability. We seek to integrate our business values and operations ethically to improve our fulfilment of environmental practices to positively impact society. We have implemented sustainable practices across all our operations, such as, responsible use of natural resources, well-calibrated processes to reduce wastage, optimized the raw material mix to reuse waste materials and debottlenecking operations.

We deploy modern and sophisticated equipment, which allows us to reduce emissions, minimize our carbon footprint and help us operate more sustainably. We comply and aim to continue to comply with all regulatory policies and frameworks. We regularly undertake plantation programmes to revive the quality of soil and air near our facilities. Our waste management systems incorporate sustainable practices in the ESDM industry. We also deploy technological solutions to ensure minimal environmental impact. In addition, Karnataka Renewable Energy Development Limited has allotted 1.5 MW capacity wind power project at Kopppal district, Karnataka.

Social

We believe that our responsibility is to positively impact society and endeavour towards imparting the basics of livelihood to our villages and the community, *i.e.* food, water, shelter and education. We have contributed to the betterment of the quality of lives in the villages surrounding our manufacturing facilities. We have obtained a voluntary certification under SA8000, the international standard for social accountability, which confirms our compliance with labour rights and our commitment to established social standards of corporate governance. We are one of the biggest companies that have been certified by Global Standards for Social Accountability Standards (*Source: F&S Report*).

Governance

We are committed to following the best governance practices relevant to our industry and aim to achieve high levels of transparency, accountability and ethical behaviour in all aspects of our operations. Our Board consists of experienced professionals in their respective fields, bringing in specialized experiences and adding to the diversity of our Board. Our Directors are well qualified and have significant experience in accounting, manufacturing, operations, engineering, power, governance, administrative services, mergers, and acquisitions. Our Board's performance is evaluated annually, based on the Directors' key responsibilities during appointment/ re-appointment. We have also implemented a robust mechanism for managing compliances and ensure that all the applicable rules and regulations are followed.

We believe that transparency, accountability, inclusiveness and integrity constitute the basic building blocks of good governance practice. We have built a governance framework with well-defined codes of conduct and procedures, with an experienced and diverse leadership driving our operations.

Sustainability

We believe in incorporating ethical corporate practices and undertake initiatives in the areas of accountability of suppliers, transparency, professional development cum growth of employees, employee productivity, community building and reduction in attrition and operational risks.

Product Compliance Requirements for Suppliers: All international regulations and voluntary standards for safety, health and environmental protection are complied with.

Training and Awareness: We provide training to our core and key suppliers covering the latest updates in worldwide compliance.

Professional Development Programs: We undertake training programmes for employees.

Community Building and Philanthropy: We comply with the standards on social awareness and create a social infrastructure, environmental and ethical issues in the electronics industry supply chain.

Health, Safety and Environment

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety.

We are environmentally friendly and have set up an exclusive "Lead free" manufacturing line for PCB Assemblies, with the expertise on manufacturing RoHS compliant products.

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. This is further driven by our ESG focussed practices within our organisation. To this end, we have accreditations such as the ISO and OHSAS.

We aim to ensure safe and healthy environment and further provide for medical checkups and safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facilities including by providing training and safety manuals to our employees and conducting safety audits periodically. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our offices and branches, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. To ensure workplace safety, we also provide personal protective equipment to our employees, which include safety shoes and goggles.

Environmental requirements imposed by the regulatory authorities in India will continue to have an effect on our operations. We believe that we have materially complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business.

Inventory Management

Our finished products are stored on-site at our manufacturing facilities. The raw materials are also stored at our warehouses on-site. We typically keep up to three to four months of inventory including raw materials, work in progress and finished good at our facilities to mitigate the risk of raw material price movements. These inventory levels are planned based on historical trends and expected orders, which are confirmed due to our long-standing relationships with customers. We maintain a lead-time material requirement planning system and utilize our ERP system to manage our levels of inventory on a real-time basis.

Logistics

We transport our finished products by road, sea and air. We rely on freight forwarders to deliver our products. We do not have formal contractual relationships with our freight forwarders. The pricing for freight is negotiated and agreed.

We sell our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery/ delivery at place basis. Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders co-ordinate with the shipping line/ airline to file and release the necessary bills of lading/ air waybills. Incoterms determine the exact delivery terms, which would include how the goods will be delivered, who pays, who is responsible and who handles specific procedures such as loading and unloading.

Information Technology

Our information technology systems support key aspects of our business, from manufacturing, sales, planning, operations and documentation to accounts and customer service. We have implemented enterprise resource planning system to leverage business value by centralizing accounting systems across all locations in India, leading to cost optimization. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers, receivables from customers and distribution network. We also utilize an enterprise resource planning solution that covers production, finance, sales, marketing logistics, purchase and inventory, across all our offices and facilities.

Intellectual Property

As of the date of this Preliminary Placement Document, our Company together with our Subsidiary have been granted four trademark registrations.

Insurance

We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain product liability insurance, a marine cargo insurance policy that insures consignments of goods by sea, air and by courier until delivery to the customer's warehouse and inland movement of bulk cargo in road tankers. In addition, we maintain a commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, personal and advertising injury. Our insurance coverage for our employees covers pre and post-hospitalization expenses and emergency road ambulance expenses.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance.

Also see, "*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability*" on page 79.

Awards and Recognition

We have been recognised with several awards by various industry bodies and association for the quality of our products. We have been awarded the Award for "Excellence in Manufacturing – Components, MSME Category" by ELCINA - Electronic Industries Association of India in 2018. In addition, we have been awarded the "Export Excellence Award (in less than ₹100 million category)" by Madras Export Processing Zone, Government of India in 2018 and ELCINA Ennovation Award for Excellence in Manufacturing – Product (large scale) in 2022. We have also been recognized in the "Great Place to Work India" list in February 2023. Further, we received a letter of appreciation from ISRO for our contribution towards Chandrayaan-3 and Aditya-L1 Mission on October 3, 2023.

Competition

We operate in the ESDM industry, which is highly competitive. Our competition varies by market, geographic areas and type of products manufactured. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We compete with a variety of independent suppliers and distributors, as well as the in-house operations of certain OEMs. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships as well as the operating level relationships.

As per the F&S Report, Key ESDM Companies in India are Bharat FIH Limited, Flex Limited, Wistron Infocomm Manufacturing India Private Limited, Pegatron Technology India Private Limited, Jabil India Manufacturing Private Limited, amongst others. and large Indian companies such as Dixon Technologies India Limited, Amber Enterprises India Limited, SFO Technologies Private Limited, Syrma SGS Technology Limited, Elin Electronics Limited, Avalon Technologies Limited amongst others.

Due to our diversified product portfolio, we cater to various segments in the automotive, medical products, consumer goods, defense and aerospace industries, and as a result, we compete with various companies for each of our business segments. For further information, see, "*Risk Factors - Increasing competition in the electronics system design and manufacturing industry may create pressures of pricing and market share that may adversely affect our business, prospects, results of operations, cash flows and financial condition.*" on page 58.

Human Resources

As of September 30, 2023, we have 2,360 permanent employees and 1,034 persons employed as contract employees. The following table provides information about our full-time employees, as of September 30, 2023:

Vertical	Headcount
Manufacturing	1,501
HR and Admin	81
Materials	131
Quality Assurance	198
R&D and Engineering	144
Operations	91
Finance and Accounts	46
Security	4
Servicing	36
Business Development	36
Maintenance	32
Systems, EHS and Training	21
Corporate	14
Sales	14
IT / ERP	11
Total	**2,360**

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees. We train all our employees in our manufacturing operations, including machine utilization, operations flow, quality management and work safety.

Our human resource department continuously focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization. Our human resource practices are aimed at recruiting individuals with good potential and ensuring their continuous development and addressing their grievances, if any, in a timely manner.

Our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years. For further information, see "*Risk Factors – We may be subject to labour unrest and slowdowns.*" on page 80.

Corporate Social Responsibility

We have constituted a Corporate and Social Responsibility Committee of our Board and have adopted and implemented a CSR policy, pursuant to which we carry out various CSR activities. Our CSR activities primarily involve in the promotion of education, healthcare, art and cultural promotion, animal welfare, rural development, natural calamities relief and skill development for underprivileged people and include, among others:

- *Technical training for economically weaker sections*: Kaynes Technical Training Foundation runs a technical institute for the social cause since 2007. People from economically weaker sections are given the opportunity for their two year diploma programme in electronics and mechanics duly approved by National Council for Vocational Training.

- *Encouragement and employment of differently abled*: We employ differently abled people and they are specially trained and groomed to do repetitive jobs under the guidance of a trained mentor. We also teach yoga and other measures of physical and mental developmental exercises to these employees as part of their daily routine.

- *Road safety awareness programme*: We conduct safety awareness programmes with the police and civil administration during the road safety week.

- *Environmental day programmes*: We undertake awareness programmes on ecological and environmental protection and educating people on hygiene, including planting of saplings.

- *Socio-cultural exhibit programmes*: We regularly conduct cultural programmes on social themes with involvement of school and college students.

- *Indian cultural developmental programmes*: We undertake activities to display the cultural heritage of various arts and music in various public forum and by conducting state level dance competition programme. We also support artists and their talent building for the children of various groups.

- *Youth programme on nation building*: Programmes are organized with the help of people of eminence for interactive session with the youth from colleges and young employees for knowledge exchange and conceptual clarity.

- *Activities for Spastic Society*: We contribute to the wellbeing of the spastic society by supporting the organization "Sneha Kiran" who are running a school especially for children of cerebral palsy.

- *Disaster Relief*: As a citizen of India, it is every individual's responsibility to extend our supporting hand especially during disasters.

Properties

Our registered and corporate office is owned by us and is located at #23 – 25, Belagola Food Industrial Area, Metagalli PO, Mysuru – 570 016, Karnataka, India. We operate 10 manufacturing facilities, two design facilities and two service centres in India. Each of our manufacturing facilities, design facilities and service centres are located on land that is owned or leased by us. For further information, see " – *Manufacturing Facilities*" on page 201.

Also see, "*Risk Factors – Certain of our manufacturing facilities, design facility, service centres and offices are located on leased premises.*" on page 74.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and more than fifteen Directors, provided that our Company may appoint a director in excess of the limit provided by passing a special resolution. As of the date of this Preliminary Placement Document, our Company has eight Directors, of which three are Whole-Time Directors and five are Independent Directors. Our Board also has two women Directors (which includes one Independent Director).

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, date of birth, address, occupation, nationality term and DIN	Age	Designation
Savitha Ramesh ***Date of Birth:*** March 4, 1972 ***Address***: 128/11, Rukmani, Emerald Enclave, Belavadi Post, Mandya – 571 606, Karnataka, India ***Occupation**:* Business ***Nationality**:* Indian ***Term**:* Reappointed for a period of five years with effect from April 1, 2019, till March 31, 2024 and further extended for a period of five years with effect from April 1, 2024 till March 31, 2029 ***DIN***: 01756684	51 years	Chairperson and Whole-Time Director
Ramesh Kunhikannan ***Date of Birth:*** February 28, 1964 ***Address***: 128/11, Rukmini, Emerald Enclave, Belavadi, Mandya – 571 606, Karnataka, India ***Occupation:*** Business ***Nationality**:* Indian ***Term**:* Reappointed for a period of five years with effect from April 1, 2019 till March 31, 2024 and further extended for a period of five years with effect from April 1, 2024 till March 31, 2029 ***DIN***: 02063167	59 years	Managing Director
Jairam Paravastu Sampath ***Date of Birth:*** December 9, 1964 ***Address***: 103, Bougainvilla, Sankalp Central Park, Jawa Main Road, Old Jawa Factory, Yadavagiri, Mysuru – 570 020, Karnataka, India ***Occupation:*** Service ***Nationality**:* Indian ***Term**:* Reappointed for a period of five years with effect from March 31, 2022 till March 30, 2027 ***DIN***: 08064368	59 years	Whole-Time Director and Chief Financial Officer
Anup Kumar Bhat	66 years	Independent Director

Name, date of birth, address, occupation, nationality term and DIN	Age	Designation
Date of Birth: February 21, 1957 ***Address***: 361, Rainbow Drive, Doddakennahalli, Sarjapur Road, Bengaluru Rural – 560 035, Karnataka, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Appointed for a period of five years with effect from January 12, 2022 till January 11, 2027 ***DIN***: 06470857		
Alexander Koshy ***Date of Birth:*** July 15, 1960 ***Address***: 59, 2nd Main, Jaladarshini Bel Layout, New Bel Road, Bengaluru – 560 094, Karnataka, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Appointed for a period of five years with effect from February 21, 2022 till February 20, 2027 ***DIN***: 07896084	63 years	Independent Director
Seeplaputhur Ganapathiramaswamy Murali ***Date of Birth:*** September 26, 1950 ***Address***: No 8 Shruthi, 515 Housing Colony, Hal 3rd Stage, Bengaluru – 560 075, Karnataka, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Appointed for a period of five years with effect from February 21, 2022 till February 20, 2027 ***DIN***: 00348902	73 years	Independent Director
Poornima Ranganath ***Date of Birth:*** March 23, 1970 ***Address***: No. 187, 37th Cross, 18th Main, 4th T Block, Jayanagar, Bangalore – 560 041, Karnataka, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** Appointed for a period of five years with effect from March 31, 2022 till March 30, 2027 ***DIN***: 00349450	53 years	Independent Director
Heinz Franz Moitzi ***Date of Birth:*** July 5, 1956 ***Address***: Bundesstrabe 26/1, Zeltweg – 8740, Austria ***Occupation:*** Profession	67 years	Independent Director

Name, date of birth, address, occupation, nationality term and DIN	Age	Designation
Nationality: Austrian ***Term:*** Appointed for a period of five years with effect from June 16, 2023 till June 15, 2028 ***DIN***: 00323506		

Brief Profiles of our Directors

Savitha Ramesh is the Chairperson and Whole-Time Director of our Company. She has been associated with our Company since incorporation. She holds a bachelor's degree in commerce from the University of Madras. She has over 25 years of experience in electronic manufacturing services industry. She is responsible for the overall implementation of the manufacturing process and controls compliant with different standard across the Company.

Ramesh Kunhikannan is the Managing Director of our Company. He has been associated with our Company since incorporation. He holds a bachelor's degree in electrical engineering from National Institute of Engineering, Mysuru. He has over 33 years of experience in the electronic manufacturing services industry. He oversees the management function of our Company and together with our senior management is responsible for the implementation of strategy in respect of such management function.

Jairam Paravastu Sampath is a Whole-Time Director and Chief Financial Officer of our Company. He has been associated with our Company since 2011. He holds a bachelor of technology degree in mechanical engineering from the Indian Institute of Technology, Madras and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has been leading the finance function of the Company during the recent years. He has over 30 years of experience in manufacturing, operations, sales and marketing. He was the vice president of TVS Group and the chief marketing officer of iPath Technologies Private Limited. He was also associated with Hindustan Motors Limited, TVS Electronics Limited and Sundaram-Clayton Limited.

Anup Kumar Bhat is an Independent Director of our Company. He has been associated with our Company since 2022. He holds a bachelor of technology degree in metallurgical engineering from Banaras Hindu University. He has several years of experience and was previously associated with the Ashok Leyland as senior vice president (subsidiaries support).

Alexander Koshy is an Independent Director on the Board of our Company. He has been associated with our Company since 2022. He holds a bachelor's degree in law from Bangalore University and a master's degree of commerce from Bangalore University. He is also an associate member of the Institute of Chartered Accountants of India. He has approximately 34 years of experience and was previously associated with Bharat Electronics Limited as director (finance).

Seeplaputhur Ganapathiramaswamy Murali is an Independent Director on the Board of our Company. He has been associated with our Company since 2022. He holds a bachelor's degree in commerce from University of Madras. He is also an associate member of the Institute of Chartered Accountants of India. He has over 45 years of experience in finance. He was the group CFO of TVS Motor Company. He was also associated with Voltas and Unilever group.

Poornima Ranganath is an Independent Director on the Board of our Company. She has been associated with our Company since 2022. She is a law graduate from the National Law School of India University, Bangalore. She has several years of experience. She is managing partner of Law Assist, a full-service law firm advising clients on corporate laws, contract negotiations, human resource laws with special focus on foreign companies operating in India.

Heinz Franz Moitzi is an Independent Director on the Board of our Company. He has been associated with our Company since 2023. He holds a degree in engineering issued by the Bundesministerium Für Bauten Und Technik, Austria. He is currently also a director in MO & MO Gesmbh Austria and W&M Gesmbh Austria.

Relationship with other Directors

Except Ramesh Kunhikannan and Savitha Ramesh who are husband and wife, none of our Directors are related to each other.

Borrowing powers of our Board

In accordance with the Articles of Association, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated April 1, 2022, passed by our Shareholders, our Board is authorized to borrow any sum or sums of money for and on behalf of our Company, from time to time provided that such or sums of monies so borrowed together with monies, if any, already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital of our Company and its free reserves provided further that total amount up to which monies may be borrowed shall not exceed ₹5,000 million, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their shareholding, remuneration and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them and benefits or stock options to which they are entitled to as per their terms of appointment, and the Whole-Time Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of applicable law.

Except for Ramesh Kunhikannan and Savitha Ramesh, who are Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

Our Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions or benefits in respect of the Equity Shares held by them. Our Directors may also be regarded as interested in the Equity Shares held by the companies, firms, HUFs, and trusts in which they are interested as directors, members, partners, karta, trustees, etc.

Except as provided in "*Related Party Transactions*" on page 55, there have been no related party transactions between the Company and any of the Directors during the three Fiscals immediately preceding the date of this Preliminary Placement Document. Further, in the current Fiscal, none of the Directors have entered into any additional type of related party transactions, other than disclosed in the related party transactions of the Company for the periods mentioned above. For further details on the related party transactions mentioned above, see "*Related Party Transactions*" on page 55. Further, except as provided in "*Related Party Transactions*" on page 55 our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Shareholding of Directors

As per our Articles, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document.

Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
Savitha Ramesh	Chairperson and Whole-Time Director	19,800	0.03
Ramesh Kunhikannan	Managing Director	36,943,633	63.54
Jairam Paravastu Sampath*	Whole-Time Director and Chief Financial Officer	165	Negligible
Anup Kumar Bhat	Independent Director	82	Negligible

** Jairam Paravastu Sampath holds 20,980 employee stock options granted under ESOP Scheme 2022. For further details, see "Capital Structure – Employee Stock Option Plan" on page 108.*

Terms of Appointment of Whole-Time Directors

Savitha Ramesh

Savitha Ramesh is the Chairperson and Whole-Time Director of our Company. The following is a description of the current terms of appointment of Savitha Ramesh pursuant to the Board resolution dated March 31, 2022 and Shareholders' resolution dated April 1, 2022:

(in ₹ million)

Particulars	Amount
Remuneration	18.00 p.a.

Ramesh Kunhikannan

Ramesh Kunhikannan is the Managing Director of our Company. The following is a description of the current terms of appointment of Ramesh Kunhikannan pursuant to the Board resolution dated March 31, 2022 and Shareholders' resolution dated April 1, 2022:

(in ₹ million)

Particulars	Amount
Remuneration	18.00 p.a.

Jairam Paravastu Sampath

Jairam Paravastu Sampath is a Whole-Time Director and Chief Financial Officer of our Company. The following is a description of the current terms of appointment of Jairam Paravastu Sampath pursuant to the Board resolution dated January 31, 2023 and Shareholders' resolution dated April 1, 2022:

(in ₹ million)

Particulars	Amount
Remuneration	
Fixed component	6.00 p.a.
Variable component	2.00 p.a.

Remuneration paid to Whole-Time Directors

The following tables set forth the details of remuneration paid by our Company to the Whole-Time Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the current Fiscal:

(in ₹ million)

Sr. No.	Name of the Director	Remuneration for Fiscal 2021	Remuneration for Fiscal 2022	Remuneration for Fiscal 2023	Remuneration from April 1, 2023 to November 30, 2023
1.	Savitha Ramesh	14.55	11.54	18.00	12.00
2.	Ramesh Kunhikannan	14.55	13.14	18.00	12.00
3.	Jairam Paravastu Sampath	4.38	4.80	6.40	5.33

Remuneration of the Independent Directors

Our Independent Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committee and other payments as may be determined by our Board from time to time. Pursuant to a resolution passed by our Board dated March 31, 2022, our Independent Directors are entitled to sitting fees of ₹40,000 for attending each meeting of our Board and ₹20,000 for attending each meeting of the committees of the Board.

The following tables set forth the details of sitting fees paid by our Company to the Independent Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the current Fiscal:

(in ₹ million)

Name of the Director	Sitting fees for Fiscal 2021	Sitting fees for Fiscal 2022	Sitting fees for Fiscal 2023	Sitting fees from April 1, 2023 to November 30, 2023
Anup Kumar Bhat	-	-	0.22	0.34
Alexander Koshy	-	-	0.56	0.36
Seeplaputhur Ganapathiramaswamy Murali	-	-	0.50	0.30
Poornima Ranganath	-	-	0.48	0.18
Heinz Franz Moitzi	-	-	-	0.12

Notes:
The compensation paid to non-executive directors comprises sitting fees only.
No professional fee was paid to any non-executive directors in their capacity as a consultant.

Prohibition by SEBI or Other Governmental Authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to the Managing Director, the Chairperson and Whole-Time Director, the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

Name	Designation
Rajesh Sharma	Chief Executive Officer
Jairam Paravastu Sampath	Whole-Time Director and Chief Financial Officer
S M Adithya Jain	Company Secretary and Compliance Officer

Members of Senior Management

The members of Senior Management are permanent employees of our Company. In addition to the Chief Executive Officer, the Whole-Time Director and Chief Financial Officer of our Company and the Company Secretary and Compliance Officer of our Company, the details of our members of Senior Management, as on the date of this Preliminary Placement Document are set forth below:

Name	Designation
Sajan Anandaraman	Head – Commercial and Corporate Affairs
Col. Sharath Kumar Bhat	Senior Vice President – International Business
Col. Dilip Nambiar	Senior Vice President – Operations
R Balasubramanian	Deputy CFO
G Sriram	Vice President – Operations
Vishwanathan K	Senior Vice President – Supply Chain Management
Premita Govind	Head – Human Resources
Govind S Menokee	Head – Information Technology
Gaurav Mehta	Senior Vice President – Business Development
Abdul Nazar	Senior Vice President – Business Development (Automotive)

Organisational Chart of our Company

Set forth below is the organisational structure of our Company, including our Board, Key Managerial Personnel and Senior Management:

Relationship between Key Managerial Personnel and members of Senior Management

Other than as disclosed under "– *Relationship with other Directors*" on page 218 and as disclosed below, none of our Key Managerial Personnel and members of our Senior Management are related either to each other or to the Directors:

Names of Key Managerial Personnel/ members of Senior Management	Relationship
Premita Govind and Ramesh Kunhikannan	Daughter and father
Premita Govind and Savitha Ramesh	Daughter and mother
Premita Govind and Govind S Menokee	Wife and husband
Govind S Menokee and Ramesh Kunhikannan	Son-in-law and father-in-law
Govind S Menokee and Savitha Ramesh	Son-in-law and mother-in-law

Interest of Key Managerial Personnel and members of Senior Management

Other than as disclosed under "– *Interest of our Directors*" on page 219, our Key Managerial Personnel and members of the Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits or stock options to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. Our Key Managerial Personnel and members of Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

None of our Key Managerial Personnel and members of Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management was selected as member of senior management.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations and applicable circulars or directions issued by the RBI. The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee;

(iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Committee	Name and Designation of Members
Audit Committee	Seeplaputhur Ganapathiramaswamy Murali (Chairperson), Alexander Koshy, Anup Kumar Bhat and Ramesh Kunhikannan
Nomination and Remuneration Committee	Anup Kumar Bhat (Chairperson), Alexander Koshy and Poornima Ranganath
Stakeholders Relationship Committee	Alexander Koshy (Chairperson), Seeplaputhur Ganapathiramaswamy Murali and Jairam Paravastu Sampath
Risk Management Committee	Poornima Ranganath (Chairperson), Savitha Ramesh, Ramesh Kunhikannan, Jairam Paravastu Sampath, Anup Kumar Bhat, Alexander Koshy, Seeplaputhur Ganapathiramaswamy Murali and Heinz Franz Moitzi
Corporate Social Responsibility Committee	Savitha Ramesh (Chairperson), Anup Kumar Bhat and Seeplaputhur Ganapathiramaswamy Murali

We have also formed a fund raising committee comprising of Savitha Ramesh, Ramesh Kunhikannan, Jairam Paravastu Sampath and Rajesh Sharma.

Other Confirmations

None of our Directors, Promoters or Key Managerial Personnel or members of Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters are identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

None of our Promoters or Directors have been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors, Promoters, Key Managerial Personnel or Senior Management of our Company intend to subscribe to the Issue.

No change in control of our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023, see "*Financial Information*" and "*Related Party Transactions*" on pages 283 and 55, respectively.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was incorporated on March 28, 2008 as 'Kaynes Technology India Private Limited', at Mysuru, Karnataka, a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the RoC. Subsequently, the name of our Company was changed to 'Kaynes Technology India Limited' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on March 24, 2022 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on March 31, 2022.

Our Company's CIN is L29128KA2008PLC045825.

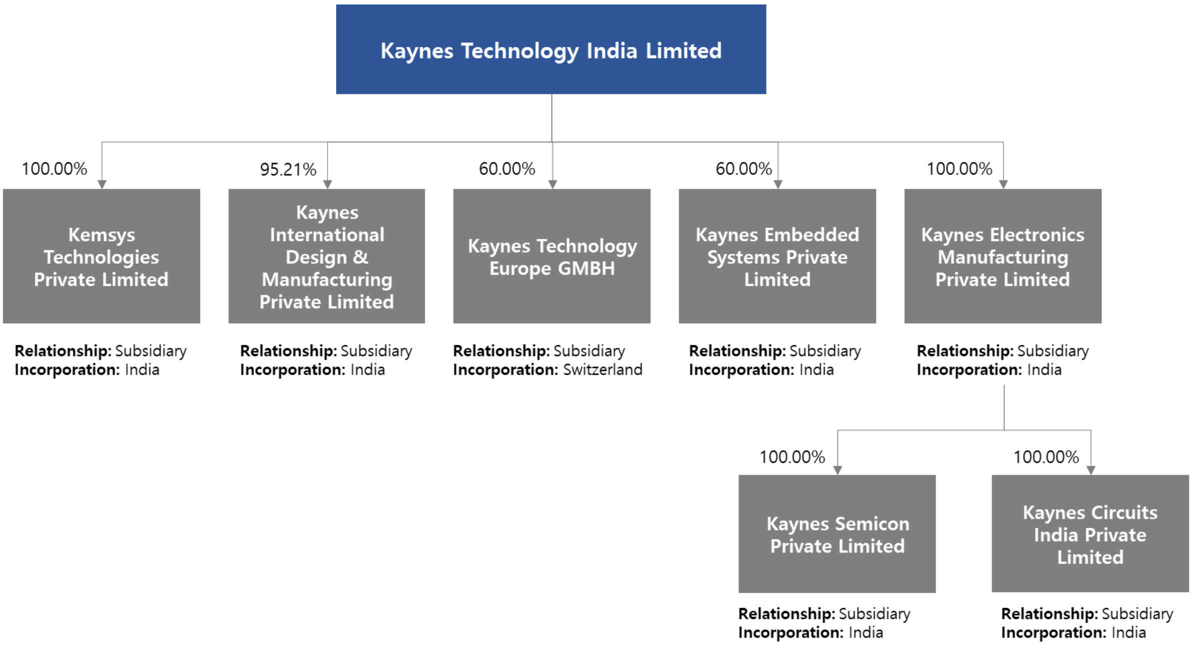
The Registered and Corporate Office of our Company is located at 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysuru – 570 016, Karnataka, India.

Our Equity Shares are listed on BSE and NSE since November 22, 2022.

Organizational Structure

As of the date of this Preliminary Placement Document, we have seven Subsidiaries (including two step-down Subsidiaries). For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" on pages 22 and 283, respectively.

Our organisational structure is set forth below.



SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company as on September 30, 2023

The following table sets forth the details regarding the equity shareholding pattern of our Company as on September 30, 2023.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoters and Promoter Group	3	36,963,533	-	-	36,963,533	63.57	36,963,533	-	36,963,533	63.57	36,963,533	63.57	36,963,533	100	-	-	36,963,533
(B)	Public	67,585	21,178,963	-	-	21,178,963	36.43	21,178,963	-	21,178,963	36.43	21,178,963	36.43	-	-	-	-	21,178,849
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**67,588**	**58,142,496**	**-**	**-**	**58,142,496**	**100.00**	**58,142,496**	**-**	**-**	**100.00**	**-**	**100.00**	**36,963,533**	**63.57**	**-**	**-**	**58,142,382**

* *This does not include the ESOPs granted and vested but not exercised.*

Statement showing shareholding pattern of our Promoters and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on September 30, 2023.

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
									Number of Voting Rights			Total as a % of (A+B + C)							
									Class e.g.: Equity Shares	Class e.g.: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
A(1)	**Indian**																		
(a)	Individuals / Hindu Undivided Family		3	36,963,533	-	-	36,963,533	63.57	36,963,533	-	36,963,533	63.57	-	-	36,963,533	100.00	-	-	36,963,533
(b)	Any other (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)		3	36,963,533	-	-	36,963,533	63.57	36,963,533	-	36,963,533	63.57	-	-	36,963,533	100.00	-	-	36,963,533
A(2)	**Foreign**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total = A(1)+ A(2)		**3**	**36,963,533**	-	-	**36,963,533**	**63.57**	**36,963,533**	-	**36,963,533**	**63.57**	-	-	**36,963,533**	**100.00**	-	-	**36,963,533**

Statement showing shareholding pattern of the public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of the public Shareholders as on September 30, 2023:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
B(1)	**Institutions (Domestic)**																	
(a)	Mutual Funds	14	6,808,933	-	-	6,808,933	11.71	6,808,933	-	6,808,933	11.71	-	11.71	-	-	-	-	6,808,933
(b)	Alternative Investments Funds	16	1,967,603	-	-	1,967,603	3.38	1,967,603	-	1,967,603	3.38	-	3.38	-	-	-	-	1,967,603
(c)	Insurance Companies	2	286,193	-	-	286,193	0.49	286,193	-	286,193	0.49	-	0.49	-	-	-	-	286,193
	Sub-Total B(1)	**32**	**9,062,729**	**-**	**-**	**9,062,729**	**15.59**	**9,062,729**	**-**	**9,062,729**	**15.59**	**-**	**15.59**	**-**	**-**	**-**	**-**	**9,062,729**
B(2)	Foreign Direct Investment	1	173,043	-	-	173,043	0.30	173,043	-	173,043	0.30	-	0.30	-	-	-	-	173,043
(a)	Foreign Portfolio Investors Category-I	67	5,076,996	-	-	5,076,996	8.73	5,076,996	-	5,076,996	8.73	-	8.73	-	-	-	-	5,076,996
(b)	Foreign Portfolio Investors Category-II	12	503,407	-	-	503,407	0.87	503,407	-	503,407	0.87	-	0.87	-	-	-	-	503,407
	Sub-Total B(2)	**80**	**5,753,446**	**-**	**-**	**5,753,446**	**9.90**	**5,753,446**	**-**	**5,753,446**	**9.90**	**-**	**9.90**	**-**	**-**	**-**	**-**	**5,753,446**
B(3)	**Central Government / State Government (s)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B(4)	**Non-Institutions**																	

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights: Class e.g.: Equity Shares	Class e.g.: Others	Total	Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(a)	Resident Individuals holding nominal share capital up to ₹0.2 million	64,100	3,234,757	-	-	3,234,757	5.56	3,234,757	-	3,234,757	5.56	-	5.56	-	-	-	-	3,234,643
(b)	Resident Individuals holding nominal share capital in excess of ₹0.2 million	11	419,214	-	-	419,214	0.72	419,214	-	419,214	0.72	-	0.72	-	-	-	-	419,214
(c)	Non-Resident Indians	1,231	1,513,779	-	-	1,513,779	2.60	1,513,779	-	1,513,779	2.60	-	2.60	-	-	-	-	1,513,779
(d)	Foreign Companies	2	468,678			468,678	0.81	468,678	-	468,678	0.81	-	0.81	-	-	-	-	468,678
(e)	Bodies Corporate	330	277,493	-	-	277,493	0.48	277,493	-	277,493	0.48	-	0.48	-	-	-	-	277,493
(f)	Any other (Specify)	1,799	448,867	-	-	448,867	0.77	448,867	-	448,867	0.77	-	0.77	-	-	-	-	448,867
	Sub-Total B(4)	**67,473**	**6,362,788**	-	-	**6,362,788**	**10.94**	**6,362,788**	-	**6,362,788**	**10.94**	-	**10.94**	-	-	-	-	**6,362,674**
	Total B=B(1)+B(2)+B(3)+B (4)	**67,585**	**21,178,963**	-	-	**21,178,963**	**36.43**	**21,178,963**	-	**21,178,963**	**36.43**	-	**36.43**	-	-	-	-	**21,178,849**

Statement showing shareholding pattern of the non – Promoter – non-public Shareholder:

The following table sets forth the details regarding the equity shareholding pattern of the non- Promoter- non- public Shareholders as on September 30, 2023:

Sl. No.	Category & Name of the Shareholders (I)	No of shareholders	Total no. of shares held =(IV)+(V)+(VI)	Shareholding % calculated as per SCRR. 1957) As a % of (A+B+C2) (VIII)	Number of Locked in shares (XII)		Number of equity shares held in dematerialized form
					No.	As a % of total shares held	
(1)	Custodian / DR Holder	-	-	-	-	-	-
(2)	Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	-	-	-	-	-	-
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-	-	-	-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Prospective Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 245 and 253, respectively.

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that:

- our Shareholders have passed a special resolution approving the Issue. Such special resolution *inter alia* must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to a qualified institutions placement and (b) the Relevant Date;

- the explanatory statement to the notice to our Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to pass the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application letter (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within

30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by our Company shall have been completed or our Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application letter (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The qualified institutions placement must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or duly authorised committee thereof decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of our Shareholders passed in their extraordinary general meeting held on December 16, 2023, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of our Shareholder's resolution approving the Issue, being December 16, 2023 and within 60 days from the date of receipt of Application Amount from the Successful Bidders failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Application Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 241.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document, which shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and

- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*– Bid Process - Application Form*" on page 236.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 245 and 253, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a draft of this Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE on December 18, 2023.

We shall also make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An

Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

   - A representation that it is either (i) outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, or (ii) a U.S. QIB and it has agreed to certain other representations set forth in the "*Representation by Investors*" on page 4 and "*Transfer Restrictions and Purchaser Representations*" on page 253 and certain other representations as set forth in the Application Form;

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

   - Equity Shares held by the Eligible QIBs in our Company prior to the Issue;

   - details of the depository account to which the Equity Shares should be credited; and

   - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

5. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, Application Amounts received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" on page 241.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue

Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares were allocated to it.

8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

16. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, Eligible QIBs, who can participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules respectively, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules, subject to other conditions mentioned in the FEMA Rules.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up equity share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route as we are engaged in the manufacturing sector). Further, if any FPI holds 10% or more of the Equity Share capital of our Company, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply in the Issue. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4, 245 and 253, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act 2013, upon Allocation, our Company will be required to disclose names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(c) of the SEBI Takeover Regulations;

12. The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

13. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

14. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchanges; and

15. The Eligible QIB confirms that:

    (a) If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the definition and requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate;

    (b) If it is outside the United States, it is subscribing to the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

    (c) It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4, 245 and 253, respectively.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Maharashtra, India
Contact Person: Akshay Bhandari / Chandresh Sharma
Email: kaynes.qip@damcapital.in
Phone No.: +91 22 4202 2500

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai – 400 025
Maharashtra, India
Contact Person: Animesh Vanjari
Email: kaynes.qip@axiscap.in
Phone No.: +91 22 4325 2183

IIFL Securities Limited
24th Floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (W)
Mumbai – 400 013
Maharashtra, India
Contact Person: Yogesh Malpani / Pawan Kumar Jain
Email: project.horizon2023@iiflcap.com
Phone No.: +91 22 4646 4728

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11
Plot F, Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai – 400 018
Maharashtra, India
Contact Person: Vishal Kanjani / Arun Narayana
Email: kaynesqip@nomura.com
Phone No.: +91 22 4037 4037

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the "KAYNES TECHNOLOGY INDIA LTD – QIP ESCROW A/C" with the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Note: Payments are to be made only through electronic fund transfer. Payments through cheques or demand draft or cash shall be rejected. If the payment is not made favouring the "KAYNES TECHNOLOGY INDIA LTD – QIP ESCROW A/C" account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "KAYNES TECHNOLOGY INDIA LTD – QIP ESCROW A/C" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "**–** *Refunds*" on page 241.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable.

Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders through a resolution dated December 16, 2023.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Managers. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued, and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary demat accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For further details, see "*Bid Process*" – "*Refund*" on page 241.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "KAYNES TECHNOLOGY INDIA LTD – QIP ESCROW A/C" account to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT

Placement Agreement

The BRLMs have entered into the Placement Agreement dated December 18, 2023 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 245 and 253, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the BRLMs (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs (or their affiliates) may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 10.

From time to time, the BRLMs, and their respective affiliates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and their respective affiliates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not, for a period commencing the date thereof and ending 90 days from the date of allotment of equity shares pursuant to the Issue ("**Lock-up Period**"), without the prior written consent of the Book Running Lead Managers, do the following:

1. directly or indirectly, offer, issue, contract to issue, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any of the Equity Shares or any securities convertible into or exercisable for the Equity Shares or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing, or
2. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or

any securities convertible into or exercisable or exchangeable for the Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise), or

3. enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or
4. publicly announce any intention to enter into any transaction falling within 1 to 3 above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within 1 to 3 above.

In addition, our Company agrees that, without the prior written consent of the Book Running Lead Managers, we shall not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

Promoter's lock-up

Under the Placement Agreement, to encourage the Placement Agents to enter into the Placement Agreement and continue their efforts in connection with the Placement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, our Company hereby agrees, without the prior written consent of the Placement Agents (which such consent shall not be unreasonably withheld), we will not, during the period commencing on the date hereof and ending 90 days after the date of allotment of the Equity Shares pursuant to the Placement (the "**Lock-up Period**"), directly or indirectly:

a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Promoter and Promoter Group Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise);

b) enter into any swap or other agreement or any transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Promoter and Promoter Group Equity Shares or any securities convertible into or exercisable or exchangeable for any of the Promoter and Promoter Group Equity Shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Promoter and Promoter Group Shares or such other securities, in cash or otherwise); or

c) deposit any of the Promoter and Promoter Group Equity Shares or any securities convertible into or exercisable or exchangeable for the Promoter and Promoter Group Equity Shares or which carry the right to subscribe to or purchase the Promoter and Promoter Group Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

d) publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise.

Further, the above provisions will not be applicable for (a) any pledge or mortgage of the Equity Shares already existing on the date of this Agreement or transfer of such existing pledge or mortgage; and (b) any inter group transfer made to any member of Promoter Group, subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4 and 253, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it with ASIC. No offer will be made under this Preliminary Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "**sophisticated investors**" (within the meaning of section 708(8) of the Australian Corporations Act), "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Company that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Shares shall require the Issuer or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and

Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). This Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in this Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Jordan

The Securities have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Preliminary Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Securities are not and will not be traded on the Amman Stock Exchange.

Each of the BRLMs have represented and agreed that the Securities have not been and will not be offered, sold or promoted or advertised by it in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant to them governing the issue of offering and sale of securities. Without limiting the foregoing, each Manager has represented and agreed that the Securities have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Kuwait

This Preliminary Placement Document is not for general circulation to the public in Kuwait. The Equity Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Equity Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

New Zealand

This Preliminary Placement Document, and the information within and accompanying this Preliminary Placement Document are not, and are under no circumstances to be construed as, an offer of the Equity Shares in New Zealand. No product disclosure statement, prospectus or similar offering or disclosure document in relation to the Equity Shares has been prepared or has been lodged with or reviewed or approved by the Financial Markets Authority, the Registrar of Financial Service Providers or any other regulatory body in New Zealand. The Equity Shares are only available for investment by a "wholesale investor" within the meaning of clause 3(2) of the Financial Markets Conduct Act 2013 ("**FMCA**"). Each recipient of this Preliminary Placement Document represents and agrees that he, she or it:

a) is a "wholesale investor" for the purposes of clause 3(1) of Schedule 1 of the FMCA) (as the term "wholesale investor" is defined by clause (3)(2) of Schedule 1 of the FMCA);

b) has not offered or sold, and agrees he, she or it will not offer or sell, any Equity Shares in New Zealand in a manner that would require disclosure under Part 3 of the FMCA; and

has not distributed or published, and agrees he, she or it will not publish this Preliminary Placement Document or any offering material or advertisement in relation to any offer of the Equity Shares in New Zealand.

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licensed by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor Book Running Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement

Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing Book Running Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licensed by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective investors of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

South Africa

Due to restrictions under the securities laws of South Africa, no "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act")) is being made in connection with the issue of the Securities in South Africa. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Securities are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

i. the offer, transfer, sale, renunciation or delivery is to:

   (a) persons whose ordinary business is to deal in securities, as principal or agent;

   (b) the South African Public Investment Corporation;

   (c) persons or entities regulated by the Reserve Bank of South Africa;

   (d) authorised financial service providers under South African law;

   (e) financial institutions recognised as such under South African law;

   (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

   (g) any combination of the person in (a) to (f);

(h) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Preliminary Placement Document should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

South Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "UAE") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "SCA") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "Promotion and Introduction Regulations"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "High Net Worth Individuals") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("**DFSA**"). This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective investors of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 258 and 267, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge, or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 245.

U.S. TRANSFER RESTRICTIONS

U.S. Offer Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Managers as follows:

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A), (B) are aware that the sale of the Equity Shares to you is being made in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and (C) are acquiring such Equity Shares for its own account or for the account of a "qualified institutional buyer";

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance upon Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;

- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts;

- The Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- You will base your investment decision on a copy of this Preliminary Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Preliminary Placement Document, as it may be supplemented;

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution;

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions;

- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at our Company's request;

- You have been provided access to this Preliminary Placement Document which you have read in its entirety; and

- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by us.

Global Offer Purchaser Representations and Transfer Restrictions

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of my Equity Shares, you will be deemed to have represented and agreed as follows:

(i) You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Book Running Lead Managers and their respective affiliates shall have any responsibility in this regard;

(ii) You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States of America (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

(iii) You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;

(iv) You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

(v) You will base your investment decision on a copy of this Preliminary Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company) the information contained in this Preliminary Placement Document, as may be supplemented.

(vi) You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Managers, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, byelaws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial results (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified on January 15, 2015 and came into effect on May 15, 2015, by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

Additional Surveillance Measure

In accordance with applicable law, our Company forms part of the Additional Surveillance Measure list of the Stock Exchanges, on account of price variations, volume variations and volatility of our securities.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.]

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act, 2013. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹720,000,000 comprising of 70,000,000 Equity Shares (of face value of ₹10 each) and 2,000,000 Preference Shares (of face value of ₹10 each). As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹581,424,960 comprising of 58,142,496 Equity Shares (of face value of ₹10 each). The Equity Shares are listed on BSE and NSE.

Dividends and Reserve

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of the same class of a company must receive equal dividend treatment. These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by the company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Kaynes Technology India Limited".

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Companies Act, 2013. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

Capitalisation of profits

In addition to permitting dividends to be paid as described above, the Companies Act, 2013 permits the board of directors of a company, subject to the approval of the shareholders of the company, to capitalise the profits or reserves of the company to *inter alia* distribute to the shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the shareholders in proportion to the number of equity shares owned by them.

As per the Articles of Association, the Company in a general meeting may, upon the recommendation of the Board resolve that that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution and that such sum be accordingly set free for distribution amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied, either in or towards (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b); and (d) a securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.

Alteration of share capital

Under the provisions of the Companies Act, 2013, a company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The board of directors of a company is entitled to make private placement and preferential issue of equity shares, debentures, preference shares or any other instruments to such class of persons as the board of directors may deem fit.

According to Section 62(1)(a) of the Companies Act 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further, the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

In accordance with the Articles of Association and the provisions of the Companies Act, 2013, the Company may issue the following kinds of shares: (a) Equity share capital: (i) with voting rights; and/or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Companies Act, 2013; and (b) Preference share capital. Further, subject to the provisions of the Companies Act, 2013 and the Articles of Association, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (subject to the compliance with the provision of the Companies Act, 2013) or at a discount and at such time as they may from time to time think fit and with sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. The Board may issue and allot shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares. Subject to the provisions of the Companies Act, 2013, the Company in its general meetings may, by an ordinary resolution, from time to time: (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share Is derived; or; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this article shall not be deemed to be a reduction of share capital within the meaning of the Companies Act, 2013. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

General meetings

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The board of directors of the company may convene an EGM when necessary or at the request of shareholders in accordance with the Companies Act, 2013. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the shareholders. Shorter notice is permitted if consent is received from 95% of the shareholders entitled to vote at such meeting. Such number of shareholders as required under the Companies Act, 2013 or applicable law personally present shall constitute quorum for a general meeting.

As per the provisions of the Companies Act, 2013 and the Articles of Association, all general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, call an extraordinary general meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be as provided in section 103 of the Companies Act, 2013. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

Voting rights

Subject to provisions of the Companies Act, 2013 and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in personal shall have one vote and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Companies Act, 2013 and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, the Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Our Articles of Association provide that the Company shall maintain a ‘Register of Transfers’ and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, debenture or other security held in a material form.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors
Kaynes Technology India Limited
23-25, Belagola, Food Industrial Estate
Metagalli P O, Mysore, Karnataka,
570016, India

(Referred as the "Company")

Dear Sirs/Madams,

Sub: Qualified institutions placement of equity shares of face value of ₹10 each ("Equity Shares") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and applicable provisions of the Companies Act, 2013, and the rules framed thereunder, each as amended ("Companies Act") by Kaynes Technology India Limited (the "Company", and such qualified institutions placement, the "Issue")

1. This certificate is issued in accordance with our engagement letter dated November 20, 2023 with the Company in relation to the Issue.

2. We, the current statutory auditors of the Company, namely, K.P. Rao & Co., Chartered Accountants, (Firm Registration Number: 003135S), have been requested by the Company to provide this report, issued in accordance with the terms of our engagement letter dated November 20, 2023 in context of the Issue of Equity Shares in accordance with the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013, by the Company.

3. The accompanying 'Statement of Possible Tax Benefits available to the Company, its shareholders and to its subsidiaries namely Kaynes Technology India Limited (hereinafter referred to as "the Company") and its subsidiaries attached herewith (the "**Statement**"), prepared by the Company, initialed by us for identification purpose and proposed to be included in the Preliminary Placement Document and Placement Document (the "**Placement Documents**") of the Company, states the possible special tax benefits available to the Company, to its shareholders, as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, read with Income tax Rules, 1962 including amendments made by Finance Act, 2022 other relevant circulars and notifications, as applicable for the financial year 2022-2023, Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2016-2021 as applicable for the financial year 2023-2024 relevant to the assessment year 2024-2025, presently in force in India as on the signing date as well as any special tax benefit. These possible tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act, 1961. Hence, the ability of the Company, its shareholders and to its Subsidiaries to derive these possible tax benefits is dependent upon their application for availing the benefits under respective schemes and fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its shareholders and to its Subsidiaries may or may not choose to fulfill.

Management's Responsibility

4. The preparation of this Statement is the responsibility of the management of the Company. The management of the respective companies included in the Company are responsible for the preparation and maintenance of all accounting and other relevant supporting records and documents. The management's responsibility includes designing, implementing and maintaining internal control relevant

to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring compliance with the requirements of SEBI ICDR Regulations, and other applicable rules and regulations, for the purpose of furnishing this Statement and for providing all relevant information to the Stock Exchanges.

Practitioner's Responsibility

5. Pursuant to the SEBI ICDR Regulations and the Companies Act 2013, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company, its shareholders and to its Subsidiaries, under the Income Tax and GST Regulations as at the date of our certificate.

6. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

7. We performed procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Inherent Limitations

9. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. Several of the benefits mentioned in the Statement are dependent on the Company, its shareholders and to its Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company, its shareholders and to its Subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the Statement are not exhaustive.

10. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

11. Further, we give no assurance that the tax authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

12. In our opinion, the Statement prepared by the Company presents, is in all material respects, the possible special tax benefits available as of the date of this certificate, to the Company, its shareholders and to its Subsidiaries, under the Income Tax and GST Regulations.

13. Considering the matters referred to in paragraph 3 above, we are unable to express any opinion or provide any assurance as to whether: (i) The Company, its shareholders and to its Subsidiaries will continue to obtain the benefits as per the Statement in future; or (ii) The conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

14. We hereby confirm that the information herein above is true, complete, accurate and not misleading. We consent to the inclusion of the above information or any extract thereof in the preliminary placement document and placement document to be filed by the Company with the BSE Limited and the National Stock Exchange of India Limited ("**Stock Exchanges**"), the Registrar of Companies, Karnataka at

Bangalore, or any other authority and such other documents as may be prepared in connection with the Issue (collectively "**Placement Documents**").

Restriction on Use

15. We consent to the inclusion of the above information in the Preliminary Placement Documents to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the "Stock Exchanges"), and the Registrar of Companies, and any other authority and such other documents as may be prepared in connection with the Issue**.**

16. This certificate has been prepared at the request of the Company in connection with the Issue by the Company and is not to be considered for any other purpose except submission with the Stock Exchanges, and any other regulatory or statutory authority in connection with the Issue. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

17. We hereby consent to this certificate being disclosed, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

For and on behalf of K.P. Rao & Co.**,**
Chartered Accountants
Firm Registration Number: 003135S
Peer Review Number: 012735

Mohan R Lavi
Partner
Membership Number: 029340

UDIN: 230293408GWIDX4078

Place: Bengaluru
Date: December 18, 2023

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

LIST OF SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT

1. Kaynes International Design & Manufacturing Private Limited
2. Kemsys Technologies Private Limited
3. Kaynes Embedded Systems Private Limited
4. Kaynes Electronics Manufacturing Private Limited
5. Kaynes Semicon Private Limited(Step down)
6. Kaynes Circuits India Private Limited (Step down)

The above mentioned is the list of all the subsidiaries of the Company are eligible for certain tax benefits. However, the same are not material subsidiaries which would form part of this Statement as their income or net worth in the immediately preceding year (i.e., March 31, 2023) does not exceed 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year as identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS SUBSIDIARIES UNDER THE APPLICABLE DIRECT TAX LAWS

Outlined below are the possible tax benefits available to the Company, its Shareholders and its Subsidiaries, under the Income Tax Act, 1961 presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, TO THE SHAREHOLDERS OF THE COMPANY AND ITS SUBSIDIARIES

Under the Income Tax Act, 1961 ('the Act')

1. **Special tax benefits available to the Company under the Act**
   Section 80JJAA of the Act: Deduction in respect of employment of new employee- In accordance with and subject to the conditions specified under Section 80JJAA of the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

   Additional employee cost means the total emoluments paid or payable to additional employees employed in the **previous** year. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower tax rate of 22% under the provisions of section 115BAA (as discussed above).

   The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of Section 80JJAA of the Act and satisfies the conditions mentioned in the section.

2. **General tax benefits available to the Company**

a) Section 115BAA of the Act: Corporate Tax Rate of 22%

- Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set–off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner.
- In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set – off.

- The options needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

Further, if the conditions mentioned in section 115BAA are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

- The company has represented to us that they will opt for section 115BAA of the Act for AY 2022-23.

b) Section 32 of the Act- Depreciation Allowance

- As per section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of its tangible and intangible assets.

c) Section 36(1)(vii) of the Act -Allowance of bad debts written off

Under section 36(1)(vii), any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as deduction for computing the income under the head "Profit and gains of business or profession", subject to the fulfilment of the conditions as specified in section 36(2) read with section 36(1)(vii) of the Act

d) Taxation on dividend income

According to the Finance Act, 2020 any income by way of dividends or income from equity shares are now taxable in the hands of shareholder at the applicable rate and the domestic company or specified company are not required to pay any dividend distribution tax ("DDT") w.e.f. 01.04.2020.

e) Taxability of income from capital gains

As per section 2(42A) of the Act, if the period of holding of a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity-oriented fund or a zero-coupon bond is more than 12 months, it will be considered a long-term capital asset as per section 2(29A) of the Act. With respect to immovable property (being land or building or both) and shares of a company not being listed on a recognized stock exchange, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset. With respect to other assets including a unit of a mutual fund other than equity oriented mutual fund or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long-term capital asset. Asset not considered as long-term capital asset shall be regarded as short-term capital assets

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero-Coupon Bonds shall be the lower of the following:

i. 20% (plus applicable surcharge and cess) with indexation benefit; or

ii. 10% (plus applicable surcharge and cess) without indexation benefit

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

As per section 70 read with section 74 of the Act, short term capital loss arising during an year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

f) Section 35D of the Act- Where the assessee is a company, also expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus, the assessee shall, in accordance with **and** subject to the provisions of this section, be allowed a deduction under the head

"Profit and gains of business or profession" of an amount equal to one-fifth of such expenditure for each of the five successive financial years.

3. Special tax benefits available to the Shareholders under the Act

There are no special tax benefits available to the Shareholders under the Tax Laws.

4. General tax benefits available to the Shareholders

a) Exemption on Dividend Income received from Indian Company

Dividend income earned on shares of the Company will be taxable in the hands of Shareholders as to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, in case of a shareholder being a company, deduction in respect of dividends received from the Company shall be available under section 80M of the Act, to the extent such dividend is distributed by it on or before the specified due date.

b) Taxability of gain/ loss arising from sale of shares of the Company:

The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

i. Taxability under the head 'capital gains'

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

a. 20% (plus applicable surcharge and cess) with indexation benefit; or

b. 10% (plus applicable surcharge and cess) without indexation benefit
As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

ii. Taxability under the head 'income from business and profession':

Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head "Profits and Gains from Business or Profession" and on such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

For non-resident shareholders being Foreign Portfolio Investors (‘FPIs’) / Foreign Institutional Investors (‘FIIs’)

a) Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as ‘income from other sources’ at tax rate applicable to such shareholder.

b) Taxability of gain/ loss arising from sale of shares of the Company

As per section 2(14) of the Act, transfer of any shares/ securities (other than those held as stock in trade) being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be treated as Capital Gains.

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 115AD read with section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 115AD of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be 10% (plus applicable surcharge and cess) without indexation benefit.

Under section 115AD(1)(ii) of the Act, income by way of short term capital gains arising to the FPI/ FII on transfer of shares of the Company shall be chargeable at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the country of tax residence of the FII/ FPI or the provisions of the Act, to the extent they are more beneficial to the FII/ FPI.

For non-resident Shareholders, other than FPIs/ FIIs

a) Taxability of dividend income from shares of the Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as ‘income from other sources’ at tax rate applicable to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

b) Taxability of gain/ loss arising from sale of shares of the Company

i. Taxability under the head ‘capital gains’

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

a. 20% (plus applicable surcharge and cess) with indexation benefit; or

b. 10% (plus applicable surcharge and cess) without indexation benefit

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

ii. Taxability under the head 'income from business and profession'

Where the gains arising on the transfer of shares of the Company are included in the business income of transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') between India and the country of tax residence of the non-resident or the provisions of the Act, to the extent they are more beneficial to the non-resident.

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

5. **Special Tax Benefits available to Subsidiaries** The possible special tax benefits available to the Subsidiaries of the Company under the Income Tax Act, 1961.

NOTES:

1. The above is as per the current Tax Laws.

2. The above Statement of possible tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, TO THE SHAREHOLDERS OF THE COMPANY AND ITS SUBSIDIARIES

INDIRECT TAXATION

Outlined below are the special tax benefits available to the Company, its Shareholders under The Central Goods and Services Tax Act, 2017 ("CGST Act"), the Integrated Goods and Services Tax Act, 2017 ("IGST Act"), the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), the Customs Act, 1962 and the Customs Tariff Act, 1975, the Foreign Trade (Development and Regulation) Act, 1992 (read with the Foreign Trade Policy 2016-2021 as applicable for the financial year 2023-2024 relevant to the assessment year 2024-2025 ("FTP") (collectively referred to as "**Indirect tax**").

1. **Special tax benefits available to the Company**

a) As per a Customs Notification issued in 25/2002 CUS dated 01.03.2002 and its amendments, the Company is eligible for a concessional rate of duty. Certain machineries if utilised for manufacture of specified finished goods, are eligible for import with Basic Customs Duty concession of 50%/100%. Some of the machineries imported/proposed to be imported are eligible for this benefit on Customs Duty after following IGCRD (Import of Goods at Concessional Rate of Duty) Rules, 2017. Note that such concession is only on Basic Customs Duty.

b) Remission of Duties or Taxes on Export Products Scheme (RODTEP) has been notified by the Department of Commerce vide DGFT Notification No. 19/2015-20 dated 17.08.2021. RODTEP has been made effective for exports from 1st January 2021 in respect of those exports where intention to claim the benefit has been manifested on the shipping bills. RODTEP scheme would be in the form of transferable duty credit scrip, or it may be in the form of electronic scrip which will be maintained in the electronic ledger.

   Kaynes Technology India Limited is eligible for availing the benefits of RODTEP Scheme in the future when the company complies with necessary conditions.

2. **Special Tax Benefits available to the Shareholders of the Company**

   There are no special tax benefits available to the shareholders of the Company**.**

3. **Special tax benefits available to subsidiaries of the Company-**

The special tax benefits available to the subsidiaries of the Company under indirect tax laws would not form part of this Certificate or statement as their income or net worth in the immediately preceding year (i.e., March 31, 2023) does not exceed 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year as identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

There may be certain material Indian tax consequences to a U.S. holder (as defined below) of ownership of Equity Shares which are based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Preliminary Placement Document. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Equity Shares. For information on Indian taxation, please refer to "*Statement of Tax Benefits*" of this Preliminary Placement Document.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax consequences to a U.S. holder (as defined below) for purchasing, owning and disposing of Equity Shares acquired pursuant to this Issue. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Issue and you hold the Equity Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or non-U.S. currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a controlled foreign corporation;
- a passive foreign investment company;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually, indirectly or constructively owns 10% or more of (i) the total combined voting power of all classes of the Company voting stock or (ii) the total value of all classes of the Company stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed U.S. Department of the Treasury regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company ("**PFIC**") rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion.

This discussion is not binding on the U.S. Internal Revenue Service ("**IRS**") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

For U.S. federal income tax purposes, you are a "U.S. holder" if you are a beneficial owner of Equity Shares that acquired the shares pursuant to this Issue and you are:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

Taxation of Dividends

Subject to the PFIC rules described below under "PFIC Considerations", if you are a U.S. holder you generally must include in your gross income as a dividend the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by our Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend as ordinary income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain from the sale or exchange of such Equity Shares. Notwithstanding the foregoing, our Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

Subject to the PFIC rules described below, dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date." If the requirements of the immediately preceding sentence are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. holder should consult its own tax advisor regarding the dividend rules.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be "passive category income", which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. holder's particular circumstances. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Taxation of Sale, Exchange or Other Taxable Disposition of Equity Shares

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares in a taxable disposition, you generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount realized and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognized on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates (currently at a maximum rate of 20%). The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

Medicare Tax

Certain U.S. holders who are individuals, estates or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income", which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.

PFIC Considerations

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock in a PFIC. A non-U.S. corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of its gross assets during the taxable year (generally based on the average of the fair market values of the assets determined at the end of each quarterly period) are "passive assets," which generally means that they produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. Cash is generally a passive asset. However, under recently proposed U.S. Treasury regulations, on which taxpayers may rely, an amount of cash held in a non-interest bearing financial account that is held for the present needs of an active trade or business and is no greater than the amount necessary to cover operating expenses incurred in the ordinary course of the trade or business and reasonably expected to be paid within 90 days is generally not treated as a passive asset. Further, goodwill is generally treated as an active asset to the extent attributable to activities that produce or are intended to produce active income. In determining whether a non-U.S. corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Based on the current and projected composition of our income and assets, and the valuation of our assets, including goodwill, we do not expect to become, a PFIC in the current taxable year or the foreseeable future for U.S. federal income tax purposes. However, no assurance can be given that our Company will not be considered a PFIC in the current or any future taxable years. Our Company's possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. Because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our Company's control, including the amount and nature of our Company's income and assets, as well as on the market valuation of our Company's assets, including goodwill, and Equity Shares, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that our Company is not a PFIC and will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status. If our Company was currently or were to become a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

If we are a PFIC for any fiscal year during which a U.S. holder holds our Securities, we generally will continue to be treated as a PFIC with respect to that U.S. holder for all succeeding fiscal years during which the U.S. Holder holds our Securities, unless we cease to meet the threshold requirements for PFIC status and that U.S. holder makes a qualifying "deemed sale" election with respect to the Securities. If such an election is made, the U.S. holder will be deemed to have sold the Securities it holds at their fair market value on the last day of the last fiscal year in which we qualified as a PFIC, and any gain from such deemed sale will be subject to the consequences described below. After the deemed sale election, the Securities with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

If we are a PFIC for any taxable year during which a U.S. holder holds our Securities, the U.S. holder may be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of our Securities by the U.S. holder would be allocated ratably over the U.S. holder's holding period for such Securities. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and would be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to each such other taxable year. Further, to the extent that any distribution received by a U.S. holder on our Securities exceeds 125% of the average of the annual distributions on such Securities received during the preceding three years or the U.S. holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner described immediately above with respect to gain on disposition.

If we are a PFIC for any fiscal year during which any of our non-U.S. subsidiaries is also a PFIC, a U.S. Holder of our Securities during such year will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules to such subsidiary. U.S. holders should consult their tax advisers regarding the tax consequences if the PFIC rules apply to any of our subsidiaries. Alternatively, if we are a PFIC and if our Securities are "regularly traded" on a "qualified exchange", a U.S. holder may be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment described above. Our Securities would be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the Securities are traded on a qualified exchange on at least 15 days during each calendar quarter. However, because a mark-to-market election cannot be made for equity interests in any lower-tier PFIC that we may own, a U.S. holder that makes a mark-to-market election with respect to us may continue to be subject to the PFIC rules with respect to any indirect investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. If a U.S. holder makes the mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the Securities at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Securities over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes the election, the U.S. holder's tax basis in the Securities will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of our Securities in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless our Securities are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. U.S. holders are urged to consult their tax advisers about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Alternatively, a U.S. holder of stock in a PFIC may make a so-called "Qualified Electing Fund" election to avoid the PFIC rules regarding distributions and gain described above. The PFIC taxation regime would not apply to a U.S. holder who makes a QEF election for all taxable years that such U.S. Holder has held our Securities while we are a PFIC, provided that we comply with specified reporting requirements. Instead, each U.S. holder who has made a valid and effective QEF election is required for each taxable year that we are a PFIC to include in income such U.S. Holder's pro rata share of our ordinary earnings as ordinary income and such U.S. Holder's pro rata share of our net capital gains as long-term capital gain, regardless of whether we make any distributions of such earnings or gain. The QEF election is made on a shareholder-by-shareholder basis and generally may be revoked only with the consent of the IRS. Accordingly, it is currently anticipated that a U.S. holder will not be able to avoid the special tax rules described above by making the QEF election.

In addition, if we are a PFIC or, with respect to particular U.S. holders, are treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a U.S. Holder owns our Securities during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to us, generally with the U.S. holder's federal income tax return for that year. If we are a PFIC for a given taxable year, you should consult your tax advisor concerning your annual filing requirements.

The U.S. federal income tax rules relating to PFICs are complex. U.S. holders are urged to consult their own tax advisers with respect to the ownership and disposition of our Securities, the consequences if we are or become a PFIC, any elections available with respect to our Securities, and the IRS information reporting obligations with respect to the ownership and disposition of our Securities.

Information with Respect to Foreign Financial Assets

In addition, certain U.S. holders may be subject to certain reporting obligations with respect to Equity Shares if the aggregate value of these and certain other "specified foreign financial assets" exceeds $50,000. If required, this disclosure is made by filing Form 8938 with the IRS. Significant penalties can apply if U.S. holders are required to make this disclosure and fail to do so. In addition, a U.S. holder should consider the possible obligation for online filing of a FinCEN Report 114—Foreign Bank and Financial Accounts Report as a result of holding Equity Shares. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of Equity Shares.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to distributions made on our Equity Shares within the U.S. to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of Equity Shares by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder's U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder's U.S. federal income tax liability provided that the appropriate returns are filed.

You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to this Issue, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, non-U.S. tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations

LEGAL PROCEEDINGS

*As on date of this Preliminary Placement Document, there are no outstanding legal proceedings which have been considered as "material", in accordance with our Company's policy for determining materiality of events or information for disclosures in accordance with Regulation 30 of the SEBI Listing Regulations (the "**Materiality Policy**").*

Additionally, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section involving our Company, its Directors, its Subsidiaries and our Promoters (as applicable):

- *outstanding criminal proceedings against our Company, our Subsidiaries, our Directors and our Promoters;*
- *outstanding actions by statutory or regulatory authorities against our Company and our Subsidiaries, our Directors and Promoters.*
- *outstanding civil proceedings involving our Company and our Subsidiaries, where the amount involved in such proceeding exceeds **₹24.36 million**, i.e., 5% of the average of absolute value of profit or loss after tax (on a consolidated basis) of the Company as per the last three financial years (**"Materiality Threshold"**);*
- *outstanding direct and indirect tax matters involving our Company and our Subsidiaries exceeding the Materiality Threshold (disclosed in a consolidated manner);*
- *any other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis, and*
- *other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis.*

The Materiality Threshold was determined basis the Materiality Policy, adopted by the Board, pursuant to its resolution dated July 31, 2023.

Further, except as disclosed in this section, there are no:

- *inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company and our Subsidiaries;*
- *material frauds committed against our Company and our Subsidiaries in the last three years, and if so, the action taken by our Company and our Subsidiaries;*
- *significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis;*
- *defaults by our Company and our Subsidiaries, including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*
- *defaults in annual filings of our Company under the Companies Act, 2013; and*
- *litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and no direction have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.*

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and our Promoters, from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and our Promoters, are impleaded as parties in any *such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.*

Litigation involving our Company

Litigation against our Company

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Company

Criminal proceedings

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Subsidiaries

Criminal proceedings

Nil

Civil proceedings above the Materiality Threshold

Nil

Other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis

Nil

Litigation involving our Directors

Criminal proceedings against our Directors

Nil

Criminal proceedings by our Directors

Nil

Actions taken by regulatory and statutory authorities

Nil

Litigation involving our Promoters

Criminal proceedings against our Promoters

Nil

Criminal proceedings by our Promoters

Nil

Actions taken by regulatory and statutory authorities

Nil

Other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis

Nil

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries

Nil

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

Nil

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

Default by our Company, including therein the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon.

Repayment of statutory dues

Nature of default	Amount involved *(in ₹)*	Duration of default (No. of days)	Present status
Non - Payment of Employee Provident Fund	33,088.20	442	Unpaid
	121,549.00	411	
	56,673.00	380	
	53,428.00	350	
	10,184.00	319	
	3,663.00	289	
	1,058.00	258	
	12,034.00	227	
	53.00	199	
	2,961.00	168	
	22,753.96	138	
	34,045.50	107	
	544.00	77	
	21,240.19	46	
	37,904.68	15	
Non - Payment of Employee State Insurance	857.00	503	
	2,394.00	472	
	19.00	442	
	5,937.00	411	
	7,070.00	380	
	199,380.00	350	
	5,890.00	319	
	1,518.00	289	
	5,495.00	258	
	17,254.00	227	
	12,787.00	199	
	9,852.00	168	
	300.00	138	
	8,177.00	107	
	13,162.00	77	
	2,146.00	46	
	16,739.00	15	

Repayment of debentures and interest thereon

Nil

Repayment of deposits and interests thereon

Nil

Repayment of loan from any bank or financial institution and interest thereon

Nil

Default in annual filings of our Company under the Companies Act, 2013

Nil

Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

Nil

Tax Litigation above the Materiality Threshold

Nil

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, 2013, K. P. Rao & Co., Chartered Accountants, were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on November 29, 2021 for a period of five years, from Fiscal 2022 to Fiscal 2026.

Our Statutory Auditors have audited the Audited Consolidated Financial Statements which are included in this Preliminary Placement Document in "*Financial Information*" on page 283.

The Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results have been subjected to limited review by our Statutory Auditors and are included in this Preliminary Placement Document in "*Financial Information*" on page 283.

The Unaudited Consolidated Financial Results have been subjected to limited review by our Statutory Auditors and are included in this Preliminary Placement Document in "*Financial Information*" on page 283.

The Statutory Auditors have furnished special purpose Ind AS audit report for the 2021 Ind AS Financial Statements which were previously audited by our previous statutory auditors, M/s. Varma & Varma.

The peer review certificate of our Statutory Auditors is valid as of the date of this Preliminary Placement Document.

FINANCIAL INFORMATION

Independent Auditor's Report on Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Statements of Kaynes Technology India Limited for the six months ended September 30, 2023 and September 30, 2022

To
The Board of Directors of
Kaynes Technology India Limited

Introduction

1. We have reviewed the accompanying Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Statements of **Kaynes Technology India Limited** ('the Company') and its subsidiaries as provided in the Annexure 1 (the Company and its subsidiaries together referred to as '**the Group**') which comprises Unaudited Special Purpose Condensed Interim Consolidated Balance Sheet as at September 30, 2023 and September 30, 2022, the related Unaudited Special Purpose Condensed Interim Consolidated Statement of Profit and Loss (including other comprehensive income), the Unaudited Special Purpose Condensed Interim Consolidated Statement of Cash Flows and the Unaudited Special Purpose Condensed Interim Consolidated Statement of Changes in Equity for the six months ended September 30, 2023 and September 30, 2022, and selected explanatory notes thereon (collectively, the "**Unaudited Special Purpose Condensed Interim Consolidated Financial Statements**") prepared by the Management of the Group for the purpose of inclusion in the Preliminary Placement Document and the Placement Document (hereinafter collectively referred to as the "**Placement Documents**") in connection with the proposed Qualified Institutional Placement of the equity shares of the Company. The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been prepared by the Company's management in accordance with the basis of accounting specified in Note 2 to the Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Statements. The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements includes the results of the entities mentioned in Annexure 1 to the Statement.

Responsibilities of Management and those Charged with Governance for the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements

2. The Company's management is responsible for the preparation and presentation of the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements on the basis and for the purpose stated in Note 2 of the selected explanatory notes, which have been approved by the Board of Directors of the Company for issuance. The respective boards of directors of the entities forming part of the Group and its associate are responsible for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements on the basis and for the purpose stated in Note 2 of the selected explanatory notes and are free from material misstatement, whether due to fraud or error.

3. In preparing the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of such respective companies within the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective board of directors either intends to liquidate the companies included in the Group or to cease operations, or has no realistic alternative but to do so.

4. The board of directors of the Company are responsible for overseeing the financial reporting process of the Company, on a consolidated basis.

Auditor's Responsibilities

5. Our responsibility is to express a conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements. We conducted our review of the Statement in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular CIR/CFD/CMD1/44/2019 dated 29th March 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations to the extent applicable.

Conclusion

6. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Condensed Interim Consolidated Financial Statements has not been prepared, in all material aspects, in accordance with the basis set out in Note 2 of the selected explanatory notes.

Other Matters

7. The Unaudited Special Purpose Condensed Consolidated Interim Financial Statements include financial information of the subsidiaries as listed in Annexure 1 whose share of total assets, total revenues, net worth and net cash inflows / (outflows) included in such financial statements, for six months ended September 30, 2023 and September 30, 2022. These financial statements of Kaynes Technology Europe GMBH were prepared in accordance with accounting principles generally accepted in its jurisdiction and the financial statements of the Indian subsidiaries of the Company were prepared as per Ind AS. The Company's management has converted the financial statements of Kaynes Technology Europe GMBH

from the accounting principles generally accepted in that country and we have reviewed such conversion adjustments.

Our conclusion of the Unaudited Special Purpose Condensed Consolidated Interim Financial Statements is not modified in respect of the above matters in respect of the financials.

For the six month period ended September 30, 2023:

(All amounts in Millions)

Name of the Company	Nature of the relationship	Total assets	Net worth	Total revenues	Net cash inflow/ (outflows)
Kemsys Technologies Private Limited	Subsidiary	163.22	127.20	38.82	269.32
Kaynes Electronics Manufacturing Private Limited	Subsidiary	1732.46	62.43	738.61	(2.10)
Kaynes International Design & Manufacturing Private Limited	Subsidiary	275.30	102.29	96.48	(11.32)
Kaynes Embedded Systems Private Limited	Subsidiary	-	-	-	-
Kaynes Technology Europe GmbH	Subsidiary	25.85	24.11	5.24	-
Kaynes Semicon Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited)	Step down Subsidiary	17.13	2.35	-	3.58

Kaynes Circuits India Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited)	Step down Subsidiary	-	(2.5)	-	-

For the six month period ended September 30, 2022:

(All amounts in Millions)

Name of the Company	Nature of the relationship	Total assets	Net worth	Total revenues	Net cash inflow/ (outflows)
Kemsys Technologies Private Limited	Subsidiary	144.30	(80.30)	26.68	(1.26)
Kaynes Electronics Manufacturing Private Limited	Subsidiary	-	-	-	
Kaynes International Design & Manufacturing Private Limited	Subsidiary	285.12	78.17	155.96	0.25
Kaynes Embedded Systems Private Limited	Subsidiary	-	-	-	-
Kaynes Technology Europe GmbH	Subsidiary	21.59	(0.09)	7.29	
Kaynes Semicon Private Limited (subsidiary of Kaynes Electronics	Step down Subsidiary	NA	NA	NA	NA

Manufacturing Private Limited)					
Kaynes Circuits India Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited)	Step down Subsidiary	NA	NA	NA	NA

Our conclusion above on the Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Statements is not modified in respect of the above matters.

Restriction on use

8. The accompanying Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Statements have been approved by the Company's Board of Directors on December 18, 2023. This report is addressed to the Board of Directors of the Company and has been prepared solely for the purposes of including it in the Placement Documents, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the Registrar of the Companies in Chennai, in connection with the proposed Qualified Institutional Placement of the equity shares of the Company.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No.: 003135S

Mohan R Lavi
Membership No. 029340

UDIN: 23029340BGWIEU3004

Place: Bengaluru
Date: December 18, 2023

Annexure 1:

List of entities included in the Special Purpose Consolidated Ind AS Financial Statements for the six month period September 30 2023 and September 30, 2022

<u>Subsidiaries:</u>

1. Kaynes International Design & Manufacturing Private Limited
2. Kemsys Technologies Private Limited
3. Kaynes Electronics Manufacturing Private Limited
4. Kaynes Technology Europe GmbH
5. Kaynes Embedded Systems Private Limited
6. Kaynes Semicon Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited)- included for Consolidation of September 30, 2023 only
7. Kaynes Circuits India Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited)- included for Consolidation of September 30, 2023 only

Kaynes Technology India Limited
CIN No: L29128KA2008PLC045825
Consolidated Balance Sheet
(All amounts are in INR Millions, unless otherwise stated)

Particulars	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1,288.05	677.12	901.76
Capital work-in-progress	377.40	80.84	111.63
Intangible assets	224.14	255.54	220.94
Intangible under development	187.26	91.56	181.80
Rights-of-Use Assets	160.56	186.91	170.90
Goodwill	23.44	23.44	23.44
Financial assets			
i)Investments	38.23	22.62	32.76
ii)Loans and deposits	78.48	65.26	69.64
iii)Other financial assets	16.03	32.67	11.03
Other non-current assets	276.23	9.11	155.82
Total Non-Current Assets (A)	**2,669.82**	**1,445.07**	**1,879.72**
CURRENT ASSETS			
Inventories	5,512.39	3,313.71	4,131.64
Financial asset			
i)Trade receivables	2,062.11	2,025.31	2,270.66
ii)Cash and cash equivalents	126.04	17.80	259.31
iii)Bank balances other than cash and cash equivalents	4,416.23	162.27	4,600.65
iv)Loans and deposits	20.06	34.61	29.88
v)Other financial assets	130.66	14.94	79.27
Current Tax Assets (Net)	72.23	-	36.07
Other current assets	1,343.90	263.43	900.12
Total Current Assets (B)	**13,683.62**	**5,832.07**	**12,307.60**
TOTAL ASSETS (A + B)	**16,353.44**	**7,277.14**	**14,187.32**
EQUITY AND LIABILITIES			
EQUTIY			
Equity Share Capital	581.42	461.58	581.42
Instruments entirely equity in nature	-	3.79	-
Other Equity	9,577.63	1,881.63	9,009.00
Non-controlling Interest	13.94	12.86	13.07
Total Equity (A)	**10,172.99**	**2,359.86**	**9,603.49**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Borrowings	144.02	395.61	150.42
- Lease liabilities	152.80	170.95	154.57
Deferred Tax Liabilities (Net)	57.41	88.90	76.91
Long Term Provisions	65.02	54.27	50.34
Total Non-current Liabilities (B)	**419.25**	**709.73**	**432.24**

Kaynes Technology India Limited
CIN No: L29128KA2008PLC045825
Consolidated Balance Sheet
(All amounts are in INR Millions, unless otherwise stated)

Particulars	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
CURRENT LIABILITIES			
Financial Liabilities			
- Short-term borrowings	2,448.12	1,964.55	1,208.57
- Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	136.43	37.82	216.45
- Total outstanding dues to other than micro enterprises and small enterprises	2,507.92	1,587.86	2,012.29
- Other financial liabilities	172.84	104.25	105.75
- Lease liabilities	40.05	33.86	33.86
Current tax liabilities (net)	-	232.01	-
Other current liabilities	441.31	237.34	563.23
Short-term provisions	14.53	9.86	11.44
Total Current Liabilities (C)	**5,761.20**	**4,207.55**	**4,151.59**
Total Liabilities (B+C)	**6,180.45**	**4,917.28**	**4,583.83**
TOTAL EQUITY AND LIABILITIES (A+B+C)	**16,353.44**	**7,277.14**	**14,187.32**

Significant accounting policies and notes to financial statements

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of Fund Raising Committee of
Kaynes Technology India Limited

Mohan R Lavi
Partner
Membership No.029340

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Place: Bengaluru
Date: December 18, 2023

Adithya Jain S M
Company Secretary
Membership No. A49042

Place: Mysuru
Date: December 18, 2023

Kaynes Technology India Limited
CIN No: L29128KA2008PLC045825
Consolidated Statement of Profit and Loss
(All amounts are in INR Millions, except per equity share data)

Particulars	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Income		
Revenue from operations	6,580.22	4,724.36
Other Income	170.80	14.15
Total Income (A)	**6,751.02**	**4,738.51**
Expenses		
Cost of materials consumed	4,829.48	3,493.79
Changes in inventories of Finished goods and traded goods	(170.51)	(174.82)
Employee Benefit Expenses	459.04	363.01
Finance Cost	230.68	175.93
Depreciation and amortization expense	117.97	93.02
Other Expenses	571.67	364.30
Total Expenses (B)	**6,038.33**	**4,315.23**
Profit / (Loss) before tax (A-B)=C	**712.69**	**423.28**
Tax Expenses		
Income taxes - Current tax	160.58	106.44
- Earlier year tax adjustments	-	-
Deferred tax Charge/ (Credit)	(17.47)	6.37
Total tax expense (D)	**143.11**	**112.81**
Profit / (Loss) for the year (C - D)=E	**569.58**	**310.47**
Other comprehensive income (net)		
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
- Re-measurement gains/ (losses) on defined benefit plans	(5.56)	8.78
- Exchange differences in translating financial statements of foreign operations	0.34	3.53
Income tax effect	1.31	(2.21)
Total other comprehensive income for the year, net of tax (F)	**(3.91)**	**10.10**
Total comprehensive income for the year, net of tax (E+F)	**565.67**	**320.57**
Less: Share of Profit /(Loss) of minority interest	0.87	1.54
Total comprehensive income for the year, net of tax	**564.80**	**319.03**
Earnings per share (nominal value of Rs. 10 each)		
Basic	9.78	6.48
Diluted	9.78	6.40
Significant accounting policies and notes to financial statement		

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

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of Fund Raising Committee of
Kaynes Technology India Limited

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Date: December 18, 2023

Kaynes Technology India Limited
CIN No: L29128KA2008PLC045825
Consolidated Statement of Cash Flows
(All amounts are in INR Millions, except per equity share data)

	Particulars		For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
A.	**Cash Flow from Operating Activities**			
	Net profit before extraordinary items and tax		712.69	423.28
	Adjustments for :			
	Depreciation and Amortisation Expense		117.97	93.02
	Provision for doubtful debts		74.10	0.12
	Unrealised foreign exchange gain (net)		-	3.47
	Interest expense		230.68	175.93
	Interest income		(152.40)	(12.46)
	Miscellaneous income (Liabilities written back)		-	(0.29)
	Operating profit before working capital changes, extraordinary items		**983.04**	**683.07**
	Adjustments for:			
	(Increase)/ decrease in Inventories		(1,380.75)	(1,049.93)
	(Increase)/Decrease in Trade receivables		208.55	(48.05)
	(Increase)/Decrease in Loans and Advances and other assets		(232.06)	126.20
	Increase/(Decrease) in Trade payable and other liabilities		365.20	(40.90)
	Increase/(Decrease) in Provisions		17.77	12.29
	Cash Generated (used in) / From Operations		**(38.25)**	**(317.32)**
	Income tax Received / (Paid)		(196.74)	(31.38)
	Net Cash from Operating Activities	**(A)**	**(234.99)**	**(348.70)**
B.	**Cash Flow from Investing Activities**			
	Purchase of property,plant and equipment & CWIP		(808.47)	(191.77)
	Interest Received on investments		152.40	12.46
	Investment in fixed deposits		184.42	(11.70)
	Net Cash used in Investing activities	**(B)**	**(471.65)**	**(191.01)**
C.	**Net Cash from/(used) in Financing Activities**			
	Proceeds from issue of Share Capital :			
	- Equity		-	-
	- Preference		-	-
	Share Premium received :			
	- Equity		-	-
	- Preference		-	-
	Share issue expenses		(429.10)	
	Repayment of long term borrowings		(6.40)	102.82
	Proceeds from short term borrowings		1,239.55	561.88
	Interest expense		(230.68)	(175.93)
	Net Cash from/(used) in Financing Activities	**(C)**	**573.37**	**488.77**
	Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**(133.27)**	**(50.94)**
	Cash and cash equivalents as on beginning of the period		259.31	68.74
	Cash and cash equivalents as on end of the period		**126.04**	**17.80**

Kaynes Technology India Limited
CIN No: L29128KA2008PLC045825
Consolidated Statement of Cash Flows
(All amounts are in INR Millions, except per equity share data)

Particulars	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Components of cash and cash equivalents as on end of the period		
Balance with scheduled banks on:		
- on Current Account	125.96	15.92
Cash on Hand	0.08	1.88
	126.04	**17.80**

Notes

a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

b) Figures have been regrouped/ rearranged wherever necessary.

Significant accounting policies and notes to **1 to 2**

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of Fund Raising Committee of
Kaynes Technology India Limited

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Partner
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Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Place: Bengaluru
Date: December 18, 2023

Adithya Jain S M
Company Secretary
Membership No. A49042

Place: Mysuru
Date: December 18, 2023

Kaynes Technology India Limited
CIN No: L29128KA2008PLC045825
Consolidated Statement of changes in equity
(All amounts are in INR Millions, except per equity share data)

A. Equity Share Capital

Particulars	No. of Shares	Amount
As at April 01, 2022	**4,61,58,006**	**461.58**
Change during the period	-	-
As at September 30, 2022	**4,61,58,006**	**461.58**
Change during the period	1,19,84,490	119.84
As at March 31, 2023	**5,81,42,496**	**581.42**
Change during the period	-	-
As at September 30, 2023	**5,81,42,496**	**581.42**

B. Instruments Entirely of Equity Nature

Particulars	CCPS Series A		CCPS Series B		CCPS Series C	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
As at April 01, 2022	**-**	**-**	**3,33,323**	**3.33**	**45,823**	**0.46**
Change during the period	-	-	-	-	-	-
As at September 30, 2022	**-**	**-**	**3,33,323**	**3.33**	**45,823**	**0.46**
Change during the period			(3,33,323)	**(3.33)**	(45,823)	
As at March 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**
Change during the period	-	-	-	-	-	-
As at September 30, 2023	**-**	**-**	**-**	**-**	**-**	**-**

C. Other Equity
For the half year ended September 30, 2023

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity	Non Controlling Interest	Total
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations			
As at April 01, 2023	**6,591.58**	**130.00**	**2,260.81**	**-**	**6.31**	**7.46**	**12.84**	**9,009.00**	**13.07**	**9,022.07**
Profit for the period	-	-	564.80	-	-	-	-	564.80	0.87	565.67
On issue of Equity shares	-	-	-	-	-	-	-	-	-	-
On conversion of Preference shares into equity	-	-	-	-	-	-	-	-	-	-
Utilized towards redemption of debentures	-	-	-	-	-	-	-	-	-	-
Transfer from Debenture redemption reserve	-	-	-	-	-	-	-	-	-	-
Share based payment expenses					3.83			3.83		3.83
Re-measurement of the net defined benefit liability/asset, net of tax effect			3.91				(3.91)	-	-	-
Fair value adjustments of investments	-	-	-	-	-	-	-	-	-	-
As at September 30, 2023	**6,591.58**	**130.00**	**2,829.52**	**-**	**10.14**	**7.46**	**8.93**	**9,577.63**	**13.94**	**9,591.57**

For the half year ended September 30, 2022

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity	Non Controlling Interest	Total
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations			
As at April 01, 2022	107.64	124.69	1,310.60	5.31	-	2.36	9.88	1,560.48	11.32	1,571.80
Profit for the period	-	-	319.03	-	-		-	319.03	1.54	320.57
On issue of New Preference shares	-	-	-	-	-	-	-	-	-	-
On issue of Equity shares	-	-	-	-	-	-	-	-	-	-
On issue of Bonus shares	-	-	-	-	-	-	-	-	-	-
On conversion of Preference shares into equity	-	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-
Utilized towards redemption of debentures	-	-	-	(0.74)	-		-	(0.74)	-	(0.74)
Transfer from Debenture redemption reserve	-	0.74	-	-	-		-	0.74	-	0.74
Share based payment expenses	-	-	-	-	2.12		-	2.12	-	2.12
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	(10.10)	-	-		10.10	-	-	-
As at September 30, 2022	**107.64**	**125.43**	**1,619.53**	**4.57**	**2.12**	**2.36**	**19.98**	**1,881.63**	**12.86**	**1,894.49**

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of Fund Raising Committee of
Kaynes Technology India Limited

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Rajesh Sharma
Chief Executive Officer

Place: Bengaluru
Date: December 18, 2023

Adithya Jain S M
Company Secretary
Membership No. A49042

Place: Mysuru
Date: December 18, 2023

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

3 **Property, plant and equipment**

		Particulars	Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Gross Block		**As at March 31, 2022**	**32.47**	**171.38**	**684.56**	**54.63**	**18.17**	**21.23**	**34.18**	**66.00**	**12.35**	**17.21**	**1,112.19**
	2022-23	Additions during the year	57.59	-	247.43	4.42	1.86	0.80	7.47	15.04	1.27	-	**335.88**
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	**-**
		As at March 31, 2023	**90.06**	**171.38**	**931.99**	**59.05**	**20.03**	**22.03**	**41.65**	**81.04**	**13.62**	**17.21**	**1,448.07**
	2023-24	Additions during the year	5.08	122.90	281.32	11.08	2.84	0.25	7.26	9.93	1.64	4.74	**447.04**
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	**-**
		As at September 30, 2023	**95.14**	**294.28**	**1,213.31**	**70.13**	**22.87**	**22.28**	**48.91**	**90.97**	**15.26**	**21.95**	**1,895.11**

		Particulars	Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Accumulated Depreciation		**As at March 31, 2022**	**-**	**25.72**	**294.62**	**31.21**	**14.85**	**13.00**	**29.22**	**38.88**	**9.33**	**15.78**	**472.61**
	2022-23	Charge for the year	-	5.76	50.90	4.04	1.27	1.29	3.94	6.75	1.14	1.15	76.24
		Deletions during the year / written off	-	-	-	-	-	-	-	-	-	-	-
		As at March 31, 2023	**-**	**31.48**	**345.52**	**35.25**	**16.12**	**14.29**	**33.16**	**45.63**	**10.47**	**16.93**	**548.85**
	2023-24	Charge for the year	-	9.80	34.55	2.38	0.94	0.70	3.55	4.36	0.75	1.18	58.21
		Deletions during the year / written off	-	-	-	-	-	-	-	-	-	-	-
		As at September 30, 2023	**-**	**41.28**	**380.07**	**37.63**	**17.06**	**14.99**	**36.71**	**49.99**	**11.22**	**18.11**	**607.06**
Net I		**As at September 30, 2023**	**95.14**	**253.00**	**833.24**	**32.50**	**5.81**	**7.29**	**12.20**	**40.98**	**4.04**	**3.84**	**1,288.05**
		As at March 31, 2023	**90.06**	**139.90**	**586.47**	**23.80**	**3.91**	**7.74**	**8.49**	**35.41**	**3.15**	**0.28**	**899.22**

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

3(b) Capital Work in Progress

Particulars	Tangible Assets under Construction or Installation	Total
As at March 31, 2022	**44.20**	**44.20**
Additions/Adjustment	64.23	64.23
Capitalization of Interest	3.20	3.20
Capitalized in 2022-23	-	-
As at March 31, 2023	**111.63**	**111.63**
Additions/Adjustment	284.69	284.69
Capitalization of Interest	11.95	11.95
Capitalized in 2023-24	(30.87)	(30.87)
As at September 30, 2023	**377.40**	**377.40**

3(c) Intangible Assets

		Particulars	Intangible Assets		Total
			Software	Technical know-how	
Gross Block		**As at March 31, 2022**	**38.13**	**322.78**	**360.91**
	2022-23	Additions during the year	-	-	-
		Deletions during the year / Written off	-	-	-
		As at March 31, 2023	**38.13**	**322.78**	**360.91**
	2023-2	Additions during the year	-	39.09	**39.09**
		Deletions during the year / Written off	-	-	-
		As at September 30, 2023	**38.13**	**361.87**	**400.00**

		Particulars	Intangible Assets		Total
			Software	Technical know-how	
Accumulated Depreciati		**As at March 31, 2022**	**16.27**	**54.91**	**71.18**
	2022-23	Charge for the year	5.89	62.90	68.79
		Deletions during the year / written off	-	-	-
		As at March 31, 2023	**22.16**	**117.81**	**139.97**
	2023-2	Charge for the year	2.19	35.35	37.54
		Deletions / Adjustments during the year	-	1.65	1.65
		As at September 30, 2023	**24.35**	**151.51**	**175.86**

Net Block				
	As at September 30, 2023	**13.78**	**210.36**	**224.14**
	As at March 31, 2023	**15.97**	**204.97**	**220.94**

3(d) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at March 31, 2022	**-**	**39.09**	**39.09**
Additions/Adjustment	-	138.61	138.61
Capitalization of Interest	-	4.10	4.10
Capitalized in 2022-23	-	(39.09)	(39.09)
As at March 31, 2023	**-**	**142.71**	**142.71**
Additions/Adjustment	2.96	35.27	38.23
Capitalization of Interest	-	6.32	6.32
Capitalized in 2023-24	-		-
As at September 30, 2023	**2.96**	**184.30**	**187.26**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company** **also indicate if in dispute
PPE	Land	1.183	P.K. Bansal	NA	April 12, 2012	To be registered

3(e) Right of Use Assets

(INR in millions)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	170.90	180.62	78.57
Additions during the year	14.38	29.11	134.22
Deletions during the year	(2.50)	3.55	(0.54)
Depreciation during the year	(22.22)	(42.38)	(31.63)
Closing Balance	**160.56**	**170.90**	**180.62**

1 Corporate Information

Kaynes Technology India Limited ("the Company" / "Parent Company"/ Holding Company") is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company and its subsidiaries' (Collectively, "the Group") are primarily engaged in Design and Manufacturing of advanced electronic modules and solutions catering to a wide range of industries.

The Holding company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 24, 2022 and consequently the name of the Company has changed to "Kaynes Technology India Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on March 31, 2022. The shares of the Parent Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India.

The unaudited special purpose condensed interim consolidated financial statements as at and for the half year ended September 30, 2023 were authorised and approved by the Board of Directors on December 18, 2023.

The following entities are considered in these Consolidated financial information

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %		
			As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
Kaynes Technology India Limited	Holding	India	100.00	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	100.00	-	100.00
Kaynes Semicon Private Limited	Subsidiary	India	100.00	-	-
Kaynes Circuits India Private Limited	Subsidiary	India	100.00	-	-
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00	60.00

2 Basis of preparation

The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements as at and for the half year ended September 30, 2023 have been prepared on an accrual and going concern basis in accordance with Indian Accounting Standards (Ind AS) -34 'Interim Financial Reporting' as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the "Act") and should be read in conjunction with the Group last annual consolidated financial statements as at and for the year ended March 31, 2023 (last audited annual financial statements). These Unaudited Special Purpose Condensed Interim Consolidated Financial Statements do not include all the information required for a complete set of Ind AS financial statements. They have been prepared solely in connection with the proposed issue of the equity shares of the Parent Company.

The comparative figures included in Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been prepared on the basis of the books of account as on that date. Some of these figures have been reclassified to make them comparable to the classification in the corresponding Unaudited Special Purpose Condensed Interim Consolidated Financial Statements as at and for the half year ended September 30, 2023.

The accounting policies applied by the Company for preparation of these Unaudited Special Purpose Condensed Interim Consolidated Financial Statements are consistent with those adopted for preparation of last annual financial statements.

Functional and presentation currency
Items included in the Consolidated Financial Information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Information are presented in Indian rupee (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,00,000 have been rounded and are presented as INR 0.00 Millions in the Consolidated Financial Information.

Basis of measurement
The Consolidated financial information has been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities	Fair Value
Defined benefits liability	Fair value of plan assets less present value of defined benefit obligations

2.1 Principles of consolidation
a. Subsidaries
Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements;
(iii) The Group's voting rights and potential voting rights;
(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company.

b. Consolidation Procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it:
(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
(ii) Derecognises the carrying amount of any non-controlling interests.
(iii) Derecognises the cumulative translation differences recorded in equity.
(iv) Recognises the fair value of the consideration received.
(v) Recognises the fair value of any investment retained.
(vi) Recognises any surplus or deficit in profit or loss.
(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required

e. Subsidiaries considered in the Consolidated Financial Statements:

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %		
			As at September 30,2023	As at September 30,2022	As at March 31,2023
Kaynes Technology India Limited	Holding	India	100.00	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	100.00	-	100.00
Kaynes Semicon Private Limited	Subsidiary	India	100.00	-	-
Kaynes Circuits India Private Limited	Subsidiary	India	100.00	-	-
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00	60.00

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

	NON-CURRENT ASSETS	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
	FINANCIAL ASSET			
4	**Non-Current Financial Assets - Investments**			
	Unquoted			
	Investments - Non-Trade			
	Investments in Equity instruments	13.44	13.44	13.44
	Investments in Others	24.79	9.18	19.32
	Total	**38.23**	**22.62**	**32.76**
4.1	**Detail of Non-Current Investments**			
	(i) Financial assets measured at amortised cost			
	(a) Other than Subsidiary Company			
	Winfoware Technologies Limited	10.80	10.80	10.80
	Mysore ESDM Cluster	2.64	2.64	2.64
	(ii)Financial assets measured at FVTPL			
	Investments in Mutual Funds (Quoted)	24.79	9.18	19.32

5	**FINANCIAL ASSET NON-CURRENT**	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
5(a)	**Loans and deposits, carried at amortized cost**			
	Unsecured considered good (Unless Otherwise stated)			
	Rental Deposits	27.52	20.75	24.00
	Loans to related party	1.09	31.54	-
	Utility Deposits	10.01	3.76	5.03
	EMD Deposits	9.86	9.21	10.61
	NSE Deposits	30.00	-	30.00
		78.48	**65.26**	**69.64**
5(b)	**Other non current financial assets (At Amortised Cost)**			
	Unsecured considered good (Unless Otherwise stated)			
	Advances recoverable in cash, kind or to value to be received	16.03	32.67	11.03
		16.03	**32.67**	**11.03**

6	**OTHER NON-CURRENT ASSETS**	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
	Unsecured, considered good			
	Capital Advances	270.84	-	150.31
	Prepaid Rent	5.39	9.11	5.51
		276.23	**9.11**	**155.82**

	CURRENT ASSETS	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
7	**Inventories (at cost or net realisable value whichever is lower)***			
	Raw materials	3,883.68	2,549.03	2,820.80
	Work-in-progress	979.43	396.03	858.61
	Finished Goods	259.72	170.19	210.03
	Goods-in-transit	317.78	129.01	173.14
	Consumables, stores and spares	71.78	69.45	69.06
		5,512.39	**3,313.71**	**4,131.64**

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

8 Current Financial Assets

8(a) Trade receivables	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
Unsecured, Considered Good(Unless otherwise stated)	2,062.11	2,025.31	2,270.66
Unsecured, Considered Doubtful	165.80	76.72	91.70
Less - expected credit loss allowance	(165.80)	(76.72)	(91.70)
	2,062.11	**2,025.31**	**2,270.66**
Movement in the expected credit loss allowance of trade receivables are as follows:			
Balance at the Beginning of the year / period	91.70	76.71	76.71
Add: Provided during the year / period	74.10	0.01	14.99
Balance at the end of the year / period	**165.80**	**76.72**	**91.70**

8(b) Cash and cash equivalents	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
Balance with banks			
- In Current accounts	125.96	15.92	259.22
Cash on hand	0.08	1.88	0.09
	126.04	**17.80**	**259.31**

8(c) Other Bank Balances			
Debit Balance in Cash Credit	-	-	-
Deposits with original maturity for less than 12 months	4,377.73	117.65	4,559.81
Margin Money and Other Deposits	38.50	44.62	40.84
	4,416.23	**162.27**	**4,600.65**

8(d) Loans and deposits, carried at amortized cost	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
Unsecured, Considered Good(Unless otherwise stated)			
Loans to employees	20.06	34.61	29.88
Total	**20.06**	**34.61**	**29.88**

8(e) Other current financial assets (At Amortised Cost)	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
Interest accrued	130.21	14.49	78.82
Insurance claim receivable	0.45	0.45	0.45
	130.66	**14.94**	**79.27**

9 INCOME TAX ASSETS (NET)			
Advance income tax	486.00	-	308.60
Less: Provision for income taxes	(413.77)	-	(272.53)
	72.23	**-**	**36.07**

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

10 OTHER CURRENT ASSETS

	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
Unsecured, considered good			
Advances for supply of goods	400.38	29.49	303.20
MAT Credit Entitlement	0.96	0.96	0.96
Prepaid Expenses	512.09	112.15	449.94
Balance with government authorities	417.61	105.24	124.61
Contract Asset- Unbilled revenue	14.77	15.59	10.93
Other Advances	(1.91)		10.48
	1,343.90	**263.43**	**900.12**

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

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

Particulars	Equity Share Capital No of Shares	Amount
Balance as at April 01, 2022	**6,30,00,000**	**630.00**
Increase during the period	70,00,000	70.00
Balance as at September 30, 2022	**7,00,00,000**	**700.00**
Increase during the period	-	-
Balance as at March 31, 2023	**7,00,00,000**	**700.00**
Increase during the year	**-**	**-**
Balance as at September 30, 2023	**7,00,00,000**	**700.00**

Pursuant to a resolution of Board of Directors dated April 08, 2022 and the shareholders meeting dated April 08, 2022, the Authorized Share Capital of the Company has been increased from Rs. 630 millions consisting of 6,30,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 700 millions consisting of 7,00,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital No of Shares	Amount
Balance as at April 01, 2022	**4,61,58,006**	**461.58**
Add: Shares issued during the period	-	-
Add: Conversion of Preference shares into equity	-	-
Balance as at September 30, 2022	**4,61,58,006**	**461.58**
Add: Shares issued during the period	1,13,67,720	113.68
Add: Conversion of Preference shares into equity	6,16,770	6.17
Balance as at March 31, 2023	**5,81,42,496**	**581.42**
Add: Shares issued during the period	**-**	**-**
Balance as at September 30, 2023	**5,81,42,496**	**581.42**

iii) Terms/rights attached to equity shares
The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shareholders holding more than 5 percent of Equity Shares

Name of Share holder	**As at September 30, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Mr. Ramesh Kunhikannan	3,69,43,633	3,69,43,633
% of Share holding	63.54%	63.54%

Note: For the period of five years immediately preceding September 30,2023
(a) No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash.
(b) Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Equity share of Rs. 10/- each	**No. of shares**	**Amount (Rs.)**
(c) Financial Year Ended March 31, 2023		
i) The company has issued 14,39,237 and 8,99,523 fully paid up equity shares of Rs.10 each during the financial year by way of Pre-IPO placement on approval accorded by the EGM held on October 10, 2022 and October 14, 2022 respectively.	23,38,760	2,33,87,600
ii) The company has issued 90,28,960 fully paid up equity shares of Rs.10 each during the financial year through Initial Public Offer (IPO) on approval accorded by the EGM held on April 01, 2022.	90,28,960	9,02,89,600

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

iii) The company has issued 6,16,770 fully paid up equity shares of Rs.10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on October 22, 2022.	6,16,770	61,67,700

v) Shareholding of Promoters

Promoter Name	As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Mr. Ramesh Kunhikannan		
- No. of Shares held	3,69,43,633	3,69,43,633
- Percentage of holding	63.54%	63.54%
- Changes during the year	(24.81%)	(24.81%)
Mrs. Savitha Ramesh		
- No. of Shares held	19,800	19,800
- Percentage of holding	0.03%	0.03%
- Changes during the year	(0.01%)	(0.01%)
RK Family Trust (Ramesh Kunhikannan)		
- No. of Shares held	100	100
- Percentage of holding	0.00%	0.00%
- Changes during the year	0.00%	0.00%

11(B) Instruments entirely equity in nature

Compulsorily Convertible Preference Share Capital
i)Authorised

Particulars	No of Shares	Amount
Balance as at April 01, 2022	**20,00,000**	**20.00**
Increase during the period	-	-
Balance as at September 30, 2022	**20,00,000**	**20.00**
Increase during the period	-	-
Balance as at March 31, 2023	**20,00,000**	**20.00**
Increase during the year	-	-
Balance as at September 30, 2023	**20,00,000**	**20.00**

Pursuant to a resolution of the Board of Directors dated June 05, 2020 and the shareholders meeting dated June 05, 2020, the Authorized Share Capital of the Company has been reclassified to Rs. 10 millions consisting of 10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) and a resolution of Board of Directors dated October 11, 2020 and the shareholders meeting dated October 11, 2020, the Authorized Share Capital of the Company has been increased from Rs. 10 millions consisting of 10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs.20 millions consisting of 20,00,000 Preference Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	No of Shares	Amount
Balance as at April 01, 2022	**3,79,146**	**3.79**
Add: Shares issued during the period	-	-
Add: Bonus shares issued during the period	-	-
Less: Share converted into equity during the period	-	-
Balance as at September 30, 2022	**3,79,146**	**3.79**
Add: Shares issued during the period	-	-
Add: Bonus shares issued during the period	-	-
Less: Share converted into equity during the period	(3,79,146)	(3.79)
Balance as at March 31, 2023	**-**	**-**
Add: Shares issued during the period	-	-
Add: Bonus shares issued during the period	-	-
Less: Share converted into equity during the period	-	-
Balance as at September 30, 2023	**-**	**-**

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

iii) Terms/rights attached to Preference shares:
The Preference Shareholders shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding and are also eligible to participate in surplus funds.

iv) Shareholders holding more than 5 percent of Preference Shares

Name of Share holder	**As at September 30, 2023 (Unaudited)**	**As at March 31, 2023 (Audited)**
Mrs. Freny Firoze Irani		
- No. of shares held	-	-
- % of share holding	-	-
Mr. Ganesh Cherapuram Balasubramanian		
- No. of shares held	-	-
- % of share holding	-	-
Mr. Bharadwaj Turlapati		
- No. of shares held	-	-
- % of share holding	-	-

Note: For the period of five years immediately preceding September 30, 2023

During the financial year ended March 31, 2023;
The company has issued 6,16,770 fully paid up equity shares of Rs.10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on October 22, 2022.

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

12 **OTHER EQUITY**	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
Securities premium (refer note i)	6,591.58	107.64	6,591.58
General Reserve (refer note ii)	130.00	125.43	130.00
Surplus in the profit and loss statement (refer note iii)	2,829.52	1,619.53	2,260.81
Debenture redemption reserve (refer note iv)	-	4.57	-
Foreign currency translation reserve (refer note v)	7.46	2.36	7.46
Other Comprehensive income (refer note vi)	8.93	19.98	12.84
Employee stock options outstanding account (ESOP Reserve) (refer note vii)	10.14	2.12	6.31
	9,577.63	**1,881.63**	**9,009.00**

i) **Securities Premium**	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
At beginning of the year	6,591.58	107.64	107.64
Changes during the year	-	-	6,483.94
As at end of the year	**6,591.58**	**107.64**	**6,591.58**

ii) **General Reserve**	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
At beginning of the year	**130.00**	**124.69**	**124.69**
Add: Transfer from Debenture redemption reserve	-	0.74	5.31
As at end of the year	**130.00**	**125.43**	**130.00**

iii) **Surplus in the profit and loss statement**	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
At beginning of the year	**2,260.81**	**1,310.60**	**1,310.60**
Add: Profit for the year	564.80	319.03	953.17
Less: Other Comprehensive Loss	3.91	(10.10)	(2.96)
As at end of the year	**2,829.52**	**1,619.53**	**2,260.81**

iv) **Debenture Redemption Reserve**	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
At beginning of the year	**-**	**5.31**	**5.31**
Less : Transferred to General Reserve on utilisation for redemption of debentures	-	(0.74)	(5.31)
As at end of the year	**-**	**4.57**	**-**

v) **Foreign currency translation reserve**	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
At beginning of the year	**7.46**	**2.36**	**2.36**
Translation as per Non Integral Foreign Operations	-	-	5.10
As at end of the year	**7.46**	**2.36**	**7.46**

vi) **Remeasurement of defined benefit obligations**	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
At beginning of the year	**12.84**	**9.88**	**9.88**
Add: Changes during the year	(3.91)	10.10	2.96
As at end of the year	**8.93**	**19.98**	**12.84**

vii) **Employee stock options outstanding account (ESOP Reserve)**	**As at September 30, 2023 (Unaudited)**	**As at September 30, 2022 (Unaudited)**	**As at March 31, 2023 (Audited)**
At beginning of the year	**6.31**	**-**	**-**
Add: Share based payment expenses	4.67	2.12	6.37
Less: Adjustment on forfeiture of ESOP	(0.84)	-	(0.06)
As at end of the year	**10.14**	**2.12**	**6.31**

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

		As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
13	**Non Controlling Interest**	13.94	12.86	13.07
		13.94	**12.86**	**13.07**

NON-CURRENT LIABILITIES

		As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
14	**FINANCIAL LIABILITIES**			
	Borrowings			
	Term loans from banks & financial institutions			
	- Secured	144.70	409.08	146.59
	Non-Convertible Debenture			
	- Secured	-	14.87	-
	Vehicle loan - Secured	21.94	21.51	18.75
	Less: Current maturities of Long term borrowings			
	Term loans from banks & financial institutions			
	- Secured	(15.74)	(30.08)	(7.61)
	Non-Convertible Debenture			
	- Secured	-	(14.87)	-
	Vehicle loan - Secured	(6.88)	(4.90)	(7.31)
		144.02	**395.61**	**150.42**

		As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
15	**DEFERRED TAX LIABILITIES (NET)**			
	Deferred Tax Liability			
	Property plant and equipment: timing differences on account of depreciation	86.18	92.76	95.16
	Actuarial Gain/Loss	-	1.87	1.48
	Fair Valuation of Mutual Funds	0.36	0.54	0.14
	Gross deferred tax liability	**86.54**	**95.17**	**96.78**
	Deferred Tax Asset			
	Security Deposits	(0.13)	(0.09)	(0.08)
	Actuarial Gain/Loss	(1.21)	(0.59)	-
	Leases	(3.66)	(4.40)	(0.13)
	Expenses: timing differences on expenses allowable on payment basis.	(24.13)	(1.19)	(20.23)
	Gross deferred tax asset	**(29.13)**	**(6.27)**	**(20.44)**
	Net deferred tax liability	**57.41**	**88.90**	**76.91**

		As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
16	**LONG TERM PROVISIONS**			
	Provision for Gratuity	45.18	39.75	34.52
	Provision for compensated absences	19.84	14.52	15.82
		65.02	**54.27**	**50.34**

CURRENT LIABILITIES

		As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
17	**FINANCIAL LIABILITIES**			
17(a)	**Current borrowings (At Amortised Cost)**			
	Credit Balance - Cash credit from banks (Secured)	1,958.09	1,685.44	705.19
	Loans from Others (Unsecured)	0.24	57.88	0.56
	Rupee Packing Credit (Secured)	368.78	171.38	389.51
	Foreign Currency Packing Credit (Secured)	98.39	-	98.39
	Current maturities of Long term borrowings			
	- Term loans from banks & financial institutions			
	- Secured	15.74	30.08	7.61
	- Non-Convertible Debenture_Secured	-	14.87	-
	- Vehicle loan	6.88	4.90	7.31
	Total	**2,448.12**	**1,964.55**	**1,208.57**

		As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
17(b)	**Trade payables (At Amortised Cost)**			
	Dues to micro enterprises and small enterprises (refer note 46)	136.43	37.82	216.45
	Dues to other than micro enterprises and small enterprises	2,507.92	1,587.86	2,012.29
	Total trade payables	**2,644.35**	**1,625.68**	**2,228.74**

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

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

	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
Payables - Capital Goods	46.35	0.06	0.02
Employee benefits payable	109.36	87.16	86.51
Interest accrued and due on borrowings	17.13	17.03	19.22
	172.84	**104.25**	**105.75**

18 CURRENT TAX LIABILITIES (NET)

	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
Provision for income taxes (net of advance income taxes)	-	242.01	-
Less: Advance Tax	-	(10.00)	-
	-	**232.01**	**-**

18 OTHER CURRENT LIABILITIES

	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
Advance from customers	122.51	34.48	203.32
Statutory dues and related liabilities	16.72	27.09	47.52
Other payables	302.07	175.77	312.39
	441.31	**237.34**	**563.23**

19 SHORT-TERM PROVISIONS

	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
Provision for Gratuity	10.19	7.70	8.66
Provision for Compensated absence	3.29	1.25	1.81
Other Provisions	1.05	0.91	0.97
	14.53	**9.86**	**11.44**

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

20 REVENUE FROM OPERATIONS	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Sale of Goods	6,290.54	4,562.82
Sale of services	289.68	161.54
	6,580.22	**4,724.36**
The company derives revenue from the transfer of goods & services in the following geographical regions		
India	5,911.48	4,095.43
Outside India	668.74	628.93
	6,580.22	**4,724.36**
Timing of Revenue Recognition		
Goods transferred at a point in time	6,290.54	4,562.82
Service transferred at a point in time	289.68	161.54
	6,580.22	**4,724.36**

21 OTHER INCOME	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Interest Income :		
Interest received on deposits with banks	152.40	12.46
Interest received on Advances with others	-	0.15
Interest on Income Tax refund	-	0.01
Interest on Security Deposit	1.00	0.52
Gain On Fair Valuation of Mutual Funds	-	(0.18)
Liabilities no longer required, written back	-	0.29
Export Incentives	-	0.57
Other non-operating income	1.59	0.33
Exchange Differences (net)	15.81	-
	170.80	**14.15**

22 Cost of materials consumed	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Inventory at the beginning of the year	2,820.80	1,748.30
Add: Purchase / Cost of materials consumed	5,897.22	4,323.82
Less : Inventory at the end of the year	(3,883.68)	(2,549.03)
Less: R&D exp - considered separately	(4.86)	(29.30)
Cost of materials consumed	**4,829.48**	**3,493.79**

23 Changes in inventories of finished goods and traded goods

	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Inventories at the end of the year		
Finished goods		
Closing stock	259.72	170.19
Opening stock	210.03	236.73
Sub total (A)	(49.69)	66.54
Work-in-progress		
Closing stock	979.43	396.03
Opening stock	858.61	154.67
Sub total (B)	(120.82)	(241.36)
Total Changes in Inventories	**(170.51)**	**(174.82)**

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

24 EMPLOYEE BENEFITS EXPENSES	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Salaries and incentive	409.35	342.57
Contribution to provident fund	15.01	13.26
Share based payment expenses	3.83	2.12
Gratuity contribution scheme	12.08	(5.76)
Staff welfare expenses	40.12	33.68
Less: R&D exp - considered separately	(21.35)	(22.86)
	459.04	**363.01**

25 FINANCE COSTS	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Interest on borrowings	227.83	150.22
Interest to Vendors	-	3.57
Interest on others	-	1.42
Other borrowing costs	10.86	8.84
Interest on lease liabilities	10.27	12.18
Less: Capitalized	(18.28)	(0.30)
	230.68	**175.93**

26 DEPRECIATION AND AMORTIZATION EXPENSE	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Depreciation of property, plant & equipment (Refer Note 3)	58.21	37.55
Amortization of Intangible Assets (Refer Note 3)	37.54	34.19
Depreciation of Right To Use Assets (Refer Note 3)	22.22	21.28
	117.97	**93.02**

27 OTHER EXPENSES	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022 (Unaudited)
Rent	12.93	0.66
Rates and taxes	7.95	8.95
Printing and stationery	0.68	0.93
Insurance	10.32	5.77
Discount Allowed	0.71	1.18
Donation	0.21	3.26
Power and fuel	38.93	25.79
Contract Labour	110.12	82.93
Consumption of stores and spares	95.27	83.30
Repairs and maintenance - Plant & Machinery	8.89	5.79
Repairs and maintenance - Buildings	5.01	3.86
Repairs and maintenance - Others	11.97	17.08
Security maintenance expenses	6.14	4.70
Research and Development Expenses	3.90	-
Legal and professional fees	36.22	14.28
Audit Fees	2.83	2.40
Commission Expenses	3.01	0.03
LD/Claim Settled	0.62	1.79
Bank charges	8.87	7.46
Communication expenses	2.92	2.06
Travelling and conveyance	35.85	16.45
Business Promotion	10.86	5.90
Freight and forwarding charges	54.75	64.41
CSR expenditure	5.00	-
Provision for ECL	74.10	0.12
Exchange Differences (Loss)	-	0.35
Loss on sale of tangible assets	0.83	-
Software Expense	0.43	0.65
Hire charges	13.41	1.04
Director sitting fees	1.00	0.57
Miscellaneous expenses	7.94	2.59
	571.67	**364.30**

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

28 Contingent Liabilities and Commitments

	Particulars	As at September 30, 2023 (Unaudited) (Rs.)	As at September 30, 2022 (Unaudited) (Rs.)	As at March 31, 2023 (Audited) (Rs.)
	Contingent Liabilities:			
a)	**Claims against the company not acknowledged as debt**			
	Disputed Income Tax Demand [refer note 29.1]	1.74	1.74	1.74
	Disputed Income Tax Demand - CPC Demand (refer note 29.2)	6.05	6.05	6.05
	Disputed Income Tax Demand - CPC Demand (refer note 29.3)	24.29	3.32	3.32
	Disputed Income Tax Demand - CPC demand (refer note 29.4)	0.89	4.00	62.69
	Disputed Indirect taxes Demand (Refer note 29.5)	56.33	56.92	51.93
b)	Bank Guarantees for contractual performance	105.62	31.06	68.74
c)	Letter of Credit issued by bank	3.53	19.23	6.19
d)	Bond Executed for Customs/Central Excise. (Covered by Bank guarantee to the extent of Rs Nil Millions (8.16 Millions))	530.00	373.21	450.00
e)	On account of Bills Discounted with Banks set off against Trade Receivable	876.58	285.48	520.78
f)	Corporate Guarantee to Subsidiary Company	84.00	84.00	84.00
g)	Other sums for which company is contingently liable	-	11.24	-
	Commitments:			
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances.	174.43	9.18	20.12
(ii)	Approval for Land Conversion from Lease to Sale of Plot no 20 & Plot no 119 from Karnataka Industrial Area Development Board (KIADB) is in progress. Estimated Conversion cost is considered as a Capital commitment remaining unexecuted.	12.14	12.14	12.14

1 CPC demand of Rs. 17,37,670/- against the disallowance made by ITO against under 35(2AB) for A.Y. 2016-17 and thereby reducing the MAT credit availed by the company which was disputed in appeal before CIT(A) where the matter is pending.

2 CPC demand of Rs. 75,64,783/- against the disallowance of claim under 35(2AB) for A.Y. 2017-18.The holding company has paid Rs 15,13,957/- under protest and filed an appeal which is pending.

No provision is made in respect of above income tax demands which are disputed in appeal as it has not reached the finality and the management is not expecting any material liability.

3 The disallowance on account of delay in payment of employer's contribution to EPF & ESI . Filed appeal against the order and submitted the relevant documentation. Assessing officer is in the process of reviewing supportings provided by us to substantiate our claim. Further on a rectification order passed disallowing the MAT credit accumulated for the AY 2016-17 and AY 2017-18 which the rectification request is under progress.

4 Demand appearing in the TDS Portal amounts to Rs. 0.89 Million . We are in the process of adjusting the demand against the unconsumed challans available . We have already submitted a request to the commissioner for extension of time for reconciliation of TDS.

5 There are 14 cases relating to excise, VAT, Customs, EPF and CST amounting to Rs. 56.33 Million covering a period commencing from FY 2012-13 to 2018-19 pertaining to units located in various states in Karnataka, Uttarakand, Haryana, Tamilnadu and Maharashtra. Many of the cases required Information provided to the Concerned authorities and are in progress.

29 Related Party Disclosures

Disclosure in respect of material transactions with associated parties as required by Indian Accounting Standard (AS) 24 “Related Party Transactions”.

[A.] Related Parties and their Relationship with the Company

Ref.	Description of relationship	Names of Related parties
[1.]	*Subsidiary Companies:*	Kaynes Embedded Systems Private Limited Kemsys Technologies Private Limited Kaynes Technology Europe Gmbh Kaynes International Design & Manufacturing Private Limited Kaynes Electronics Manufacturing Private Limited Kaynes Semicon Private Limited(Step down) Kaynes Circuits India Private Limited(Step down)
[2.]	*Entity Controlled by Directors:*	Aaviza Electronics Private Limited (Formerly Kaynes Interconnection Systems India Private Limited) (unrelated w.e.f 10.07.2022) Kaynes Technology Inc. Kemsys Technologies Inc. Kaynes Circuits Private Limited Kaynes Electro-Plast Private Limited(Struck off) Mysore ESDM Cluster Wendorhub Solutions Private Limited(Struck off) Cheyyur Real Estates Private Limited Cheyyur Properties Private Limited Nambi Reality Private Limited
[3.]	*Entity where relative of Directors have substantial interest*	A ID Systems (India) Private Limited

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

[4.] *Key Management Personnel:*

Ms. Savitha Ramesh	Chairperson
Mr. Ramesh Kunhikannan	Managing Director
Mr. Jairam Paravasthu Sampath	Whole Time Director & Chief Financial Officer (w.e.f 08.04.2022)
Mr. Satheesh Kumar Gopa Kumar	Whole Time Director (From 03.03.2021 to 02.10.2021)
Mr Rajesh Sharma	Chief Executive Officer (w.e.f 20.12.2021)
Mr Anup Kumar Bhat	Independent Director (w.e.f 12.01.2022)
Mr Vivekandh Ramaswamy	Independent Director (w.e.f 12.01.2022 to 31.10.2023)
Mr Lakshmi Narayana Nutheti	Independent Director (From 12.01.2022 to 01.02.2022)
Mr Seeplaputhur Ganapathiramaswamy Murali	Independent Director (w.e.f 21.02.2022)
Mr Alexander Koshy	Independent Director (w.e.f 21.02.2022)
Mr Venkata Ramana Mannapragada	Chief Financial Officer (From 20.12.2021 to 08.04.2022)
Ms Narayanan Srividhya	Company Secretary (Till 31.03.2023)
Mr. Ramachandran Kunnath	Company Secretary & Compliance Officer (w.e.f 01.04.2023 to 14.07.2023)
Mr. Adithya Jain SM	Company Secretary & Compliance Officer (w.e.f 15.09.2023)
Mr. Manoj Rajnarain Pandey	Managing Director in subsidiary company
Ms. Premita Ramesh	Director in subsidiary company
Mr. Sajan Anandaraman	Director in subsidiary company

[5.] *Relatives of KMP's:*

Mr. Govind Shasiprasad Menokee

[B.] Transactions with KMPs

Transactions / Balances	**For the half year ended September 30, 2023 (Unaudited)**	**For the six months ended September 30, 2022 (Unaudited)**	**For the year ended March 31, 2023 (Audited)**
[i.] Remuneration and Commission:			
Mr. Ramesh Kunhikannan	9.00	9.00	18.00
Ms. Savitha Ramesh	9.00	9.00	18.00
Mr. Jairam Paravasthu Sampath	4.00	2.40	6.40
Mr. Satheesh Kumar Gopa Kumar	-	-	-
Ms. Premita Ramesh	2.70	2.70	5.40
Mr. Govind Shasiprasad Menokee	3.30	3.30	6.60
Mr. Sai Kamalesh	-	-	-
Mr. Manoj Rajnarain Pandey	10.75	4.40	9.53
Mr Venkata Ramana Mannapragada	-	-	0.56
Ms Narayanan Srividhya	-	0.77	1.52
Mr Rajesh Sharma	4.00	4.00	8.00
Mr Ramachandran Kunnath	2.76	-	-
Mr Adithya Jain SM	0.15	-	-
Mr Sajan Anandraman	1.05	1.07	2.12
		-	
[ii.] Reimbursement of expenses			
Mr. Sai Kamalesh	-	-	-
Mr. Manoj Rajnarain Pandey	-	0.04	0.07
Mr Venkata Ramana Mannapragada	-	0.00	0.00
Mr Rajesh Sharma	0.12	0.08	0.14
Mr Ramachandran Kunnath	0.01	-	-
Ms Narayanan Srividhya	-	0.00	0.00
Mr Adithya Jain SM	-	-	-
Mr Sajan Anandaraman	0.43	-	-
		-	
[iii.] Transaction in current account (net)			
Mr. Ramesh Kunhikannan	0.48	-	3.56
Ms. Savitha Ramesh	0.09	-	4.18
Ms. Premita Ramesh	0.04	-	-
Mr. Jairam Paravasthu Sampath	(0.02)	-	-
Mr. Govind Shasiprasad Menokee	0.09	-	-

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

[C.] Balances with KMPs and relatives of KMPs	As at September 30, 2023 (Unaudited)	As at September 30, 2022(Unaudited)	As at March 31, 2023 (Audited)
[i.] Amount Receivable from/ Due to directors:			
Mr. Ramesh Kannan (Dr. Balance)	-	3.56	-
Ms. Savitha Ramesh (Dr. Balance)	-	4.18	-
Mr. Jairam P Sampath (Dr. Balance)	0.43	0.94	0.44
Mr. Govind Shasiprasad Menokee	-	-	-
Ms. Premita Ramesh (Dr. Balance)	-	0.41	2.11
[ii.] Salaries payable			
Mr. Ramesh Kunhikannan	0.98	0.83	0.98
Ms. Savitha Ramesh	0.93	0.99	0.99
Mr. Jairam Paravasthu Sampath	0.46	0.29	0.42
Mr. Satheesh Kumar Gopa Kumar	-		-
Mr. Manoj Rajnarain Pandey	-	-	-
Ms. Premita Ramesh	0.33	0.32	0.32
Mr. Govind Shasiprasad Menokee	0.40	0.40	0.40
Mr Rajesh Sharma	0.48	0.46	0.06
Mr Venkata Ramana Mannapragada	-	-	-
Ms Narayanan Srividhya	-	0.12	0.19
Mr Ramachandran Kunnath	-	-	-
Mr. Sai Kamalesh	-	-	-
Mr Adithya Jain SM	0.26	-	-
Mr Sajan Anandaraman	0.15	0.17	0.15
Mr. Sai Kamalesh-Advance	-		-

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

[D.] Transactions with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022(Unaudited)	For the year ended March 31, 2023 (Audited)
Kaynes Interconnection Systems India Private Limited				
	Sale of material	-	0.58	15.12
	Services Received	-	-	-
	Purchase of Material	-	13.90	41.28
Kaynes Technology Inc.				
	Services Rendered	25.27	23.28	48.06
	Services Received	-	-	0.11
Kemsys Technologies Inc.				
	Services provided	0.07	-	1.37
	Services received	-	-	6.76

[E.] Balances with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	As at September 30, 2023 (Unaudited)	As at September 30, 2022(Unaudited)	As at March 31, 2023 (Audited)
Kaynes Interconnection Systems India Private Limited				
	Loans and Advances	-	-	-
	Trade Payables	-	1.29	4.23
Mysore ESDM Cluster				
	Investments / Loans and Advances	2.64	2.64	2.64
Kaynes Technology Inc.				
	Services Rendered Receivable	8.11	1.52	8.87
Kemsys Technologies Inc.				
	Services Rendered Receivable	-	-	1.37

[F.] Disclosure as per Schedule VI (Para 11(1)(A)(i)(g) of ICDR Regulation
The following are the transactions eliminated during the year March 31, 2023 ,half year ended September 30,2023 and September 30,2022

Name of the related party	Nature of the transaction	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022(Unaudited)	For the year ended March 31, 2023 (Audited)
Kaynes International Design & Manufacturing Private Limited	Received towards Marketing,	-	-	-
	Distribution, Administration,	-	-	-
	Sale of material	1.60	2.24	5.03
	Purchases	0.00	-	0.05
Kemsys Technologies Private Limited	Loans and Advances given to	9.66	10.20	30.05
	Loans and Advances repaid by	-	2.00	3.10
	Services Received from	-	-	-
	Interest on loan advanced	3.45	6.21	13.48
	Purchases	0.91	0.30	1.05
	Sale of material	-	-	-
Kaynes Embedded Systems Private Limited	Loans and Advances given to	-	-	-
Kaynes Technology Europe GMBH	Loans and Advances repaid by	-	-	-
	Commission paid	5.24	7.29	15.24

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

[G.] The following are the details of the balances that were eliminated during the year ended March 31, 2023 ,half year ended September 30, 2023 and September 30, 2022

Name of the related party	Nature of the transaction	As at September 30, 2023 (Unaudited)	As at September 30, 2022(Unaudited)	As at March 31, 2023 (Audited)
Kaynes International Design & Manufacturing Private Limited	Loans and Advances received	51.96	109.27	78.66
	Investments	1.50	1.50	1.50
Kemsys Technologies Private Limited	Loans and Advances	9.65	155.39	180.96
	Investments	229.00	5.00	5.00
	Trade payable	-	-	-
	Trade receivable	-	-	-
	Advances towards supply of materials	-	-	-
Kaynes Embedded Systems Private Limited	Loans and Advances given	-	-	-
	Investments	3.00	3.00	3.00
Kaynes Technology Europe GMBH	Investments	9.24	9.24	9.24
	Trade payable	0	3.63	1.34
Kaynes Electronics Manufacturing Private Limited				
	Investments	0.10		0.10
	Loans and Advances given	938.91		99.70
Kaynes Semicon Pvt Ltd	Investments	2.50	-	-
	Loans and Advances given	13.79	-	-
Kaynes Circuits India Pvt Ltd	Investments	2.50	-	-
	Loans and Advances given	1.77	-	-

30 Segment information

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified India and Outside India as its reportable segment.

As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by the Company for the geographical segments identified.

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

A) Revenue from Customers

Geographic Segment	For the half year ended September 30, 2023 (Unaudited)	For the half year ended September 30, 2022(Unaudited)	For the year ended March 31, 2023 (Audited)
Outside India	668.74	628.93	1,661.50
In India	5,911.48	4,095.43	9,599.64
	6,580.22	**4,724.36**	**11,261.14**

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

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

31 Earnings per share (EPS)

Particulars	As at September 30, 2023 (Unaudited)	As at September 30, 2022 (Unaudited)	As at March 31, 2023 (Audited)
Earnings			
Profit after tax for the year	569.58	310.47	951.96
Less: Profit attributable to the minority shareholders	(0.87)	(1.54)	(1.75)
Profit after tax for the year attributable to equity shareholders	**568.71**	**308.93**	**950.21**
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :			
Basic :			
Number of Shares outstanding at the beginning of the year	5,81,42,496	4,61,58,006	4,61,58,006
Add : Shares Issued during the year	-	-	1,13,67,720
Add : Shares Issued during the year on conversion of CCPS	-	-	6,16,770
Add : Bonus Shares Issued during the year *	-	-	-
Number of Shares outstanding at the end of the year	5,81,42,496	4,61,58,006	5,81,42,496
Add : Post Bonus issue #	-	15,12,670	-
Number of Shares outstanding at the end of the year (Post bonus issue #)	**5,81,42,496**	**4,76,70,676**	**5,81,42,496**
Weighted average number of equity shares For calculating Basic EPS	5,81,42,496	4,76,70,676	4,78,94,922
Profit after tax for the year attributable to equity shareholders	568.71	308.93	950.21
Cumulative Preference Dividend	-	-	-
Profit after tax for the year attributable to equity shareholders	**-**	**-**	**-**
Basic EPS (Rs. per share)	**9.78**	**6.48**	**19.84**
EPS after preference dividend (Rs. per share)	-	-	-
Diluted :			
Number of shares considered as basic weighted average shares outstanding	5,81,42,496	4,76,70,676	4,78,94,922
Add: Effect of diluted equity shares relating to CCPS issued during the year	-	6,16,770	5,68,443
Number of shares considered as diluted weighted average shares outstanding	5,81,42,496	4,82,87,446	4,84,63,365
No. of equity shares on conversion of preference shares			-
Total shares outstanding including dilution	5,81,42,496	4,82,87,446	4,84,63,365
Diluted EPS (Rs. per share)	9.78	6.40	19.61
Restated Earnings per equity share (Face Value INR 10/- per share)			
- Basic	9.78	6.48	19.84
- Diluted	9.78	6.40	19.61

* The Company has issued bonus shares during the period ended March 31, 2022. In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

Pursuant to the resolutions passed on EGM on February 21, 2022, and Board of Directors on February 25, 2022, company had issued bonus shares in the ratio of Five Bonus shares of One Equity share held post the reporting date March 31, 2022.In line with the requirements of Para 64 of Ind AS 33, retrospective adjustments of the same has been considered in computation of the EPS and Diluted EPS.

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

32 Financial instruments: Fair values

	As at September 30, 2023 (Unaudited)				As at September 30, 2022 (Unaudited)				As at March 31, 2023 (Audited)			
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	**Total Carrying Amount**	**FVTPL**	**FVOCI**	**Amortised cost**	**Total Carrying Amount**	**FVTPL**	**FVOCI**	**Amortised cost**	**Total Carrying Amount**
Financial assets												
At Fair value												
Investments - Equity	-	13.44	-	13.44	-	13.44	-	13.44	-	13.44	-	13.44
Investments - Mutual Funds	24.79	-	-	24.79	9.18	-	-	9.18	19.32	-	-	19.32
								-				
At amortised cost:								-				
a) Trade receivables	-	-	2,062.11	2,062.11	-	-	2,025.31	2,025.31	-	-	2,270.66	2,270.66
b) Cash and cash equivalents	-	-	126.04	126.04	-	-	17.80	17.80	-	-	259.31	259.31
c) Bank balances other than cash and cash equivale	-	-	4,416.23	4,416.23	-	-	162.27	162.27	-	-	4,600.65	4,600.65
d) Loans and deposits	-	-	98.54	98.54	-	-	99.87	99.87	-	-	99.52	99.52
e) Other financial assets	-	-	146.69	146.69	-	-	47.61	47.61	-	-	90.30	90.30
Total Financial Assets	**24.79**	**13.44**	**6,849.61**	**6,887.84**	**9.18**	**13.44**	**2,352.86**	**2,375.48**	**19.32**	**13.44**	**7,320.44**	**7,353.20**
Financial liabilities												
At amortised cost:												
a) Borrowings (Long term)	-	-	144.02	144.02	-	-	395.61	395.61	-	-	150.42	150.42
b) Borrowings (Short term)	-	-	2,448.12	2,448.12	-	-	1,964.55	1,964.55	-	-	1,208.57	1,208.57
c) Trade payables	-	-	2,644.35	2,644.35	-	-	1,625.68	1,625.68	-	-	2,228.74	2,228.74
d) Other Financial Liabilities	-	-	172.84	172.84	-	-	104.25	104.25	-	-	105.75	105.75
e) Lease Liabilities			192.85	192.85			204.81	204.81	-	-	188.43	188.43
Total Financial Liabilities	**-**	**-**	**5,602.18**	**5,602.18**	**-**	**-**	**4,294.90**	**4,294.90**	**-**	**-**	**3,881.91**	**3,881.91**

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

The company has assessed that trade receivables, cash and cash equivalents, bank balances, other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

33 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

i. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at September 30, 2023:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at September 30, 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	September 30,2023	38.23	24.79	-	13.44

There are no transfers between levels 1 and 2 during the year.

ii. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at September 30, 2022:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at September 30, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	September 30,2022	22.62	9.18	-	13.44

iii. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2023	32.76	19.32	-	13.44

There are no transfers between levels 1 and 2 during the year.

34 Dividend distributions made
The "Group" have not paid any dividend for the last four periods and have not recommended any dividend for half year ended September 30, 2023 as well.

35 Events after reporting date
There have been no events after the reporting date that require adjustment/ disclosure in these financial statements.

36 Previous year figures have been regrouped/ re-classified wherever necessary.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Bengaluru
Date: December 18, 2023

For and on behalf of Fund Raising Committee of
Kaynes Technology India Limited

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Adithya Jain S M
Company Secretary
Membership No. A49042

Place: Mysuru
Date: December 18, 2023

K. P. RAO & CO.
CHARTERED ACCOUNTANTS

'Poornima', IInd Floor, 25, State Bank Road, Bangalore - 560 001. Karnataka, India.

K. P. RAO
H.N. ANIL
MOHAN R LAVI

K. VISWANATH
S. PRASHANTH
P. RAVINDRANATH

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Independent Auditor's Review Report on Consolidated financial results for the quarter and year to date of Kaynes Technology India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Board of Directors of
Kaynes Technology India Limited
Mysuru.

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results ("the statement") of **Kaynes Technology India Limited** (the "Company"), and its subsidiaries (the parent and the subsidiaries together known as the Group) for the quarter ended September 30, 2023 and year to date from April 01, 2023 to September 30, 2023 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, as amended. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

K. P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

We also performed procedures in accordance with the Circular CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations to the extent applicable.

The Statement includes the results of the entities mentioned in Annexure 1 to the Statement.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For K.P. Rao & Co.,
Chartered Accountants
FRN:003135S

K.P. RAO & CO.
BENGALURU
FRN:003135S
CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership Number: 029340

Place: Mysuru

Date: October 31, 2023

UDIN: 23029340BGWIBV3129

Annexure 1

- Kaynes International Design and Manufacturing Private Limited
- Kemsys Technologies Private Limited
- Kaynes Electronics Manufacturing Private Limited
- Kaynes Technology Europe GmbH
- Kaynes Embedded Systems Private Limited
- Kaynes Semicon Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited)
- Kaynes Circuits India Private Limited (subsidiary of Kaynes Electronics Manufacturing Private Limited)

K.P. RAO & CO. ★ BENGALURU FRN:003135S ★ CHARTERED ACCOUNTANTS

KAYNES TECHNOLOGY INDIA LIMITED
(formerly known as Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Regd. Off. 23 -25, Belagola Food Industrial Estate, Metagalli P.O., Mysore - 570 016 India
website: www.kaynestechnology.co.in email: kaynestechcs@kaynestechnology.net

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in million, except per share data)

Particulars	As at 30th September 2023 (Audited)	As at 31st March 2023 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,288.05	901.76
Capital work-in-progress	377.40	111.63
Intangible assets	224.14	220.94
Intangible under development	187.26	181.80
Rights-of-Use Assets	160.56	170.90
Goodwill	23.44	23.44
Financial assets		
i)Investments	38.23	32.76
ii)Loans and deposits	78.48	69.64
iii)Other financial assets	16.03	11.03
Other non-current assets	276.23	155.82
Total Non-Current Assets (A)	**2,669.82**	**1,879.72**
CURRENT ASSETS		
Inventories	5,512.39	4,131.64
Financial asset		
i)Trade receivables	2,062.11	2,270.66
ii)Cash and cash equivalents	126.04	259.31
iii)Bank balances other than cash and cash equivalents	4,416.23	4,600.65
iv)Loans and deposits	20.06	29.88
v)Other financial assets	130.66	79.27
Current Tax Assets (Net)	72.23	36.07
Other current assets	1,343.90	900.12
Total Current Assets (B)	**13,683.62**	**12,307.60**
TOTAL ASSETS (A + B)	**16,353.44**	**14,187.32**
EQUITY AND LIABILITIES		
EQUTIY		
Equity Share Capital	581.42	581.42
Instruments entirely equity in nature	-	-
Other Equity	9,577.63	9,009.00
Non-controlling Interest	13.94	13.07
Total Equity (A)	**10,172.99**	**9,603.49**
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		
- Borrowings	144.02	150.42
- Lease liabilities	152.80	154.57
Deferred Tax Liabilities (Net)	57.41	76.91
Long Term Provisions	65.02	50.34
Total Non-current Liabilities (B)	**419.25**	**432.24**
CURRENT LIABILITIES		
Financial Liabilities		
- Short-term borrowings	2,448.12	1,208.57
- Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	136.43	216.45
- Total outstanding dues to other than micro enterprises and small enterprises	2,507.92	2,012.29
- Other financial liabilities	172.84	105.75
- Lease liabilities	40.05	33.86
Current tax liabilities (net)	-	-
Other current liabilities	441.31	563.23
Short-term provisions	14.53	11.44
Total Current Liabilities (C)	**5,761.20**	**4,151.59**
Total Liabilities (B+C)	**6,180.45**	**4,583.83**
TOTAL EQUITY AND LIABILITIES (A+B+C)	**16,353.44**	**14,187.32**

K.P. RAO & CO. BENGALURU FRN: 003135S CHARTERED ACCOUNTANTS

KAYNES TECHNOLOGY INDIA LIMITED
(formerly known as Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Regd. Off. 23 -25, Belagola Food Industrial Estate, Metagalli P.O., Mysore - 570 016 India
website: www.kaynestechnology.co.in email: kaynestechcs@kaynestechnology.net

CONSOLIDATED STATEMENT OF CASH FLOWS

(Rs. in million, except per share data)

	Particulars		Six Months ended 30th September 2023 (Unaudited)	Six Months ended 30th September 2022 (Unaudited)	Year ended 31st March 2023 (Audited)
1	**Cash Flow from Operating Activities**				
	Net profit before extraordinary items and tax		712.69	423.28	1,260.39
	Adjustments for :				
	Depreciation and Amortisation Expense		117.97	93.02	187.41
	Provision for doubtful debts		74.10	0.12	14.99
	Gain On Fair Valuation of Mutual Funds		-		0.48
	Unrealised foreign exchange gain (net)		-	3.47	-
	Interest expense		230.68	175.93	349.36
	Interest on Income tax		-	-	-
	Interest income		(152.40)	(12.46)	(98.16)
	Miscellaneous income (Liabilities written back)		-	(0.29)	(1.68)
	Operating profit before working capital changes, extraordinary items		**983.04**	**683.07**	**1,712.79**
	Adjustments for:				
	(Increase)/ decrease in Inventories		(1,380.75)	(1,049.93)	(1,867.86)
	(Increase)/Decrease in Trade receivables		208.55	(48.05)	(293.40)
	(Increase)/Decrease in Loans and Advances and other assets		(232.06)	126.20	(344.85)
	Increase/(Decrease) in Trade payable and other liabilities		365.20	(40.90)	870.18
	Increase/(Decrease) in Provisions		17.77	12.29	9.94
	Cash Generated (used in) / From Operations		**(38.25)**	**(317.32)**	**86.80**
	Income tax Received / (Paid)		(196.74)	(31.38)	(502.82)
	Net Cash from/ (used in) Operating Activities	(1)	**(234.99)**	**(348.70)**	**(416.02)**
2	**Cash Flow from Investing Activities**				
	(Purchase) / Sale of fixed assets		(808.47)	(191.77)	(581.22)
	Interest Received		152.40	12.46	98.16
	Proceeds from Sale of investments / investment in fixed deposits		184.42	(11.70)	(4,453.45)
	Net Cash from / (used in) Investing activities	(2)	**(471.65)**	**(191.01)**	**(4,936.51)**
3	**Cash Flow from Financing Activities**				
	Proceeds from issue of Share Capital :				
	- Equity		-	-	113.68
	- Preference		-	-	-
	Securities Premium received from issue of Share Capital :				
	- Equity		-	-	6,486.32
	- Preference		-	-	-
	Share issue expenses		(429.10)	-	(371.07)
	Proceeds / (Repayment) from/of long term borrowings		(6.40)	102.82	(142.37)
	Proceeds / (Repayment) from/of short term borrowings		1,239.55	561.88	(194.10)
	Interest expense		(230.68)	(175.93)	(349.36)
	Net Cash from / (used) in Financing Activities	(3)	**573.37**	**488.77**	**5,543.10**
	Net Increase in Cash and Cash Equivalents	(1)+(2)+(3)	(133.27)	(50.94)	190.57
	Cash and cash equivalents at the beginning of the period / year		259.31	68.74	68.74
	Cash and cash equivalents at the end of the period/ year		126.04	17.80	259.31
	Components of cash and cash equivalents :				
	Balance with scheduled banks on:				
	- on Current Account		125.96	15.92	259.22
	Cash on Hand		0.08	1.88	0.09
	Cash and cash equivalents at the end of the period/ year		126.04	17.80	259.31

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

KAYNES TECHNOLOGY INDIA LIMITED
(formerly known as Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Regd. Off. 23 -25, Belagola Food Industrial Estate, Metagalli P.O., Mysore - 570 016 India
website: www.kaynestechnology.co.in kaynestechcs@kaynestechnology.net

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED AND HALF YEAR ENDED 30TH SEPTEMBER 2023

Sl no	Particulars	Quarter ended			Six Months ended		Year ended
		30th September 2023	30th June 2023	30th September 2022	30th September 2023	30th September 2022	31st March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	a) Revenue from operations	3,608.45	2,971.77	2,731.69	6,580.22	4,724.36	11,261.14
	b) Other income	89.60	81.20	7.05	170.80	14.15	113.98
	Total Income	**3,698.05**	**3,052.97**	**2,738.74**	**6,751.02**	**4,738.51**	**11,375.12**
2	**Expenses**						
	a) Cost of materials consumed	2,780.11	2,049.37	1,908.52	4,829.48	3,493.79	8,478.01
	b) Changes in inventories of finished goods and work in progress	(177.88)	7.37	5.15	(170.51)	(174.82)	(677.24)
	c) Employee benefit expenses	222.80	236.24	179.07	459.04	363.01	770.99
	d) Finance cost	118.14	112.54	103.26	230.68	175.93	349.36
	e) Depreciation and amortization expense	65.33	52.64	47.32	117.97	93.02	187.41
	f) Other expenses	295.47	276.20	206.53	571.67	364.30	1,006.20
		3,303.97	**2,734.36**	**2,449.85**	**6,038.33**	**4,315.23**	**10,114.73**
3	**Profit before tax for the period / year (1-2)**	**394.08**	**318.61**	**288.89**	**712.69**	**423.28**	**1,260.39**
4	Tax expenses						
	Current tax	83.84	76.74	71.73	160.58	106.44	311.14
	Deferred tax	(12.85)	(4.62)	7.15	(17.47)	6.37	(2.71)
5	**Profit for the period / year (3-4)**	**323.09**	**246.49**	**210.01**	**569.58**	**310.47**	**951.96**
6	**Other comprehensive income**						
	(i) Items that will not be reclassified to profit or loss	(5.99)	0.77	11.92	(5.22)	12.31	2.26
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.10	1.21	(1.20)	1.31	(2.21)	0.70
	Other comprehensive income for the period / year, net of taxes	**(5.89)**	**1.98**	**10.72**	**(3.91)**	**10.10**	**2.96**
7	**Total comprehensive income for the period / year (5+6)**	**317.20**	**248.47**	**220.73**	**565.67**	**320.57**	**954.92**
8	Paid-up equity share capital (face value of Rs.10 each)	581.42	581.42	461.58	581.42	461.58	581.42
9	Reserves excluding revaluation reserves as per balance sheet i.e. 'Other Equity'						9,009.00
10	Earnings per share	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	a) Basic	5.55	4.23	4.52	9.78	6.48	19.84
	b) Diluted	5.55	4.23	4.46	9.78	6.40	19.61

See accompanying notes to financial results

K.P. RAO & CO. BENGALURU FRN:003135S CHARTERED ACCOUNTANTS

KAYNES TECHNOLOGY INDIA LIMITED
(formerly known as Kaynes Technology India Private Limited)

Notes :

1 The above statement of unaudited standalone and consolidated financial results ("the Statements") of Kaynes Technology India Limited (formerly known as Kaynes Technology India Private Limited) ('the Company') for the quarter ended 30th September 2023 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 31st October 2023. These statements have been subjected to limited review by the Statutory Auditor of the Company. The reports of the Statutory Auditor are unqualified.

2 The consolidated financial statements include the financial results of Kaynes Technology India Limited (parent Company) and of the following subsidiaries:

i. Kaynes International Design & Manufacturing Private Limited
ii. Kemsys Technologies Private Limited
iii. Kaynes Electronics Manufacturing Private Limited
iv. Kaynes Technology Europe Gmbh
v. Kaynes Embedded Systems Private Limited
vi. Kaynes Semicon Private Limited (Subsidiary of Kaynes Electronics Manufacturing Private Limited)
vii. Kaynes Circuits India Private Limited (Subsidiary of Kaynes Electronics Manufacturing Private Limited)

The Company and the Subsidiaries are collectively referred to as 'The Group'.

3 The Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

4 The Company has completed its IPO of 14,613,624 equity shares of face value of Rs. 10/- each at an issue price of Rs. 587 per equity share, comprising 9,028,960 fresh shares and offer for sale of 5,584,664 shares by selling share holders. In addition to above, the Company has raised Rs. 1,300 million by issue of 2,338,760 equity shares at a price of Rs. 555.85 per equity share, by way of Pre-IPO placement. The equity shares of the company were listed on NSE Limited and BSE Limited on November 22, 2022

The Company has estimated Rs. 547.97 million as IPO related expenses and allocated such expenses between the Company and selling shareholders in proportion to the total proceeds raised as stated above, amounting to Rs. 342.56 million and Rs. 205.41 million respectively. The Company's share of Rs. 342.56 million will be adjusted against the Securities Premium.

5 The Company has received Rs. 6,238.69 million (net of IPO expense of Rs. 342.56 million and unbudgeted IPO expenses of Rs. 18.75 million) from the proceeds of fresh issue of equity shares. The utilisation of net IPO proceeds is summarised below:

Objects of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up to 30th September 2023	Unutilised as on 30th September 2023
Repayment/ prepayment, in full or part, of certain borrowings availed by our Company	1,300.00	1,300.00	-
Funding capital expenditure towards expansion of our existing manufacturing facility at Mysuru, Karnataka, and near our existing manufacturing facility at Manesar, Haryana	989.30	101.60	887.70
Investment in our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, for setting up a new facility at Chamarajanagar, Karnataka	1,493.00	318.30	1,174.70
Funding working capital requirements of our Company	1,147.40	1,147.40	-
General corporate purposes	1,327.74	216.49	1,111.25
Total	**6,257.44**	**3,083.79**	**3,173.65**

Net IPO proceeds which were unutilised as at 30th September 2023 were temporarily invested in deposits with Scheduled commercial banks.

6 The Group primarily operate in the Electronics System Design and Manufacturing (ESDM) Segment.

7 Prior period/ year figures have been reclassified wherever required to conform to the classification of the current period/ year.

Place: Mysuru
Date: 31st October 2023

For and on behalf of the board of directors of
Kaynes Technology India Limited
(formerly known as Kaynes Technology India Private Limited)

K.P. RAO & CO. BENGALURU FRN 003135S CHARTERED ACCOUNTANTS

Savitha Ramesh
Chairperson

K. P. RAO & CO.
CHARTERED ACCOUNTANTS

'Poornima', IInd Floor, 25, State Bank Road,
Bangalore - 560 001. Karnataka, India.

K. P. RAO
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAYNES TECHNOLOGY INDIA LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Kaynes Technology India Limited** (hereinafter referred to as "the Holding Company") and its **subsidiaries** (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, including a summary of the 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 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS)" and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at March 31, 2023, the Consolidated profit, the Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows for the year ended.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

K. RAO & CO
BANGALORE
FRN: 003135S
CHARTERED ACCOUNTANTS

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report of Holding company:

Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The company has ascertained that all performance obligations are performed at a point in time.

Auditor's Response:

Audit procedures performed to address the key audit matter:

Our audit procedures included, among others, inquiries with management regarding significant new contracts and relevant changes in existing contracts.

The procedures also included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition.

On a sample basis, we reconciled revenue to the supporting documentation, such as sales orders, invoices and other relevant documents.

A specific emphasis was set on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognized in the proper accounting period by comparing revenues close to the balance sheet date with the respective contractual terms.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Our procedures also involved testing the performance obligations in the contract and the variable consideration, if any. We also test-checked instances for transfer of control to the customer with the necessary documentation.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position and financial performance, of the group in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of the companies included in the group are responsible for overseeing the financial reporting process of each company.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 disclosure is 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 group to cease to continue as a going concern.

K.P. RAO & CO. BANGALORE FRN 003135S CHARTERED ACCOUNTANTS

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other Companies included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Independent Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the **"Annexure A",** a statement on the matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

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

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b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on March 31, 2023, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in **'Annexure B'**

g) In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act.

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 consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group. Refer Note 29 to the consolidated financial statements.

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ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv.

a. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

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

b. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The Group has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

vi. As Proviso to rule 3(1) of Companies (Accounts) Rules 2014 is applicable for the company w.e.f 01 April 2023, the reporting under this clause is not applicable.

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

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 23029340BGWHWT8925

Place: *Mysuru*
Date: May 16, 2023

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in report on other legal and regulatory requirements Section of our report of even date)

There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 23029340BGWHWT8925

Place: *Mysuru*
Date: May 16, 2023

ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Opinion

In conjunction with our audit of the consolidated financial statements of Kaynes Technology India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the holding company and such Companies incorporated in India which are its subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note of Internal Financial Controls With reference to consolidated financial statements issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Holding Company have to be completely and appropriately documented.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to consolidated financial statements ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required the Companies Act, 2013 ('the Act').

K. P. RAO & CO.
BANGALORE
FRN: 003135S
CHARTERED ACCOUNTANTS

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting in the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. This includes those policies and procedures that:

i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

K. P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 23029340BGWHWT8925

Place: *Mysuru*
Date: May 16, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Consolidated Balance Sheet
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	901.76	639.58
Capital work-in-progress	3(b)	111.63	44.20
Intangible assets	3(c)	220.94	289.73
Intangible under development	3(d)	181.80	39.09
Rights-of-Use Assets	3(e)	170.90	180.62
Goodwill		23.44	23.44
Financial assets			
i)Investments	4	32.76	15.16
ii)Loans and deposits	5(a)	69.64	58.28
iii)Other financial assets	5(b)	11.03	14.28
Other non-current assets	6	155.82	56.17
Total Non-Current Assets (A)		**1,879.72**	**1,360.55**
CURRENT ASSETS			
Inventories	7	4,131.64	2,263.78
Financial asset			
i)Trade receivables	8(a)	2,270.66	1,977.26
ii)Cash and cash equivalents	8(b)	259.31	68.74
iii)Bank balances other than cash and cash equivalents	8(c)	4,600.65	147.20
iv)Loans and deposits	8(d)	29.88	16.91
v)Other financial assets	8(e)	79.27	2.74
Current Tax Assets (Net)	9	36.07	-
Other current assets	10	900.12	387.02
Total Current Assets (B)		**12,307.60**	**4,863.65**
TOTAL ASSETS (A + B)		**14,187.32**	**6,224.20**
EQUITY AND LIABILITIES			
EQUTIY			
Equity Share Capital	11(A)	581.42	461.58
Instruments entirely equity in nature	11(B)	-	3.79
Other Equity	12	9,009.00	1,560.48
Non-controlling Interest	13	13.07	11.32
Total Equity (A)		**9,603.49**	**2,037.17**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Borrowings	14	150.42	292.79
- Lease liabilities	33	154.57	163.35
Deferred Tax Liabilities (Net)	15	76.91	67.75
Long Term Provisions	16	50.34	41.75
Total Non-current Liabilities (B)		**432.24**	**565.64**

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Consolidated Balance Sheet
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
CURRENT LIABILITIES			
Financial Liabilities			
- Short-term borrowings	17(a)	1,208.57	1,402.67
- Trade payables	17(b)		
- Total outstanding dues of micro enterprises and small enterprises		216.45	47.92
- Total outstanding dues to other than micro enterprises and small enterprises		2,012.29	1,592.64
- Other financial liabilities	17(c)	105.75	77.29
- Lease liabilities	33	33.86	31.96
Current tax liabilities (net)	18	-	155.53
Other current liabilities	19	563.23	303.29
Short-term provisions	20	11.44	10.09
Total Current Liabilities (C)		**4,151.59**	**3,621.39**
Total Liabilities (B+C)		**4,583.83**	**4,187.03**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**14,187.32**	**6,224.20**
Significant accounting policies and notes to financial statements	**1 to 2**		

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Consolidated Statement of Profit and Loss
(All amounts are in INR Millions, except per equity share data)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	21	11,261.14	7,062.49
Other Income	22	113.98	41.05
Total Income (A)		**11,375.12**	**7,103.54**
Expenses			
Cost of materials consumed	23	8,478.01	4,931.07
Changes in inventories of Finished goods and traded goods	24	(677.24)	(36.77)
Employee Benefit Expenses	25	770.99	602.35
Finance Cost	26	349.36	255.87
Depreciation and amortization expense	27	187.41	131.62
Other Expenses	28	1,006.20	629.13
Total Expenses (B)		**10,114.73**	**6,513.27**
Profit / (Loss) before tax (A-B)=C		**1,260.39**	**590.27**
Tax Expenses			
Income taxes - Current tax		292.43	153.07
- Earlier year tax adjustments		18.71	-
Deferred tax Charge/ (Credit)		(2.71)	20.45
Total tax expense (D)		**308.43**	**173.52**
Profit / (Loss) for the year (C - D)=E		**951.96**	**416.75**
Other comprehensive income (net)			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Re-measurement gains/ (losses) on defined benefit plans		(2.77)	(1.68)
- Exchange differences in translating financial statements of foreign operations		5.03	-
Income tax effect		0.70	(0.15)
Total other comprehensive income for the year, net of tax (F)		**2.96**	**(1.83)**
Total comprehensive income for the year, net of tax (E+F)		**954.92**	**414.92**
Less: Share of Profit / (Loss) of minority interest		1.75	2.27
Total comprehensive income for the year, net of tax		**953.17**	**412.65**
Earnings per share (nominal value of Rs. 10 each)			
Basic		19.84	9.96
Diluted		19.61	8.95
Significant accounting policies and notes to financial statement	1 to 2		

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Consolidated Statement of Cash Flows
(All amounts are in INR Millions, except per equity share data)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash Flow from Operating Activities			
Net profit before extraordinary items and tax		1,260.39	590.27
Adjustments for :			
Depreciation and Amortisation Expense		187.41	131.62
Provision for doubtful debts		14.99	8.95
Unrealised foreign exchange gain (net)		0.48	(0.25)
Interest expense		349.36	255.87
Interest income		(98.16)	(10.59)
Miscellaneous income (Liabilities written back)		(1.68)	(0.08)
Operating profit before working capital changes, extraordinary items		**1,712.79**	**975.79**
Adjustments for:			
(Increase)/ decrease in Inventories		(1,867.86)	(625.13)
(Increase)/Decrease in Trade receivables		(293.40)	(759.78)
(Increase)/Decrease in Loans and Advances and other assets		(344.85)	(291.73)
Increase/(Decrease) in Trade payable and other liabilities		870.18	920.37
Increase/(Decrease) in Provisions		9.94	13.16
Cash Generated (used in) / From Operations	668.02	**86.80**	**232.68**
Income tax Received / (Paid)		(502.82)	(21.59)
Net Cash from Operating Activities	**(A)**	**(416.02)**	**211.09**
B. Cash Flow from Investing Activities			
Purchase of fixed assets		(581.22)	(422.43)
Interest Received		98.16	10.59
Investment in fixed deposits		(4,453.45)	(33.42)
Net Cash used in Investing activities	**(B)**	**(4,936.51)**	**(445.26)**
C. Net Cash from/(used) in Financing Activities			
Proceeds from issue of Share Capital :			
- Equity		113.68	-
- Preference		-	3.79
Share Premium received :			
- Equity		6,486.32	0.01
- Preference		-	223.70
Share issue expenses		(371.07)	-
Repayment of long term borrowings		(142.37)	121.92
Proceeds from short term borrowings		(194.10)	178.86
Interest expense		(349.36)	(255.87)
Net Cash from/(used) in Financing Activities	**(C)**	**5,543.10**	**272.41**
Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**190.57**	**38.24**
Cash and cash equivalents as on April 01		68.74	30.50
Cash and cash equivalents as on March 31		**259.31**	**68.74**

K.P. RAO & CO.
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Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Consolidated Statement of Cash Flows
(All amounts are in INR Millions, except per equity share data)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Components of cash and cash equivalents		
Balance with scheduled banks on:		
- on Current Account	259.22	68.04
- on deposit accounts	-	-
Cash on Hand	0.09	0.70
	259.31	**68.74**

Notes

a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

b) Figures have been regrouped/ rearranged wherever necessary.

Significant accounting policies and notes to financial statement **1 to 2**

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: L29128KA2008PLC045825
Consolidated Statement of changes in equity
(All amounts are in INR Millions, except per equity share data)

A. Equity Share Capital

Particulars	No. of Shares	Amount
As at April 01, 2021	68,00,002	68.00
Change during the year	3,93,58,004	393.58
As at March 31, 2022	4,61,58,006	461.58
Change during the year	1,19,84,490	119.84
As at March 31, 2023	5,81,42,496	581.42

B. Instruments Entirely of Equity Nature

Particulars	CCPS Series A		CCPS Series B		CCPS Series C	
	No. of Shares	Amount	No.of Shares	Amount	No. of Shares	Amount
As at April 01, 2021	10,79,990	10.80	-	-	-	-
Change during the year	(10,79,990)	(10.80)	3,33,323	3.33	45,823	0.46
As at March 31, 2022	-	-	3,33,323	3.33	45,823	0.46
Change during the year	-	-	(3,33,323)	(3.33)	(45,823)	(0.46)
As at March 31, 2023	-	-	-	-	-	-

C. Other Equity

For the year ended March 31, 2023

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity	Non Controlling Interest	Total
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations			
As at April 01, 2022	107.64	124.69	1,310.60	5.31	-	2.36	9.88	1,560.48	11.32	1,571.80
Profit for the period	-	-	953.17	-	-	5.10	-	958.27	1.75	960.02
On issue of Equity shares	6,486.33	-	-	-	-	-	-	6,486.33	-	6,486.33
On conversion of Preference shares into equity	(2.39)	-	-	-	-	-	-	(2.39)	-	(2.39)
Utilized towards redemption of debentures	-	-	-	(5.31)	-	-	-	(5.31)	-	(5.31)
Transfer from Debenture redemption reserve	-	5.31	-	-	-	-	-	5.31	-	5.31
Share based payment expenses					6.31			6.31		6.31
Re-measurement of the net defined benefit liability/asset, net of tax effect			(2.96)				2.96	-	-	-
Fair value adjustments of investments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	6,591.58	130.00	2,260.81	-	6.31	7.46	12.84	9,009.00	13.07	9,022.07

For the year ended March 31, 2022

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity	Non Controlling Interest	Total
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations			
As at April 01, 2021	266.71	110.88	897.00	19.12	-	2.36	11.71	1,307.78	9.05	1,316.83
Profit for the period	-	-	412.65	-	-	-	-	412.65	2.27	414.92
On issue of New Preference shares	223.70	-	-	-	-	-	-	223.70	-	223.70
On issue of Equity shares	0.01	-	-	-	-	-	-	0.01	-	0.01
On issue of Bonus shares	(385.90)	-	-	-	-	-	-	(385.90)	-	(385.90)
On conversion of Preference shares into equity	3.12	-	-	-	-	-	-	3.12	-	3.12
Utilized towards redemption of debentures	-	-	-	(13.81)	-	-	-	(13.81)	-	(13.81)
Transfer from Debenture redemption reserve	-	13.81	-	-	-	-	-	13.81	-	13.81
Ind AS adjustments			0.10					0.10	-	0.10
Re-measurement of the net defined benefit liability/asset, net of tax effect			1.83				(1.83)	-	-	-
Fair value adjustments of investments	-	-	(0.98)	-	-	-	-	(0.98)	-	(0.98)
As at March 31, 2022	107.64	124.69	1,310.60	5.31	-	2.36	9.88	1,560.48	11.32	1,571.80

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

1 General Information

Kaynes Technology India Limited (Formerly known as Kaynes Technology India Private Limited) ("the Company" / "ParentCompany"/ Holding Company") is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company and its subsidiaries' (Collectively, "the Group") are primarily engaged in Design and Manufacturing of advanced electronic modules and solutions catering to a wide range of industries.

The Holding company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 24, 2022 and consequently the name of the Company has changed to "Kaynes Technology India Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on March 31, 2022.

The following entities are considered in these Consolidated financial information

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %	
			As at March 31, 2023	As at March 31, 2022
Kaynes Technology India Limited	Holding	India	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	100.00	-
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00

2 Basis of preparation

A. Statement of compliance
These Consolidated Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
- Section 26 of part I of Chapter III of the Act;
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

Functional and presentation currency
Items included in the Consolidated Financial Information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Information are presented in Indian rupee (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,00,000 have been rounded and are presented as INR 0.00 Millions in the Consolidated Financial Information.

Basis of measurement
The Consolidated financial information has been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities	Fair Value
Defined benefits liability	Fair value of plan assets less present value of defined benefit obligations

2.1 Current versus non-current classification

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

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Expected to be realised within twelve months after the reporting period, or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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A liability is current when:
(a) It is expected to be settled in normal operating cycle,
(b) It is held primarily for the purpose of trading,
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).;
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Estimates include provision for employee benefits, allowances for uncollectible trade receivables / advances / contingencies, useful life of fixed assets, provision for taxation, etc., during and 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.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 37 – measurement of defined benefit obligations: key actuarial assumptions;
Notes 29 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
Note 39 – impairment of financial assets;

2.4 Foreign currency translation

The Company's financial statements are presented in INR, which is also the parent company's functional currency. For each foreign opertaion, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency exchange rates at the reporting date. Non-monetary assets and liabilities that are carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of Exchange Differences

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges, to the extent the hedges are effective, which are recognised in other comprehensive income (OCI).

2.5 Principles of consolidation

a. Subsidaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements;
(iii) The Group's voting rights and potential voting rights;
(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31.

b. Consolidation Procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it:
(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
(ii) Derecognises the carrying amount of any non-controlling interests.
(iii) Derecognises the cumulative translation differences recorded in equity.
(iv) Recognises the fair value of the consideration received.
(v) Recognises the fair value of any investment retained.
(vi) Recognises any surplus or deficit in profit or loss.
(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e. Subsidiaries considered in the Consolidated Financial Statements:

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %	
			As at March 31, 2023	As at March 31, 2022
Kaynes Technology India Limited	Holding	India	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	100.00	-
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00

2.6 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services:
Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The company has ascertained that all performance obligations are performed at a point in time.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (o) Financial instruments below.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments below.

Contract Liability
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

The company presents revenues net off indirect taxes in the statement of profit and loss.

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2.7 Other Income

Interest income is recognized on time proportion basis and other income, if any, recognized on the basis of certainty of receipts and on accrual basis and this is included in the finance income in the statement of profit and loss.

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Government Grant:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.8 Employee Benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Provident Fund

This is a defined benefit plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions equal to a specified percentage of the employee's salary to the provident fund. The Company contributes to the government administered pension fund.

c) Gratuity

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

d) Leave Encashment

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company's liability for Gratuity and Leave encashment are actuarially determined using the Projected Unit Credit method at the end of each year.

Actuarial gains and losses are recognised immediately in the retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled.

e) Employees' Stock Option Plans (ESOP)

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

f) Social Security 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

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2.9 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Financial instruments

2.11 Financial assets

Initial recognition and measurement

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Consolidated Statement of Profit and Loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:
Amortised cost;
Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or
Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

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

a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b)the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at FVOCI: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Other Comprehensive Income.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2.12 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

a. the group has transferred substantially all the risks and rewards of the asset, or

b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.13 Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:
(i) Financial assets measured at amortised cost;
(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI);

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Expected credit losses are measured through a loss allowance at an amount equal to:
The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For investments in subsidiary companies, the company does not provide for impairment losses till indicators of impairment are confirmed.

2.14 Financial liabilities:
Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

2.15 Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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2.16 Property, plant and equipment and intangible assets

Capital work in progress includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.
Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

2.17 Depreciation and amortisation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management in line with schedule II of the Companies Act, 2013 except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years based on the independent technical evaluation carried out by the internal technical team which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013. Building in leasehold land will be depreciated over the remaining usefull life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

Asset Category	Management estimate of useful life & Useful life as per Schedule II
Land	Unlimited
Buildings	60
Plant & Equipment	15
Furniture & Fittings	10
Office Equipments	5
Electrical Fittings	10
Computers	3
Vehicles	8
Airconditioners	5
Leasehold Improvement	3
Software	5
Technical know-how	5

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life of the product. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end.

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2.18 Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

2.19 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.20 Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs incurred in bringing each product to its present location and condition are accounted for as follows:
a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares,work-in-progress and finished goods is determined on a weighted average basis.

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

2.21 Leases

The Group has lease contracts for office spaces. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
The Group applies a single recognition and measurement approach for all leases, except for shortterm leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As lessee
i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made
at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.11) Impairment of non-financial assets.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an indeor a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.22 Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

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2.23 Taxes on Income

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 ("the IT Act") is recognised as current tax in the statement of Profit and Loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.24 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet.

2.25 Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent Asset

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

2.26 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Group by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The conversion rate considered for computing dilutive potential equity shares is based on the terms and basis of the instrument as agreed under the shareholders agreement signed between the parties.

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2.27 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

2.28 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.29 Standards issued but not yet effective:

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

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Since the effective date for adoption of the above amendments is annual periods beginning on or after April 01, 2023, there is no impact on the financial statements for the year ended March 31, 2023.

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3 Property, plant and equipment

		Particulars	Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Gross Block		As at April 01, 2021	24.87	170.63	581.86	46.13	17.12	18.58	28.77	63.12	10.73	17.03	978.85
	2021-22	Additions during the year	7.60	0.75	102.70	8.50	1.05	2.65	5.41	4.10	1.62	0.18	134.56
		Deletions during the year	-	-	-	-	-	-	-	(1.22)	-	-	(1.22)
		As at March 31, 2022	32.47	171.38	684.56	54.63	18.17	21.23	34.18	66.00	12.35	17.21	1,112.19
	2022-23	Additions during the year	57.59	-	249.97	4.42	1.86	0.80	7.47	15.04	1.27	-	338.42
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
		As at March 31, 2023	90.06	171.38	934.53	59.05	20.03	22.03	41.65	81.04	13.62	17.21	1,450.61

		Particulars	Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Accumulated Depreciation		As at April 01, 2021	-	19.93	254.35	27.39	13.70	11.83	26.10	32.94	8.37	13.59	408.20
	2021-22	Charge for the year	-	5.79	40.27	3.82	1.15	1.17	3.12	6.44	0.96	2.19	64.91
		Deletions during the year/ written off	-	-	-	-	-	-	-	(0.50)	-	-	(0.50)
		As at March 31, 2022	-	25.72	294.62	31.21	14.85	13.00	29.22	38.88	9.33	15.78	472.61
	2022-23	Charge for the year	-	5.76	50.90	4.04	1.27	1.29	3.94	6.75	1.14	1.15	76.24
		Deletions during the year / written off	-	-	-	-	-	-	-	-	-	-	-
		As at March 31, 2023	-	31.48	345.52	35.25	16.12	14.29	33.16	45.63	10.47	16.93	548.85
Net Block		Net Block											
		As at March 31, 2023	90.06	139.90	589.01	23.80	3.91	7.74	8.49	35.41	3.15	0.28	901.76
		As at March 31, 2022	32.47	145.66	389.94	23.42	3.32	8.23	4.96	27.12	3.02	1.43	639.58

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3(a) Capitalised Expenditure
Borrowing cost:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance brought down	0.44	1.38
Interest expenses	7.30	6.26
Sub-Total	**7.74**	**7.64**
Less: Allocated to property, plant	-	(7.20)
Balance carried over (included in	**7.74**	**0.44**

3(b) Capital Work in Progress

Particulars	Tangible Assets under Construction or Installation	Total
As at April 01, 2021	**10.06**	**10.06**
Additions/ Adjustment	33.70	33.70
Capitalization of Interest	0.44	0.44
Capitalized in 2021-22	-	-
As at March 31, 2022	**44.20**	**44.20**
Additions/ Adjustment	64.23	64.23
Capitalization of Interest	3.20	3.20
Capitalized in 2022-23	-	-
As at March 31, 2023	**111.63**	**111.63**

Capital work in progress ageing schedule
As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	67.43	44.20	-	-	111.63
Project temporarily suspend	-	-	-	-	-
Total	**67.43**	**44.20**	-	-	**111.63**

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	34.14	10.06	-	-	44.20
Project temporarily suspend	-	-	-	-	-
Total	**34.14**	**10.06**	-	-	**44.20**

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3(c) Intangible Assets

		Particulars	Intangible Assets: Software	Intangible Assets: Technical know-how	Total
Gross Block		As at April 01, 2021	18.26	144.80	163.06
	2020-21	Additions during the year	19.87	177.98	197.85
		Deletions during the year	-	-	-
		As at March 31, 2022	38.13	322.78	360.91
	2021-22	Additions during the year	-	-	-
		Deletions during the year / Written off	-	-	-
		As at March 31, 2023	38.13	322.78	360.91

		Particulars	Intangible Assets: Software	Intangible Assets: Technical know-how	Total
Accumulated Depreciat		As at April 01, 2021	13.90	22.21	36.11
	2021-22	Charge for the year	2.37	32.70	35.07
		Deletions during the year/ written off	-	-	-
		As at March 31, 2022	16.27	54.91	71.18
	2022-23	Charge for the year	5.89	62.90	68.79
		Deletions during the year / written off	-	-	-
		As at March 31, 2023	22.16	117.81	139.97
Net Block					
		As at March 31, 2023	15.97	204.97	220.94
		As at March 31, 2022	21.86	267.87	289.73

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3(d) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at April 01, 2021	**15.70**	**100.48**	**116.18**
Additions/Adjustment	4.17	110.77	114.94
Capitalization of Interest	-	5.82	5.82
Capitalized in 2020-21	(19.87)	(177.98)	(197.85)
As at March 31, 2022	**-**	**39.09**	**39.09**
Additions/Adjustment	-	138.61	138.61
Capitalization of Interest	-	4.10	4.10
Capitalized in 2022-23	-	-	-
As at March 31, 2023	**-**	**181.80**	**181.80**

Intangible Assets under Development Ageing Schedule

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	142.71	10.49	28.60	-	181.80
Project temporarily suspend	-	-	-	-	-
Total	**142.71**	**10.49**	**28.60**	**-**	**181.80**

As at March 31, 2022

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

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Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company** **also indicate if in dispute
PPE	Land	1.183	P.K. Bansal	NA	April 12, 2012	To be registered

3(e) Right of Use Assets

(INR in millions)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	180.62	78.57
Additions during the year	29.11	134.22
Deletions during the year	3.55	(0.54)
Depreciation during the year	(42.38)	(31.63)
Closing Balance	**170.90**	**180.62**

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

		As at March 31, 2023	As at March 31, 2022
	NON-CURRENT ASSETS		
	FINANCIAL ASSET		
4	**Non-Current Financial Assets - Investments**		
	Unquoted		
	Investments - Non-Trade		
	Investments in Equity instruments	13.44	10.83
	Investments in Others	19.32	4.33
	Total	32.76	15.16
4.1	**Detail of Non-Current Investments**		
	Financial assets measured at FVTOCI		
	(i) Investment in equity instruments - Equity Shares		
	(a) Other than Subsidiary Company		
	Winfoware Technologies Limited	10.80	10.80
	Mysore ESDM Cluster	2.64	0.03
	(ii)Financial assets measured at FVTPL		
	Investments in Mutual Funds (Quoted)	19.32	4.33

4.2 Additional disclosure

Investments in equity instruments- Others

a) Investment in Winfoware Technologies Limited 14,87,120 equity shares (2022: 14,87,120) face value of Rs.5/- each purchased at a premium, constitutes 18.98% of the capital of that company.

b) Investment in Mysore ESDM Cluster (Company constituted under section 8 of the Companies Act 2013), 2,500 equity shares of Rs. 10/- each constitutes 0.18% (2022: 0.18%) of the capital of that company.

Investments in Mutual Funds

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units	Total NAV	Units	Total NAV
Canara Robeco Capital Protection Oriented Regular Growth Fund			-	-
Canara Robeco Capital Protection Oriented Regular Growth Fund			-	-
Canara Robeco Emerging Equities - Regular Growth Fund	2,273.13	0.36	2,273.13	0.36
Canara Robeco Emerging Equities - Regular Growth Fund	315.66	0.05	315.66	0.05
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	976.67	0.24	976.67	0.24
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	135.30	0.03	135.30	0.03
Canara Robeco Infrastructure - Regular Growth Fund	1,711.00	0.14	1,711.00	0.13
Canara Robeco Blue Chip Equity Fund	6,474.13	0.26	6,474.13	0.27
Canara Robeco Large Capital Fund - Regular Growth Fund	1,320.41	0.05	1,320.41	0.05
Canara Robeco Consumer Trends Fund - Regular Growth	1,083.76	0.07	1,083.76	0.07
Canara Robeco Flexi Cap Fund - Regular Growth	404.53	0.09	404.53	0.09
Canara Robeco Mid Cap Fund - Regular Growth(MDGP)	9,99,950.00	9.67	-	-
SBI Magnum low duration Fund	890.56	2.66	890.56	2.53
SBI Balanced Advantage Fund	49,997.50	0.54	49,997.50	0.51
SBI Fixed Maturity Plan	4,99,975.01	5.16	-	-
		19.32		4.33

		As at March 31, 2023	As at March 31, 2022
5	**FINANCIAL ASSET**		
	NON-CURRENT		
5(a)	**Loans and deposits, carried at amortized cost**		
	Unsecured considered good (Unless Otherwise stated)		
	Rental Deposits	24.00	21.82
	Loans to related party	-	23.63
	Utility Deposits	5.03	3.58
	EMD Deposits	10.61	9.25
	NSE Deposits	30.00	-
		69.64	58.28

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5(b) **Other non current financial assets (At Amortised Cost)**

Unsecured considered good (Unless Otherwise stated)		
Advances recoverable in cash, kind or to value to be received	11.03	14.28
	11.03	14.28

6 OTHER NON-CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital Advances	150.31	48.17
Prepaid Rent	5.51	8.00
	155.82	56.17

CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
7 **Inventories (at cost or net realisable value whichever is lower)***		
Raw materials	2,820.80	1,748.30
Work-in-progress	858.61	154.67
Finished Goods	210.03	236.73
Goods-in-transit	173.14	61.52
Consumables, stores and spares	69.06	62.56
	4,131.64	2,263.78

8 **Current Financial Assets**

8(a) **Trade receivables**

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good(Unless otherwise stated)	2,270.66	1,977.26
Unsecured, Considered Doubtful	91.70	76.71
Less - expected credit loss allowance	(91.70)	(76.71)
	2,270.66	1,977.26
Movement in the expected credit loss allowance of trade receivables are as follows:		
Balance at the Beginning of the year / period	76.71	67.76
Add: Provided during the year / period	14.99	8.95
Less: Amount written off		
Balance at the end of the year / period	91.70	76.71

(i)Trade Receivables Ageing Schedule:

Undisputed Trade receivables – considered good	As at March 31, 2023	As at March 31, 2022
Less than 6 months	1,657.74	1,698.71
6 months - 1 year	241.43	150.51
1 -2 years	273.59	42.82
2 -3 years	22.73	21.98
More than 3 years	75.17	63.24
Total	2,270.66	1,977.26

Note:

a. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.

b.The trade receivables of the company has been pledged with banks for availing working capital and other facilities.

8(b) **Cash and cash equivalents**

	As at March 31, 2023	As at March 31, 2022
Balance with banks		
- In Current accounts	259.22	68.04
- Deposits with Bank	-	-
Cash on hand	0.09	0.70
	259.31	68.74

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8(c) Other Bank Balances

Debit Balance in Cash Credit	-	0.01
Deposits with original maturity for less than 12 months	4,559.81	95.26
Margin Money and Other Deposits	40.84	51.93
	4,600.65	**147.20**

*Deposits held with banks for issue of bank guarantees, letters of credit and guarantees to customs authorities.

8(d) Loans and deposits, carried at amortized cost	**As at March 31, 2023**	**As at March 31, 2022**
Unsecured, Considered Good(Unless otherwise stated)		
Loans to related party		
Loans to employees	29.88	16.91
Total	**29.88**	**16.91**

8(e) Other current financial assets (At Amortised Cost)	**As at March 31, 2023**	**As at March 31, 2022**
Interest accrued	78.82	2.29
Insurance claim receivable	0.45	0.45
	79.27	**2.74**

9 INC●ME TAX ASSETS (NET)

Advance income tax	308.60	-
Less: Provision for income taxes	(272.53)	-
	36.07	**-**

10 ●THER CURRENT ASSETS

	As at March 31, 2023	**As at March 31, 2022**
Unsecured, considered good		
Advances for supply of goods	303.20	294.51
MAT Credit Entitlement	0.96	0.96
Prepaid Expenses	449.94	35.70
Balance with government authorities	124.61	52.16
Contract Asset- Unbilled revenue	10.93	3.69
Other Advances	10.48	-
	900.12	**387.02**

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11 Share Capital

11(A) Equity Share Capital

i)Authorised

Particulars	Equity Share Capital No of Shares	Amount
Balance as at April 01, 2021	80,00,000	80.00
Increase during the year	5,50,00,000	550.00
Balance as at March 31, 2022	6,30,00,000	630.00
Increase during the year	70,00,000	70.00
Balance as at March 31, 2023	7,00,00,000	700.00

Pursuant to a resolution of Board of Directors dated April 08, 2022 and the shareholders meeting dated April 08, 2022, the Authorized Share Capital of the Company has been increased from Rs. 630 millions consisting of 6,30,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 700 millions consisting of 7,00,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital No of Shares	Amount
Balance as at April 01, 2021	68,00,002	68.00
Add: Shares issued during the year	20	-
Add: Conversion of Preference shares into equity	7,67,866	7.68
Add: Bonus shares issued during the year	3,85,90,118	385.90
Balance as at March 31, 2022	4,61,58,006	461.58
Add: Shares issued during the year	1,13,67,720	113.68
Add: Conversion of Preference shares into equity	6,16,770	6.17
Balance as at March 31, 2023	5,81,42,496	581.42

iii) Terms/rights attached to equity shares

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

iv) Shareholders holding more than 5 percent of Equity Shares

Name of Share holder	**As at March 31, 2023**	**As at March 31, 2022**
Mr. Ramesh Kunhikannan	3,69,43,633	4,07,80,042
% of Share holding	63.54%	88.35%
Ms. Freny Firoz Irani	17,98,924.00	49,67,369.00
% of Share holding	3.09%	10.76%

Note: For the period of five years immediately preceding March 31,2023

(a) No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash.

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

Equity share of Rs. 10/- each	No. of shares	Amount (Rs.)
(c) Financial Year Ended March 31, 2023		
i) The company has issued 14,39,237 and 8,99,523 fully paid up equity shares of Rs.10 each during the financial year by way of Pre-IPO placement on approval accorded by the EGM held on October 10, 2022 and October 14, 2023 respectively.	23,38,760	2,33,87,600
ii) The company has issued 90,28,960 fully paid up equity shares of Rs.10 each during the financial year through Initial Public Offer (IPO) on approval accorded by the EGM held on April 01, 2022.	90,28,960	9,02,89,600
iii) The company has issued 6,16,770 fully paid up equity shares of Rs.10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on October 22, 2022.	6,16,770	61,67,700

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(d) Financial Year Ended March 31, 2022		
a) The company has issued 3,84,65,005 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on February 25, 2022. 5 five shares of Rs. 10 each were allotted for every one equity shares held in the company.	3,84,65,005	38,46,50,050
b) The company has issued 55,605 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on December 24, 2021. 11,121 Bonus shares of Rs. 10 each were allotted for every 95,998 Compulsory convertible preference shares held in the company.	55,605	5,56,050
c) The company has issued 69,508 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on December 24, 2021. 17,377 Bonus shares of Rs.10 each was allotted for every 150,000 Compulsory convertible preference shares held in the company.	69,508	6,95,080

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

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

v) Shareholding of Promoters

Promoter Name	As at March 31, 2023	As at March 31, 2022
Mr. Ramesh Kunhikannan		
- No. of Shares held	3,69,43,633	4,07,80,042
- Percentage of holding	63.54%	88.35%
- Changes during the year	(24.81%)	(11.60%)
Mrs. Savitha Ramesh		
- No. of Shares held	19,800	19,800
- Percentage of holding	0.03%	0.04%
- Changes during the year	(0.01%)	(0.01%)
RK Family Trust (Ramesh Kunhikannan)		
- No. of Shares held	100	-
- Percentage of holding	0.00%	-
- Changes during the year	0.00%	-

11(B) Instruments entirely equity in nature

Compulsorily Convertible Preference Share Capital

i)Authorised

Particulars	No of Shares	Amount
Balance as at April 01, 2021	**20,00,000**	**20.00**
Increase during the year	-	-
Balance as at March 31, 2022	**20,00,000**	**20.00**
Increase during the year	-	-
Balance as at March 31, 2023	**20,00,000**	**20.00**

Pursuant to a resolution of the Board of Directors dated June 05, 2020 and the shareholders meeting dated June 05, 2020, the Authorized Share Capital of the Company has been reclassified to Rs. 10 millions consisting of 10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) and a resolution of Board of Directors dated October 11, 2020 and the shareholders meeting dated October 11, 2020, the Authorized Share Capital of the Company has been increased from Rs. 10 millions consisting of 10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs.20 millions consisting of 20,00,000 Preference Shares of Rs. 10/- each (Rupees Ten only).

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

ii) Shares issued, subscribed and fully paid-up

Particulars	No of Shares	Amount
Balance as at April 01, 2021	10,79,990	10.80
Add: Shares issued during the year	3,79,146	3.79
Add: Bonus shares issued during the year	-	-
Less: Share converted into equity during the year	(10,79,990)	(10.80)
As at March 31, 2022	3,79,146	3.79
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share converted into equity during the year	(3,79,146)	(3.79)
Balance as at March 31, 2023	-	-

iii) Terms/rights attached to Preference shares:
The Preference Shareholders shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding and are also eligible to participate in surplus funds.

iv) Shareholders holding more than 5 percent of Preference Shares

Name of Share holder	As at March 31, 2023	As at March 31, 2022
Mrs. Freny Firoze Irani		
- No. of shares held	-	2,50,000
- % of share holding	-	65.94%
Mr. Ganesh Cherapuram Balasubramanian		
- No. of shares held	-	83,323
- % of share holding	-	21.98%
Mr. Bharadwaj Turlapati		
- No. of shares held	-	45,823
- % of share holding	-	12.09%

Note: For the period of five years immediately preceding March 31,2023

During the financial year ended March 31, 2023;
The company has issued 6,16,770 fully paid up equity shares of Rs.10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on October 22, 2022.

During the financial year ended March 31, 2022, the Company has issued;
(a) 83,323 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Resident Indian Mr. Ganesh Cherapuram Balasubramanian which carries cumulative dividend of 0.01% per annum on October 22, 2021.
(b) 2,50,000 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 0.01% per annum on November 01, 2021.
(iii) 45,823 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Resident Indian Mr. Bharadwaj Turlapati which carries cumulative dividend of 0.01% per annum on December 25, 2021.

Note on CCPS Conversion
Conversion Option as at March 31, 2022:
CCPS shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:
a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the company pursuant to an IPO;
b.Expiry of 120 months from the Execution Date ("Investment period") or
c. Any time prior to the expiry of the Investment period at the option of the Investor

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12 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
Securities premium (refer note i)	6,591.58	107.64
General Reserve (refer note ii)	130.00	124.69
Surplus in the profit and loss statement (refer note iii)	2,260.81	1,310.60
Debenture redemption reserve (refer note v)	-	5.31
Foreign currency translation reserve (refer note iv)	7.46	2.36
Other Comprehensive income (refer note vi)	12.84	9.88
Employee stock options outstanding account (ESOP Reserve)	6.31	-
	9,009.00	1,560.48

i) Securities Premium

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	107.64	266.71
Changes during the year	6,483.94	(159.07)
As at end of the year	6,591.58	107.64

ii) General Reserve

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	124.69	110.88
Add: Transfer from Debenture redemption reserve	5.31	13.81
As at end of the year	130.00	124.69

iii) Surplus in the profit and loss statement

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	1,310.60	897.00
Add: Profit for the year	953.17	412.65
Less: Other Comprehensive Loss	(2.96)	1.83
Ind AS 116	-	0.10
Fair Value adjustment of Investment	-	(0.98)
As at end of the year	2,260.81	1,310.60

iv) Debenture Redemption Reserve

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	5.31	19.12
Less : Transferred to General Reserve on utilisation for redemption of debentures	(5.31)	(13.81)
As at end of the year	-	5.31

v) Foreign currency translation reserve

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	2.36	2.36
Translation as per Non Integral Foreign Operations	5.10	-
As at end of the year	7.46	2.36

vi) Remeasurement of defined benefit obligations

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	9.88	11.71
Add: Changes during the year	2.96	(1.83)
As at end of the year	12.84	9.88

vii) Employee stock options outstanding account (ESOP Reserve)

	As at March 31, 2023	As at March 31, 2022
At beginning of the year	-	-
Add: Share based payment expenses	6.37	-
Less: Adjustment on forfeiture of ESOP	(0.06)	-
As at end of the year	6.31	-

Note

1. Securities premium account is used to record the premium received on issue of share. It is utilised in accordance with the provisions of the Companies Act, 2013.

2. General reserve is the free reserve created out of the retained earnings of the company. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

3.The debenture redemption reserve is created as per Section 71 of the Companies Act-2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014.

4. The adequacy of Debenture Redemption Reserve has been reduced from 25% to 10% as per notification dated August 16, 2019. However the company has adopted the same during the current period and transferred the differential amount to General reserves.

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	As at March 31, 2023	As at March 31, 2022
13 Non Controlling Interest	13.07	11.32
	13.07	**11.32**

NON-CURRENT LIABILITIES

14 FINANCIAL LIABILITIES	As at March 31, 2023	As at March 31, 2022
Borrowings		
Term loans from banks & financial institutions		
- Secured	146.59	326.50
Non-Convertible Debenture		
- Secured	-	29.75
Vehicle loan - Secured	18.75	20.14
Less: Current maturities of Long term borrowings		
Term loans from banks & financial institutions		
- Secured	(7.61)	(43.00)
Non-Convertible Debenture		
- Secured	-	(34.00)
Vehicle loan - Secured	(7.31)	(6.60)
	150.42	292.79

Term Loans from Banks
Term Loans have been availed from various banks. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the company has given collateral security of Factory Land and Building situated at Belagalo (Food) Industrial Area, Mysuru Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 72 months .

Term Loans from Financial Institutions-Secured
Term Loans have been availed from various financial institutions. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the company has hypothecated plant and machinery. Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 72 months.

Non-Convertible Debentures- Secured
NCDs have been secured by specific plant and machinery and specific receivables. These are guaranteed by personal guarantee of promoter director of the company. 33% shares of the company held by one of the promoter/director has been pledged. These Debentures are repayable in 16 quarterly instalments. This NCDs was redeemed during FY 2023.

Vehicle Loans
Vehicle loan from banks are repayable in 48 to 72 monthly instalments along with the interest.

A break-up of the above loans is tabulated below:

Loan Type	Loan Name	Repayment Terms	Amount outstanding As at March 31, 2023	Amount outstanding As at March 31, 2022
Term Loans from banks - Secured	Saraswat Bank	Repayable in 12 months in 6 equal monthly instalments after a moratorium of 6 months from date of disbursement.	-	112.00
Term loans from Bank - Secured	Canara Bank	Repayable in 24 months in 18 equal monthly instalments after a moratorium of 6 months from date of disbursement.	-	3.12
	Canara Bank - GECL - 3	Repayable in 72 months in 48 equal monthly instalments after a moratorium of 24 months from date of disbursement.	-	45.00
	HDFC Bank Term Loan (Covid)		112.00	-
	Saraswat Bank	Repayable in 60 months in 48 equal monthly instalments after a moratorium of 12 months from date of disbursement.	-	109.67
	State Bank of India		-	30.36
	State Bank of India		-	16.91
	State Bank of India		1.85	3.19
Term loans - From Financial Institutions - Secured	Sundaram Finance Machinery Loan -1	Repayable in 47 monthly instalments from the date of loan.	4.45	-
	Sundaram Finance Machinery Loan - 3	Repayable in 60 monthly instalments from the date of loan.	4.95	6.25
	Sundaram Finance Machinery Loan - 4		3.19	-
	Sundaram Finance Machinery Loan - 5		20.15	-
Non- Convertible Debenture - Secured	IL & FS - 15% Secured Non-Convertible Debentures	Repayable in 16 quarterly instalments with the first repayment starting from June 30, 2019 onwards.	-	29.75

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Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			Amount outstanding	-
Vehicle Loan - From Bank - Secured	Jeep Loan	Repayable in 60 monthly instalments from date of Loan.	-	0.17
	Hdfc Car Loan - Tata Nexon		0.14	0.39
	Hdfc Car Loan - Jeep Compas		0.44	0.97
	Hdfc Car Loan - Innova		0.41	0.94
	Hdfc Car Loan - Benz		1.33	3.31
	SBI Loan - Mini Cooper		0.87	1.55
	Canara Car Loan-Skoda Octavia		1.20	-
	Saraswat Car Loan-Seltos		0.60	0.85
	Saraswat Car Loan-Nex		0.56	0.81
	Saraswat Car Loan - Bmw		2.54	3.37
	Saraswat Car Loan - Ertiga		0.60	0.81
	Saraswat Car Loan - Santro		0.37	0.50
	Car Loan		2.50	3.17
	Saraswat Bus Loan		1.33	1.69
	Saraswat Car Loan - Harrier		1.96	-
	Saraswat Car Loan - Skoda Kushaq		1.49	-
	Saraswat Car Loan - Innova Crysta		2.41	-
	Canara Car Loan-Skoda Octavia	Repayable in 72 monthly instalments from date of loan.	-	1.61

15 DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability		
Property plant and equipment: timing differences on account of depreciation	95.16	71.57
Actuarial Gain/Loss	1.48	1.87
Fair Valuation of Mutual Funds	0.14	0.54
Gross deferred tax liability	**96.78**	**73.98**
Deferred Tax Asset		
Security Deposits	(0.08)	(0.09)
Actuarial Gain/Loss	-	(0.59)
Leases	(0.13)	(4.40)
Expenses: timing differences on expenses allowable on payment basis.	(20.23)	(1.16)
Gross deferred tax asset	**(20.44)**	**(6.23)**
Net deferred tax liability	**76.91**	**67.75**

16 LONG TERM PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	34.52	34.53
Provision for compensated absences	15.82	7.22
	50.34	41.75

CURRENT LIABILITIES
17 FINANCIAL LIABILITIES

17(a) Current borrowings (At Amortised Cost)

	As at March 31, 2023	As at March 31, 2022
Credit Balance - Cash credit from banks (Secured)	705.19	1,158.19
Loans from Others (Unsecured)	0.56	21.55
Rupee Packing Credit (Secured)	389.51	139.33
Foreign Currency Packing Credit (Secured)	98.39	-
Current maturities of Long term borrowings		
- Term loans from banks & financial institutions		
- Secured	7.61	43.00
- Non-Convertible Debenture_Secured	-	34.00
- Vehicle loan	7.31	6.60
Total	1,208.57	1,402.67

Cash credit/Packing Credit from banks (Secured)

Secured Cash credit and Packing credit from Banks are secured against the hypothecation of stock of raw materials, work-in-progress, finished goods, book debts outstanding and common collateral security of factory land and building, canteen building and plant and machinery. Canara Bank which has approved a cash credit, packing credit and bill discounting facility holds a paripassu charge along with HDFC Bank, Indusind Bank and State Bank of India.

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Loans from Others (Unsecured)
Short term loans from shareholders are repaid in FY 23 and closed.

The Break up of above loans is tabulated below

Loan Type	Loan Name	Repayment Terms	Amount outstanding As at March 31, 2023	Amount outstanding As at March 31, 2022
Cash credit from banks (secured)	Canara Bank	Repayable on Demand	206.27	354.64
	Canara Bank ST		3.06	
	Saraswat Bank		-	388.01
	State Bank of India		(100.75)	167.19
	SBI Parwanoo		(2.98)	(1.65)
	HDFC Bank		2.39	-
	Indusind Bank		(53.41)	-
	Indusind Bank ST		(2.00)	-
	Axis Bank		(127.39)	-
Term Loans from others Unsecured	Loans from Others	12M or 10M Months differs by Party	0.56	21.51
Working Capital Loan	HDFC Bank	Repayable within 180 days from the date of disbursement.	780.00	250.00
Rupee Packing Credit - Secured	Canara Bank - Packing Credit FBE	Repayable on Demand	98.73	99.12
	Indusind Bank - EPC		52.03	-
	SBI Packing Credit		159.48	-
	State Bank of India - EPC		79.27	40.21
Foreign Currency Packing Credit - Secured	Indusind Bank - PCFC		98.39	

17(b) Trade payables (At Amortised Cost)

	As at March 31, 2023	As at March 31, 2022
Dues to micro enterprises and small enterprises (refer note 46)	216.45	47.92
Dues to other than micro enterprises and small enterprises	2,012.29	1,592.64
Total trade payables	2,228.74	1,640.56

Ageing Schedule

As at March 31, 2023 — **Outstanding following for periods from due date of payment**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	216.10	0.35	-	-	216.45
Others	1,929.73	73.78	9.24	(0.45)	2,012.29

As at March 31, 2022 — **Outstanding following for periods from due date of payment**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	47.20	0.72	-	-	47.92
Others	1,951.75	84.73	12.23	17.34	2,066.04

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

	As at March 31, 2023	As at March 31, 2022
Payables - Capital Goods	0.02	-
Employee benefits payable	86.51	70.44
Interest accrued and due on borrowings	19.22	6.85
	105.75	77.29

18 CURRENT TAX LIABILITIES (NET)

	As at March 31, 2023	As at March 31, 2022
Provision for income taxes (net of advance income taxes)	-	155.53
	-	155.53

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19 OTHER CURRENT LIABILITIES	As at March 31, 2023	As at March 31, 2022
Advance from customers	203.32	139.17
Statutory dues and related liabilities	47.52	22.45
Other payables	312.39	141.67
	563.23	303.29

20 SHORT-TERM PROVISIONS	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for Gratuity	8.66	7.70
Provision for Compensated absence	1.81	1.25
Other Provisions	0.97	1.14
	11.44	10.09

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21 REVENUE FROM OPERATIONS	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Goods	10,911.56	6,833.00
Sale of services	349.58	229.49
	11,261.14	**7,062.49**
the company derives revenue from the transfer of goods & services in the following geographical regions		
India	9,599.64	5,650.72
Outside India	1,661.50	1,411.77
	11,261.14	**7,062.49**
	1,428.00	
Timing of Revenue Recognition		
Goods transferred at a point in time	10,911.56	6,833.00
Service transferred at a point in time	349.58	229.49
	11,261.14	**7,062.49**

22 OTHER INCOME	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income :		
Interest received on deposits with banks	98.16	10.59
Interest received on Advances with others	0.15	-
Interest on Income Tax refund	0.03	0.01
Interest on Security Deposit	1.39	1.57
Gain On Fair Valuation of Mutual Funds	-	0.26
Profit on sale of property, plant & equipment (net)	1.40	0.08
Liabilities no longer required, written back	1.68	0.08
Export Incentives	0.57	0.28
Other non-operating income	4.16	0.03
Exchange Differences (net)	6.44	28.15
	113.98	**41.05**

23 Cost of materials consumed	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	1,748.30	1,208.90
Add: Purchase / Cost of materials consumed	9,642.13	5,517.71
Less : Inventory at the end of the year	(2,820.80)	(1,748.30)
Less: R&D exp - considered separately	(91.62)	(47.24)
Cost of materials consumed	8,478.01	4,931.07

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

24 Changes in inventories of finished goods and traded goods

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished goods		
Closing stock	210.03	236.73
Opening stock	236.73	141.90
Sub total (A)	26.70	(94.83)
Work-in-progress		
Closing stock	858.61	154.67
Opening stock	154.67	212.73
Sub total (B)	(703.94)	58.06
Total Changes in Inventories	(677.24)	(36.77)

25 EMPLOYEE BENEFITS EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and incentive	717.98	582.33
Contribution to provident fund	26.51	25.77
Share based payment expenses	6.31	-
Gratuity contribution scheme (Refer note 35)	5.40	9.13
Staff welfare expenses	67.88	49.82
Less: R&D exp - considered separately	(53.09)	(64.70)
	770.99	602.35

26 FINANCE COSTS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	283.50	224.05
Interest to Vendors	13.15	9.30
Interest on others	18.79	7.61
Other borrowing costs	18.13	8.61
Interest on lease liabilities (Refer Note 34)	23.09	12.56
Less: Capitalized	(7.30)	(6.26)
	349.36	255.87

27 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant & equipment (Refer Note 3)	76.24	64.92
Amortization of Intangible Assets (Refer Note 3)	68.79	35.08
Depreciation of Right To Use Assets (Refer Note 3)	42.38	31.62
	187.41	131.62

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

28 OTHER EXPENSES	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	7.69	4.03
Rates and taxes	15.33	15.06
Printing and stationery	2.45	3.74
Insurance	13.99	8.90
Discount Allowed	2.04	2.60
Donation	3.65	0.31
Power and fuel	52.31	37.58
Contract Labour	165.42	163.40
Consumption of stores and spares	363.94	135.19
Repairs and maintenance - Plant & Machinery	15.17	10.89
Repairs and maintenance - Buildings	8.30	6.59
Repairs and maintenance - Others	30.38	20.17
Security maintenance expenses	9.94	9.17
Research and Development Expenses	6.24	11.76
Legal and professional fees	43.75	29.10
Audit Fees	4.20	3.40
Commission Expenses	0.07	-
LD/Claim Settled	2.90	2.25
Bank charges	15.44	15.07
Communication expenses	4.20	4.41
Travelling and conveyance	44.46	23.95
Business Promotion	20.62	7.39
Freight and forwarding charges	132.48	98.46
CSR expenditure	5.29	2.38
Provision for ECL	14.99	8.95
Software Expense	1.22	0.89
Hire charges	12.36	2.78
Director sitting fees	2.38	-
Miscellaneous expenses	4.99	0.71
	1,006.20	**629.13**

Research and Development Expenditure	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Raw Materials, Components and Consumables	91.62	47.24
Salaries and Wages	53.09	64.70
Professional Charges	-	-
Communication expenses	0.55	0.09
Travelling and Conveyance	1.05	-
	146.31	**112.03**
Less: Capitalized	(140.07)	(100.27)
	6.24	**11.76**

Payment to Auditors (After Other expenses)	**For the year ended March 31, 2023**	**For the year ended March 31, 2023**
As statutory auditors		
Audit fees	3.40	2.90
Tax audit fee	0.60	0.50
Limited review fees	0.20	-
In other capacity		
Other services (includes certification fees)	-	-
Reimbursement of expenses	-	-
	4.20	**3.40**

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

29 Contingent Liabilities and Commitments

	Particulars	As at March 31, 2023 (Rs.)	As at March 31, 2022 (Rs.)
	Contingent Liabilities:		
a)	**Claims against the company not acknowledged as debt**		
	Disputed Income Tax Demand [refer note 29.1]	1.74	1.74
	Disputed Income Tax Demand - CPC Demand (refer note 29.2)	6.05	6.05
	Disputed Income Tax Demand - CPC Demand (refer note 29.3)	3.32	3.32
	Disputed Income Tax Demand - CPC demand (refer note 29.4)	62.69	4.00
	Disputed Indirect taxes Demand (Refer note 29.5)	51.93	56.92
b)	Bank Guarantees for contractual performance	68.74	68.74
c)	Letter of Credit issued by bank	6.19	3.27
d)	Bond Executed for Customs/Central Excise. (Covered by Bank guarantee to the extent of Rs 8.16 Millions)	450.00	323.21
e)	On account of Bills Discounted with Banks set off against Trade Receivable	520.78	471.00
f)	Corporate Guarantee to Subsidiary Company	84.00	44.00
g)	Other sums for which company is contingently liable	-	11.24
	Commitments:		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances.	20.12	9.18
(iii)	Approval for Land Conversion from Lease to Sale of Plot no 20 & Plot no 119 from Karnataka Industrial Area Development Board (KIADB) is in progress. Estimated Conversion cost is considered as a Capital commitment remaining unexecuted.	12.14	12.14

1 CPC demand of Rs. 17,37,670/- against the disallowance made by ITO against under 35(2AB) for A.Y. 2016-17 and thereby reducing the MAT credit availed by the company which was disputed in appeal before CIT(A) and the matter is resolved in FY 2021-22.

2 Income tax authorities Disallowed R& D expenditure and raised a demand for non submission of certificate from DSIR , Delhi. We requested for extension of time and in the process of obtaining the certificate to substantiate the claim.

3 The disallowance on account of delay in payment of employer's contribution to EPF & ESI . Filed appeal against the order and submitted the relevant documentation. Assessing officer is in the process of reviewing supportings provided by us to substantiate our claim.

4 Commissioner of Income tax , Bangalore has issued a notice on Short deduction of TDS for various years commencing from FY 2009-10 to 2021-22 and imposed a Interest and penalty .Demand appearing in the TDS Portal amounts to Rs. 4.0 Million . We are in the process of adjusting the demand against the unconsumed challans available . We have already submitted a request to the commissioner for extension of time for reconciliation of TDS .

5 There are 16 cases relating to excise, VAT, Customs and CST amounting to Rs. 56.9 Million covering a period commencing from FY 2012-13 to 2018-19 pertaining to units located in various states in Karnataka, Uttarakand, Haryana, Tamilnadu and Maharashtra. Many of the cases required Information provided to the Concerned authorities and are in progress.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

30 Related Party Disclosures

Disclosure in respect of material transactions with associated parties as required by Accounting Standard (AS) 18 "Related Party Transactions".

[A.] Related Parties and their Relationship with the Company

Ref.	Description of relationship	Names of Related parties
[1.]	*Subsidiary Companies:*	Kaynes Embedded Systems Private Limited
		Kemsys Technologies Private Limited
		Kaynes Technology Europe Gmbh
		Kaynes International Design & Manufacturing Private Limited
		Kaynes Electronics Manufacturing Private Limited
[2.]	*Entity Controlled by Directors:*	Aaviza Electronics Private Limited (Formerly Kaynes Interconnection Systems India Private Limited) (unrelated w.e.f 10.07.2022)
		Kaynes Technology Inc.
		Kemsys Technologies Inc.
		Kaynes Circuits Private Limited
		Kaynes Electro-Plast Private Limited
		Mysore ESDM Cluster
		Wendorhub Solutions Private Limited
		Cheyyur Real Estates Private Limited
		Cheyyur Properties Private Limited
		Nambi Reality Private Limited
[3.]	*Entity where relative of Directors have substantial interest*	A ID Systems (India) Private Limited
[4.]	*Key Management Personnel:*	
	Ms. Savitha Ramesh	Chairperson
	Mr. Ramesh Kunhikannan	Managing Director
	Mr. Jairam Paravasthu Sampath	Whole Time Director & Chief Financial Officer (w.e.f 08.04.2022)
	Mr. Satheesh Kumar Gopa Kumar	Whole Time Director (From 03.03.2021 to 02.10.2021)
	Mr Rajesh Sharma	Chief Executive Officer (w.e.f 20.12.2021)
	Mr Anup Kumar Bhat	Independent Director (w.e.f 12.01.2022)
	Mr Vivekandh Ramaswamy	Independent Director (w.e.f 12.01.2022)
	Mr Lakshmi Narayana Nutheti	Independent Director (From 12.01.2022 to 01.02.2022)
	Mr Seeplaputhur Ganapathiramaswamy Murali	Independent Director (w.e.f 21.02.2022)
	Mr Alexander Koshy	Independent Director (w.e.f 21.02.2022)
	Mr Venkata Ramana Mannapragada	Chief Financial Officer (From 20.12.2021 to 08.04.2022)
	Ms Narayanan Srividhya	Company Secretary (Till 31.03.2023)
	Mr. Ramachandran Kunnath	Company Secretary & Compliance Officer (w.e.f 01.04.2023)
	Mr. Manoj Rajnarain Pandey	Managing Director in subsidiary company
	Ms. Premita Ramesh	Director in subsidiary company
[5.]	*Relatives of KMP's:*	
		Mr. Govind Shasiprasad Menokee

[B.] Transactions with KMPs

Transactions / Balances	For the year ended March 31, 2023	For the year ended March 31, 2022
[i.] Remuneration and Commission:		
Mr. Ramesh Kunhikannan	18.00	13.14
Ms. Savitha Ramesh	18.00	11.54
Mr. Jairam Paravasthu Sampath	6.40	4.80

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

Mr. Satheesh Kumar Gopa Kumar	-	2.00
Ms. Premita Ramesh	5.40	3.55
Mr. Govind Shasiprasad Menokee	6.60	4.95
Mr. Manoj Rajnarain Pandey	9.53	8.61
Mr Venkata Ramana Mannapragada	0.56	2.24
Ms Narayanan Srividhya	1.52	0.85
Mr Rajesh Sharma	8.00	3.35
Mr Sajan Anandraman	2.12	2.00
[ii.] Reimbursement of expenses		
Mr. Manoj Rajnarain Pandey	0.07	0.15
Mr Venkata Ramana Mannapragada	-	0.00
Mr Rajesh Sharma	0.14	0.04
Ms Narayanan Srividhya	-	0.00
[iii.] Transaction in current account (net)		
Mr. Ramesh Kunhikannan	3.56	3.56
	4.18	4.18
Ms. Savitha Ramesh	-	-
Ms. Premita Ramesh	-	(1.13)
Mr. Jairam Paravasthu Sampath	-	(1.29)
Mr. Govind Shasiprasad Menokee	-	0.08

[C.] Balances with KMPs and relatives of KMPs	**As at March 31, 2023**	**As at March 31, 2022**
[i.] Amount Receivable from/ Due to directors:		
Mr. Ramesh Kannan (Dr. Balance)	-	3.56
Ms. Savitha Ramesh (Dr. Balance)	-	4.17
Mr. Jairam P Sampath (Dr. Balance)	0.44	1.18
Mr. Govind Shasiprasad Menokee	-	0.08
Ms. Premita Ramesh (Dr. Balance)	-	1.13
[ii.] Salaries payable		
Mr. Ramesh Kunhikannan	0.98	0.94
Ms. Savitha Ramesh	0.99	0.96
Mr. Jairam Paravasthu Sampath	0.42	0.30
Mr. Manoj Rajnarain Pandey	-	0.50
Ms. Premita Ramesh	0.32	0.33

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

Mr. Govind Shasiprasad Menokee	0.40	0.42
Mr Rajesh Sharma	0.06	0.51
Mr Venkata Ramana Mannapragada	-	0.38
Ms Narayanan Srividhya	0.19	0.11

[D.] Transactions with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Kaynes Interconnection Systems India Private Limited			
	Sale of material	15.12	9.33
	Services Received	-	0.07
	Purchase of Material	41.28	18.89
Kaynes Technology Inc.			
	Services Rendered	48.06	26.72
	Services Received	0.11	-
Kemsys Technologies Inc.			
	Services provided	1.37	2.98
	Services received	6.76	-

[E.] Balances with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	As at March 31, 2023	As at March 31, 2022
Kaynes Interconnection Systems India Private Limited			
	Loans and Advances	-	3.20
	Trade Payables	4.23	-
Mysore ESDM Cluster			
	Investments / Loans and Advances	2.64	2.64
Kaynes Technology Inc.			
	Services Rendered Receivable	8.87	7.95
Kemsys Technologies Inc.			
	Services Rendered Receivable	1.37	2.98

[F.] Disclosure as per Schedule VI (Para 11(1)(A)(i)(g) of ICDR Regulation
The following are the transactions eliminated during the years March 31, 2023 and March 31, 2022

Name of the related party	Nature of the transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Kaynes International Design & Manufacturing Private Limited	Received towards Marketing,	-	19.03
	Distribution, Administration,	-	1.37
	Sale of material	5.03	2.22
	Purchases	0.05	2.62
Kemsys Technologies Private Limited	Loans and Advances given to	30.05	90.47
	Loans and Advances repaid by	3.10	27.72
	Services Received from	-	3.73
	Interest on loan advanced	13.48	8.50
	Purchases	1.05	0.03
	Sale of material	-	8.89

K. P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

Kaynes Technology Europe GMBH	Loans and Advances repaid by	-	6.59
	Commission paid	15.24	17.11

[G.] The following are the details of the balances that were eliminated during the years ended March 31, 2023 and March 31, 2022

Name of the related party	Nature of the transaction	As at March 31, 2023	As at March 31, 2022
Kaynes International Design & Manufacturing Private Limited	Loans and Advances received	78.66	67.13
	Investments	1.50	1.50
Kemsys Technologies Private Limited	Loans and Advances	180.96	177.98
	Investments	5.00	5.00
Kaynes Embedded Systems Private Limited	Loans and Advances given	-	-
	Investments	3.00	3.00
Kaynes Technology Europe GMBH	Investments	9.24	9.24
	Trade payable	1.34	1.28
Kaynes Electronics Manufacturing Private Limited			
	Investments	0.10	-
	Loans and Advances given	99.70	-

31 Segment information

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified India and Outside India as its reportable segment.

As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by the Company for the geographical segments identified.

A) Revenue from Customers

Geographic Segment	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Outside India	1,661.50	1,411.77
In India	9,599.64	5,650.72
	11,261.14	**7,062.49**

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

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

32 Earnings per share (EPS)

Particulars	As at March 31, 2023	As at March 31, 2022
Earnings		
Profit after tax for the year	951.96	416.75
Less: Profit attributable to the minority shareholders	(1.75)	(2.27)
Profit after tax for the year attributable to equity shareholders	**950.21**	**414.48**
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :		
Basic :		
Number of Shares outstanding at the beginning of the year	4,61,58,006	67,99,992
Add : Shares Issued during the year	1,13,67,720	10
Add : Shares Issued during the year on conversion of CCPS	6,16,770	7,67,866
Add : Bonus Shares Issued during the year *	-	1,25,113
Number of Shares outstanding at the end of the year	5,81,42,496	76,92,981
Add : Post Bonus issue #	-	3,84,64,905
Number of Shares outstanding at the end of the year (Post bonus issue #)	**5,81,42,496**	**4,61,57,886**
Weighted average number of equity shares For calculating Basic EPS	4,78,94,922	4,16,34,474
Profit after tax for the year attributable to equity shareholders	950.21	414.48
Cumulative Preference Dividend	-	-
Profit after tax for the year attributable to equity shareholders	-	-
Basic EPS (Rs. per share)	**19.84**	**9.96**
EPS after preference dividend (Rs. per share)	-	-
Diluted :		
Number of shares considered as basic weighted average shares outstanding	4,78,94,922	4,16,34,474
Add: Effect of diluted equity shares relating to CCPS issued during the year	5,68,443	46,73,516
Number of shares considered as diluted weighted average shares outstanding	4,84,63,365	4,63,07,990
No. of equity shares on conversion of preference shares		-
Total shares outstanding including dilution	4,84,63,365	4,63,07,990
Diluted EPS (Rs. per share)	19.61	8.95
Restated Earnings per equity share (Face Value INR 10/- per share)		
- Basic	19.84	9.96
- Diluted	19.61	8.95

* The Company has issued bonus shares during the period ended March 31, 2022. In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

Pursuant to the resolutions passed on EGM on February 21, 2022, and Board of Directors on February 25, 2022, company had issued bonus shares in the ratio of Five Bonus shares of One Equity share held post the reporting date March 31, 2022.In line with the requirements of Para 64 of Ind AS 33, retrospective adjustments of the same has been considered in computation of the EPS and Diluted EPS.

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33 Disclosure with respect to Ind AS 116 - Leases

Information about Leases Assets for which the company is a lessee is presented below

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	180.62	78.57
Additions	29.11	134.22
Deletions	3.55	(0.54)
Depreciation*	(42.38)	(31.63)
Balance as at end of the year	**170.90**	**180.62**

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Standalone Statement of Profit and Loss.

The changes / movement in Lease Liabilities of the company are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	180.62	78.57
Additions	29.11	134.22
Deletions	3.55	(0.54)
Payment of lease liabilities	(39.34)	(39.34)
Accreditation of interest	12.19	12.19
Balance as at end of the year	186.13	78.92
Current Liabilities	33.86	31.96
Non-Current Liabilities	154.57	163.35
Total cash outflow for leases	39.34	30.40

The table below provides details regarding amounts recognised in the Standalone Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses relating to short-term leases and/or leases of low-value items	7.69	4.03
Interest on lease liabilities	23.09	12.56
Depreciation expense	42.38	31.62
Total	73.16	48.21

Contractual maturities of lease liabilities on undiscounted basis

	As at March 31, 2023	As at March 31, 2022
Less than one year	30.04	34.54
One to five years	119.89	69.20
More than five years	38.50	12.07
	188.43	115.81

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34 Taxes

(a) Income tax expense:

Components of Income Tax Expense

(i) Income tax recognised in Profit or Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Tax expense recognised in the Statement of Profit and Loss		
A. Net current tax expense	311.14	153.07
B. Deferred tax (credit)/charge	(2.71)	20.45
Net deferred tax	**(2.71)**	**20.45**
Total income tax expense recognised in statement of Profit & Loss	**308.43**	**173.52**

C. Tax recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Origination and reversal of temporary differences - OCI	0.70	(0.15)
Remeasurement of Defined Benefiy Obligation	-	-
Total	**0.70**	**(0.15)**

Current tax assets / liabilities (net)

	As at March 31, 2023	As at March 31, 2022
D. Advance tax (net of provision for tax)	36.07	-
E. Provision for tax (net of advance payment of taxes)	-	155.53

Deferred tax assets / liabilities (net)	As at March 31, 2023	As at March 31, 2022
F.Deferred tax asset	(20.44)	(6.23)
G.Deferred tax liability	(96.78)	(73.98)
Deferred tax Liability (net)	**(117.22)**	**(80.21)**

H. Reconciliation of tax expense and the Accounting Profit

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit Before Tax	1,260.39	590.27
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expense using the Company's applicable rate	317.21	148.56
Deferred tax effect	(2.71)	20.45
Deferred tax effect on all amounts debited to other comprehensive income (OCI	0.70	(0.15)
Income tax expense recognised in statement of profit or loss	(2.71)	20.45

Note: The tax rate used for the period ended March 31, 2023 and March 31, 2022 reconciliations above is the corporate tax rate of 25.17% and 25.17% respectively, payable by corporate entities in India on book profits under Indian Income Tax Laws.

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

35 Employee benefit plans

[a.] Defined Contribution Plans

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers' contribution to Provident Fund	7.35	7.37
Employers' contribution to Employee State Insurance	5.34	4.67
Employers' contribution to Employee's Pension Scheme 1995	12.21	11.90

[b.] Defined Benefit Plan

Gratuity -Funded obligation

The liability towards gratuity is provided for on the basis of independent actuarial valuation using projected unit credit method. The liability for gratuity is administered through Life Insurance Corporation of India (LIC).

Compensated Absences- Unfunded obligation

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

Gratuity -Funded obligation

i. Actuarial Assumptions

	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate (per annum)	7.50%	7.25%
Expected return on plan assets	5.00%	6.75%
Salary escalation rate*	5.00%	5.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

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

ii. Reconciliation of Obligation

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation at the beginning of the year	**44.86**	**38.82**
Current Service Cost	8.96	7.66
Past Service cost	-	-
Interest Cost	3.26	2.80
Actuarial (gain)/ loss	(4.48)	(0.24)
Benefits Paid	(3.67)	(4.18)
Present value of obligation at the end of the year	**48.93**	**44.86**

iii. Reconciliation of fair value of plan assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets at the beginning of the year	**3.53**	**6.07**
Actual return of plan assets	0.23	0.44
Actuarial gain/ (loss)	0.03	(0.11)
Contributions	5.40	1.23
Benefits paid	(3.41)	(4.10)
Assets distributed on settlement	-	-
Charges Deducted	-	
Fair value of plan assets at the end of the year	**5.78**	**3.53**

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

iv. Description of Plan Assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Insured Managed Funds(LIC India)	0.00	0.00

v. Net (Asset)/ Liability recognized in Consolidated statement of assets and liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation at the end of the year	48.93	43.55
Fair value of plan assets at the end of the year	5.78	3.55
Net (asset)/ liability recognised in consolidated statement of assets and liabilities	43.15	40.00

vi) (Income)/ Expense recognized in consolidated statement of profit and loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service Cost	8.96	5.55
Interest Cost	3.26	1.98
Expected return on plan assets	(4.22)	(0.32)
(Income)/ Expenses recognized in consolidated statement of profit and loss	0.79	7.21

vii) Sensitivity analysis of the defined benefit obligation:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	48.92	43.55
Impact due to increase of 1%	45.38	40.16
Impact due to decrease of 1%	53.08	47.56
Impact of the change in salary increase	-	
Present Value of Obligation at the end of the period	48.92	43.55
Impact due to increase of 1%	53.13	47.60
Impact due to decrease of 1%	45.28	40.07
Impact of the change in Withdrawal Rate	-	
Present Value of Obligation at the end of the period	48.92	43.55
Impact due to increase of 1%	49.53	44.02
Impact due to decrease of 1%	48.17	42.99

Sensitivities due to mortality is insignificant & hence ignored.

viii) Maturity profile of defined benefit obligation:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Year 1	8.88	7.50
Year 2	2.15	1.64
Year 3	2.02	2.00
Year 4	3.09	1.53
Year 5	1.45	2.66
Years 6 to 10	31.19	29.25

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

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ix) Other comprehensive (income) / expenses (Remeasurement)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(6.05)	(6.47)
Actuarial (gain)/loss - obligation	(4.42)	2.14
Actuarial (gain)/loss - plan assets	0.03	0.32
Total Actuarial (gain)/loss	(4.16)	2.46
Cumulative total actuarial (gain)/loss. C/F	(10.44)	(4.01)

Compensated Absences- Unfunded obligation

i. Actuarial Assumptions

	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate (per annum)	7.00%	7.00%
Expected return on plan assets	NA	NA
Salary escalation rate*	5.00%	5.00%

ii. Reconciliation of Obligation

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation at the beginning of the year	**12.12**	**5.64**
Current Service Cost	6.58	4.01
Past Service cost	-	-
Interest Cost	0.92	0.27
Actuarial (gain)/ loss	(1.58)	6.32
Benefits Paid	(0.41)	-
Present value of obligation at the end of the year	**17.62**	**16.24**

iii. Reconciliation of fair value of plan assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value of plan assets at the beginning of the year	-	-
Actual return of plan assets	-	-
Actuarial gain/ (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Assets distributed on settlement	-	-
Charges Deducted	-	-
Fair value of plan assets at the end of the year	-	-

iv. Description of Plan Assets

	For the year ended March 31, 2023	For the year ended March 31, 2022
Insured Managed Funds(LIC India)	-	-

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v. Net (Asset)/ Liability recognized in consolidated statement of assets and liabilities

	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation at the end of the year	17.62	16.24
Fair value of plan assets at the end of the year	-	-
Net (asset)/ liability recognised in consolidated statement of assets and liabilities	17.62	16.24

vi) (Income)/ Expense recognized in consolidated statement of profit and loss

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Service Cost	6.58	4.01
Interest Cost	0.92	0.27
Actuarial (gain)/ loss recognized for the period	(1.58)	6.32
Expected return on plan assets	-	-
(Income)/ Expenses recognized in consolidated statement of profit and loss	5.92	10.60

vii) Sensitivity analysis of the defined benefit obligation:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	17.63	15.70
Impact due to increase of 1%	16.26	14.36
Impact due to decrease of 1%	19.20	17.29
Impact of the change in salary increase	-	-
Present Value of Obligation at the end of the period	17.63	15.70
Impact due to increase of 1%	19.23	17.31
Impact due to decrease of 1%	16.22	14.32
Impact of the change in Withdrawal Rate	-	-
Present Value of Obligation at the end of the period	17.63	15.70
Impact due to increase of 1%	17.94	15.97
Impact due to decrease of 1%	17.23	15.38

Sensitivities due to mortality is insignificant & hence ignored.

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36 Employees' Stock Option Plans (ESOP)

(i) Kaynes Employees Stock Option Scheme 2022

The members of the Company at its Extraordinary General Meeting held on January 12, 2022 had approved the issue of Stock Options to eligible employees/ directors of the Company and its subsidiaries. Accordingly, the Board a their meeting held on January 12, 2022 approved the "Kaynes ESOP Scheme 2022". A Compensation Committee was formed to govern the "Kaynes ESOP Scheme 2022" which has approved Details are as follows:

Particulars	Year 1	Year 2	Year 3	Year 4
Grant Date	04.07.2022	04.07.2022	04.07.2022	04.07.2022
Vesting date	04.07.2023	04.07.2024	04.07.2025	04.07.2026
Option Granted (Nos)	9,23,160	9,23,160	9,23,160	9,23,160
Exercise price (Amount in Rs. per share)	138.00	138.00	138.00	138.00

(ii) Fair value of share options granted during the year

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

(iv) Inputs in the pricing model

Particulars	Year 1	Year 2	Year 3	Year 4
Weighted average fair Value of options	18.07	22.66	32.26	35.32
Exercise price (Amount in Rs. per share)	138.00	138.00	138.00	138.00
Expected Volatility	16.96%	17.28%	25.02%	23.42%
Options Life (Number of Years)	1.50	2.00	2.50	3.00
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Risk Free Rate	6.13%	6.41%	6.62%	6.77%

(v) Movement in stock options

For the year ended March 31, 2023

Particulars	No of Options
Options outstanding as at March 31, 2022	-
New options issued during the year	9,23,160
Options exercised during the year	-
Lapsed/ forfeited during the year	(27,260)
Expired during the year	-
Options outstanding as at March 31, 2023	**8,95,900**
Options exerciseable as at March 31, 2023	-

During the year ended March 31, 2023, the Company recorded an employee share based payment expense of Rs. 6.31 Million in the Statement of Profit and Loss.

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37 Financial risk management objectives and policies

The company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to financing for working capital requirements. the company has trade and other receivables, loans and advances that arise directly from its operations.

The company is accordingly exposed to market risk, credit risk and liquidity risk.

The company's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. the company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations with floating interest rates.

The company has no exposure to financial instruments with an interest rate risk as on March 31, 2023 and March 31, 2022.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. the company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency) and the company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The sensitivity analysis has been based on the composition of the company's financial assets and liabilities at the end of the respective reporting periods. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Foreign Currency	INR (Millions)	Foreign Currency	INR (Millions)
Financial assets					
Trade receivable	EURO	1.14	101.29	1.12	93.70
Trade receivable	GBP	1.27	128.39	0.73	72.17
Trade receivable	JPY	1.00	0.63	1.09	0.67
Trade receivable	CHF	4.38	357.95	4.04	304.22
Trade receivable	USD	-		-	-
Advance to suppliers	EURO	0.18	16.06	0.13	11.45
Advance to suppliers	GBP	0.05	4.61	0.03	3.43
Advance to suppliers	JPY	27.67	17.37	0.04	2.24
Advance to suppliers	USD	2.04	166.97	2.95	224.08
Financial Liabilities					
Trade payables	EURO	0.43	37.97	0.34	28.95
Trade payables	GBP	0.54	54.18	0.01	0.79
Trade payables	JPY	74.79	46.95	59.10	36.98
Trade payables	CHF	15.44	1,261.70	10.22	779.57
Trade payables	USD	-	-	-	-
Net Exposure in financial asset			**(607.53)**		**(134.33)**

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A. Trade Receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

The company does not hold collateral as security. the company evaluates the concentration of risk with respect to trade receivables as low, as its customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.

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The company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The management makes estimates of the expected losses on receivables taking into account past history and their assumptions. Expected credit loss allowance is calculated by comparing the management estimates with the provision matrix.

Details of allowances for expected credit losses are provided hereunder

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	76.71	67.76
Provisions created	2.85	8.95
Closing at the end of the year	79.56	76.71

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year subject to approval of the company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. the company's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. the company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,208.57	150.42	1,358.99
Trade Payables	2,228.74	-	2,228.74
Other financial liabilities	105.75	-	105.75
Lease liabilities	33.86	154.57	188.43
Total	**3,576.92**	**304.99**	**3,881.91**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,402.67	292.79	1,695.46
Trade Payables	1,640.56	-	1,640.56
Other financial liabilities	77.29	-	77.29
Lease liabilities	31.96	163.35	195.31
Total	**3,152.48**	**456.14**	**3,608.62**

38 Capital management

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholders value.
the company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. the company monitors capital using a gearing ratio, which is net debt divided by total capital. the company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	As at March 31, 2023	As at March 31, 2022
Gross debt	1,358.99	1,695.46
Less: Cash and Cash equivalents	(259.31)	(68.74)
Net debt	**1,099.68**	**1,626.72**
Equity	9,590.42	2,022.06
Total capital	**9,590.42**	**2,022.06**
Gearing ratio	**11.47%**	**80.45%**

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39 Financial instruments: Fair values

Particulars	As at March 31, 2023				As at March 31, 2022			
	FVTPL	FVOCI	Amortised cost	Total Carrying Amount	FVTPL	FVOCI	Amortised cost	Total Carrying Amount
Financial assets								
At Fair value								
Investments - Equity	-	13.44	-	13.44	-	10.83	-	10.83
Investments - Mutual Funds	19.32	-	-	19.32	4.33	-	-	4.33
								-
At amortised cost:								-
a) Trade receivables	-	-	2,270.66	2,270.66	-	-	1,977.26	1,977.26
b) Cash and cash equivalents	-	-	259.31	259.31	-	-	68.74	68.74
c) Bank balances other than cash and cash equivale	-	-	4,600.65	4,600.65	-	-	147.20	147.20
d) Loans and deposits	-	-	99.52	99.52	-	-	75.19	75.19
e) Other financial assets	-	-	90.30	90.30	-	-	17.02	17.02
Total Financial Assets	**19.32**	**13.44**	**7,320.44**	**7,353.20**	**4.33**	**10.83**	**2,285.41**	**2,300.57**
Financial liabilities								
At amortised cost:								
a) Borrowings (Long term)	-	-	150.42	150.42	-	-	292.79	292.79
b) Borrowings (Short term)	-	-	1,208.57	1,208.57	-	-	1,402.67	1,402.67
c) Trade payables	-	-	2,228.74	2,228.74	-	-	1,640.56	1,640.56
d) Other Financial Liabilities	-	-	105.75	105.75	-	-	77.29	77.29
e) Lease Liabilities			188.43	188.43			195.31	195.31
Total Financial Liabilities	**-**	**-**	**3,881.91**	**3,881.91**	**-**	**-**	**3,608.62**	**3,608.62**

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The company has assessed that trade receivables, cash and cash equivalents, bank balances, other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

40 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

i. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2023	32.76	19.32	-	13.44

There are no transfers between levels 1 and 2 during the year.

ii. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2022	15.16	4.33	-	10.83

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41 Additional information as required under schedule III of companies act, 2013 of entities consolidated as subsidiaries

Name of the entity in the company	As at March 31, 2023		As at March 31, 2022	
	Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities	
	As % of consolidated net assets	Amount in INR Millions	As % of consolidated net assets	Amount in INR Millions
A.Parent company				
Kaynes Technology India Limited	99.80%	9,583.86	99.54%	2,027.85
B.Indian Subsidiaries				
Kaynes International Design and Manufacturing Private Limited	0.90%	86.20	3.05%	62.13
Kemsys Technologies Private Limited	(0.86%)	(82.11)	(3.37%)	(68.59)
Kanyes Embedded Systems Private Limited	-	-	-	-
Kaynes Electronics Manufacturing Privatelim	(0.03%)	(3.02)	-	-
C. Foreign Subsidiary				
Kaynes Technology Europe GmbH	0.26%	24.67	0.99%	20.11
D.Consolidated adjustments	(0.06%)	(6.11)	(0.21%)	(4.33)
	100.00%	**9,603.49**	**100.00%**	**2,037.17**

Name of the entity in the company	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Share in Profit/(Loss)		Share in Profit/(Loss)	
	As % of consolidated net assets	Amount in INR Millions	As % of consolidated net assets	Amount in INR Millions
A.Parent company				
Kaynes Technology India Limited	99.42%	947.61	99.32%	409.85
B.Indian Subsidiaries				
Kaynes International Design and Manufacturing Private Limited	2.41%	22.93	4.89%	20.18
Kemsys Technologies Private Limited	(1.36%)	(12.97)	(5.76%)	(23.77)
Kanyes Embedded Systems Private Limited	-	-	-	-
Kaynes Electronics Manufacturing Private Limited	(0.33%)	(3.12)	-	-
C. Foreign Subsidiary				
Kaynes Technology Europe GmbH	0.39%	3.73	0.00%	0.02
D.Consolidated adjustments	(0.53%)	(5.01)	1.54%	6.37
	100.00%	**953.17**	**100.00%**	**412.65**

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42 Ratios as per Schedule III Requirements

a) Current Ratio = Current Assets divided by Current Liabilities

	As at March 31, 2023	As at March 31, 2022
Current Assets	12,307.60	4,863.65
Current Liabilities	4,151.59	3,621.39
Ratio	**2.96**	**1.34**
% Change from previous year	120.74	

Ratio increase is due to increase in inventory, trade receivable, bank balance and other asset as Initial Public Offer (IPO) money was invested in Current Assets.

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

	As at March 31, 2023	As at March 31, 2022
Total Debt	1,358.99	1,695.46
Total Equity	9,603.49	2,037.17
Less : Non-controlling Interest	(13.07)	(11.32)
Less: Non free reserves	(13.77)	(7.67)
Equity attributable to the owners of the company	**9,576.65**	**2,018.18**
Ratio	**0.14**	**0.84**
% Change from previous year	(83.11)	

Ratio change is due to receipt of Share Premium on issue of Equity share and due to addition of profit for the year.

c) Debt Service Coverage Ratio = Earnings available for servicing debt divided by total interest and principal payments

	As at March 31, 2023	As at March 31, 2022
Profit before tax	1,260.39	590.27
Add: Depreciation	187.41	131.62
Add: Finance Cost	349.36	255.87
Adjusted Profit	**1,797.16**	**977.76**
Interest cost on borrowings	349.36	255.87
Principal repayments	234.55	194.31
Total of Interest and Principal repayments	**58391**	**450.18**
DSCR	**3.08**	**2.17**
% Change from previous year	41.71	

The improvement in the ratio for the year ended March 31, 2023 is due to a significant increase in Profit Before Tax.

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

	As at March 31, 2023	As at March 31, 2022
Profit after tax	951.96	416.75
Less : Share of Profit / (Loss) of minority interest	(1.75)	(2.27)
Consolidated Net Profit after tax, for the year attributable to equity shareholders	**950.21**	**414.48**
Total Equity	9,603.49	2,037.17
Less : Non-controlling Interest	(13.07)	(11.32)
Less: Non free reserves	(13.77)	(7.67)
Equity attributable to the owners of the company	**9,576.65**	**2,018.18**
Average Shareholder's equity *	5,797.42	1,691.64
Ratio	**16.39**	**24.50**
% Change from previous year	(33.11)	

The improvement in Ratio is due to increase in Total Equity due to share premium and profit for the year.

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

	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	11,261.14	7,062.49
Average Trade Receivables *	2,123.96	1,597.37
Ratio	**5.30**	**4.42**
% Change from previous year	19.92	

The improvement in the ratio for March 31 2023 is due to better collections.

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

	As at March 31, 2023	As at March 31, 2022
Credit Purchases	9,642.13	5,517.71
Average Trade payables	1,934.65	1,297.44
Ratio	**4.98**	**4.25**
% Change from previous year	17.19	

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

	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	11,261.14	7,062.49
Average Inventory	3,197.71	1,951.22
Ratio	**3.52**	**3.62**
% Change from previous year	(2.70)	

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

	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	11,261.14	7,062.49
Average working capital	4,699.14	977.91
Ratio	**2.40**	**7.22**
% Change from previous year	(66.82)	

Reason for change more than 25%
The improvement in the ratio for the year ended March 31, 2023 is due to the increase in profits as a result of increase in sale but marginal increase in fixed expenses

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

	As at March 31, 2023	As at March 31, 2022
Profit after tax	951.96	416.75
Revenue from Operations	11,261.14	7,062.49
Ratio	**8.45**	**5.90**
% change from previous year	43.26	

Reason for change more than 25%-
The improvement in the ratio for the year ended March 31, 2023 is due to the increase in profits.

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

	As at March 31, 2023	As at March 31, 2022
Profit before tax	1,260.39	590.27
Add: Finance Costs	349.36	255.87
EBIT	**1,609.75**	**846.14**
Tangible Net worth	9,271.75	1,767.35
Non Current Borrowings	150.42	292.79
Short Term Borrowings	1,208.57	1,402.67
Total	**10,630.74**	**3,462.81**
ROCE	**15.14**	**24.44**
% change from previous year	(38.03)	

The decrease in ratio is due to increase in net worth as a result of high retined earnings and money received from Initial Public Offer (IPO).

K.P. RAO & CO. ★ BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS ★

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

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

(i) Included in loans, the particulars of which are disclosed in below as required by Sec 186(4) of the Companies Act 2013:

Sl. No.	Name of the Borrower	Type	Rate of Interest	Secured/ Unsecured	Due Date	Purpose	As at March 31, 2023	As at March 31, 2022
1	Kemsys Technologies Private Limited	Loan	8%	Unsecured	On Demand	General business purpose	180.96	177.98
2	Kaynes International Design & Manufacturing Private Limited	Corporate Guarentee	-	Unsecured	30.03.2023	General business purpose	84.00	44.00
3	Mr. Ramesh Kunhikannan	Loan	8%	Unsecured	30.03.2023	As per scheme u/s 185	-	3.56
4	Ms. Savitha Ramesh	Loan	8%	Unsecured	30.03.2023	As per scheme u/s 185	-	4.18

44 Other Statutory disclosures

1. Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2. The Struck off Company details

S. No.	Name of the Struck off Company	Nature of transactions with struck off company	As at March 31, 2023	As at March 31, 2022
1	Kaynes Electro-Plast Private Limited	No Transactions	-	-
2	Wendorhub Solutions	No Transactions	-	-

3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a)directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6. The company has neither declared nor paid any interim dividend or final dividend during the year.

7. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

8. The company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.

K. P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

45 Corporate social responsibility expenses:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the company during the year *	8.06	3.32
Amount of expenditure incurred.	8.06	2.92
Shortfall at the end of the year.	-	0.40
Total of previous years shortfall.	-	0.40

* Including previous year's shortfall

The company's CSR Activities primarily involve in the promotion of education, healthcare, art and cultural promotion, animal welfare, rural developement, natural calamities relief and skill developement for underprivileged people.

The shortfall has arisen due to the lack of eligible projects due to the impact of the pandemic.

46 Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act):

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to micro & small enterprises	216.45	45.00
Interest due on above	1.65	2.92
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

Note: The above information and that given in Note 16(b)'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the company and has been relied upon by the auditors.

47 Previous year figures have been regrouped/ re-classified wherever necessary.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: May 16, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: May 16, 2023

K. P. RAO & CO.
CHARTERED ACCOUNTANTS

'Poornima', IInd Floor, 25, State Bank Road,
Bangalore - 560 001. Karnataka, India.

K. P. RAO
DESMOND J. REBELLO
H.N. ANIL
MOHAN R LAVI
K. VISWANATH
K.P. SIDDHARTH
S. PRASHANTH
P. RAVINDRANATH

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAYNES TECHNOLOGY INDIA LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Kaynes Technology India Limited** (hereinafter referred to as "the Holding Company") and its **subsidiaries** (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS)" and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Company as at March 31, 2022, the Consolidated profit, the Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows for the year ended.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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Chennai : Flat 2-A, Second Floor, Shruthi 3/7, 8th Cross Street, Shastrinagar, Adayar, Chennai - 600 020. Ph.: 044- 24903137 / 45511564

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position and financial performance, of the group in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of the companies included in the group are responsible for overseeing the financial reporting process of each company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there no key audit matters

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

to be reported for the year 2021-22.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions

K.P. RAO & CO. BANGALORE FRN:003135S CHARTERED ACCOUNTANTS may cause the group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other Companies included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Independent Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the **"Annexure A"**, a statement on the matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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 of the aforesaid consolidated financial statements..

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2022, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'

g) With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:
In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 20 to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

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

v. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

vi. The Group has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

K.P. RAO & CO.
BANGALORE
FRN: 003135S
CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No. 029340
UDIN: **22029340AJHCAV9827**

Place: Mysuru
Date: 21st May 2022

K. P. RAO & CO.
CHARTERED ACCOUNTANTS

Continuation Sheet.....

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in report on other legal and regulatory requirements Section of our report of even date)

There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 22029340AJHCAV9827

Place: Mysuru
Date: 21st May 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Opinion

In conjunction with our audit of the consolidated financial statements of Kaynes Technology India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the holding company and such Companies incorporated in India which are its subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note of Internal Financial Controls With reference to consolidated financial statements issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Holding Company have to be completely and appropriately documented.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to consolidated financial statements ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required the Companies Act, 2013 ('the Act').

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting in the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. This includes those policies and procedures that:

i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

K.P. RAO & CO. ★ BANGALORE FRN: 003135S ★ CHARTERED ACCOUNTANTS

Company are being made only in accordance with authorizations of management and directors of the company; and

iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Mohan R Lavi
Partner
Membership No. 029340

UDIN: **22029340AJHCAV9827**

Place: Mysuru
Date: 21st May 2022

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Consolidated Balance Sheet
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	639.58	570.65
Capital work-in-progress	3(b)	44.20	10.06
Intangible assets	3(c)	289.73	126.95
Intangible under development	3(d)	39.09	116.18
Rights-of-Use Assets	3(e)	180.62	78.57
Goodwill		23.44	23.44
Financial assets			
i)Investments	4	15.16	16.89
ii)Loans and deposits	5(a)	58.28	31.48
iii)Other financial assets	5(b)	35.28	13.00
Other non-current assets	6	35.17	14.50
Total Non-Current Assets (A)		**1,360.55**	**1,001.72**
CURRENT ASSETS			
Inventories	7	2,263.78	1,638.65
Financial asset			
i)Trade receivables	8(a)	1,977.26	1,217.48
ii)Cash and cash equivalents	8(b)	68.74	30.50
iii)Bank balances other than cash and cash equivalents	8(c)	147.20	112.05
iv)Loans and deposits	8(d)	16.91	18.20
v)Other financial assets	8(e)	2.74	2.02
Current Tax Assets (Net)			
Other current assets	9	387.02	173.05
Total Current Assets (B)		**4,863.65**	**3,191.95**
TOTAL ASSETS (A + B)		**6,224.20**	**4,193.67**
EQUITY AND LIABILITIES			
EQUTIY			
Equity Share Capital	10(a)	461.58	68.00
Instruments entirely equity in nature	10(b)	3.79	10.80
Other Equity	11	1,560.48	1,307.78
Non-controlling Interest	12	11.32	9.05
Total Equity (A)		**2,037.17**	**1,395.63**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Borrowings	13	292.79	170.87
- Lease liabilities	33	163.35	64.36
Deferred Tax Liabilities (Net)	14	67.75	52.40
Long Term Provisions	15	41.75	32.01
Total Non-current Liabilities (B)		**565.64**	**319.64**

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Consolidated Balance Sheet
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
CURRENT LIABILITIES			
Financial Liabilities			
- Short-term borrowings	16 (a)	1,402.67	1,223.81
- Trade payables	16 (b)		
- Total outstanding dues of micro enterprises and small enterprises		47.92	66.34
- Total outstanding dues to other than micro enterprises and small enterprises		1,592.64	887.98
- Other financial liabilities	16 (c)	77.29	65.90
- Lease liabilities	33	31.96	25.43
Current tax liabilities (net)	17	155.53	16.45
Other current liabilities	18	303.29	185.82
Short-term provisions	19	10.09	6.67
Total Current Liabilities (C)		**3,621.39**	**2,478.40**
Total Liabilities (B+C)		**4,187.03**	**2,798.04**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**6,224.20**	**4,193.67**
Significant accounting policies and notes to financial statements	**1 to 2**		

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

K.P. RAO & CO. CHARTERED ACCOUNTANTS BANGALORE FRN: 003135 S

Place: Bengaluru
Date: May 21, 2022

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: May 21, 2022

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Consolidated Statement of Profit and Loss
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	20	7,062.49	4,206.27
Other Income	21	41.05	40.36
Total Income (A)		**7,103.54**	**4,246.63**
Expenses			
Cost of materials consumed	22	4,931.07	2,822.99
Changes in inventories of Finished goods and work in progress	23	(36.77)	38.23
Employee Benefit Expenses	24	602.35	459.00
Finance Cost	25	255.87	239.79
Depreciation and amortization expense	26	131.62	100.76
Other Expenses	27	629.13	477.15
Total Expenses (B)		**6,513.27**	**4,137.92**
Profit / (Loss) before tax (A-B)=C		**590.27**	**108.71**
Tax Expenses			
Income taxes - Current tax		153.07	44.92
- Earlier year tax adjustments		-	(8.69)
Deferred tax Charge/ (Credit)		20.45	(24.84)
Total tax expense (D)		**173.52**	**11.39**
Profit / (Loss) for the year (C - D)=E		**416.75**	**97.32**
Other comprehensive income (net)			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Re-measurement gains/ (losses) on defined benefit plans		(1.68)	(5.41)
- Exchange differences in translating financial statements of foreign operations		-	(1.70)
Income tax effect		(0.15)	1.79
Total other comprehensive income for the year, net of tax (F)		**(1.83)**	**(5.32)**
Total comprehensive income for the year, net of tax (E+F)		**414.92**	**92.00**
Less: Share of Profit / (Loss) of minority interest		2.27	3.56
Total comprehensive income for the year, net of tax		**412.65**	**88.44**
Earnings per share (nominal value of Rs. 10 each)			
Basic	31	9.96	2.28
Diluted	31	8.95	2.15
Significant accounting policies and notes to financial statement	1 to 2		

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Bengaluru
Date: May 21, 2022

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: May 21, 2022

RAO & CO. BANGALORE FRN: 003135 S CHARTERED ACCOUNTANTS

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Consolidated Statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities			
Net profit before extraordinary items and tax		590.27	108.71
Adjustments for :			
Depreciation and Amortisation Expense		131.62	100.76
Provision for doubtful debts		8.95	26.29
Unrealised foreign exchange gain (net)		(0.25)	(13.51)
Interest expense		255.87	214.01
Interest on Income tax		-	12.01
Interest income		(10.59)	(6.71)
Miscellaneous income (Liabilities written back)		(0.08)	(2.85)
Operating profit before working capital changes, extraordinary		**975.79**	**438.71**
Adjustments for:			
(Increase)/ decrease in Inventories		(625.13)	(127.55)
(Increase)/Decrease in Trade receivables		(759.78)	(280.99)
(Increase)/Decrease in Loans and Advances and other assets		(291.73)	173.10
Increase/(Decrease) in Trade payable and other liabilities		920.37	88.53
Increase/(Decrease) in Provisions		13.16	8.98
Cash Generated (used in)/From Operations		**232.68**	**300.78**
Income tax Received / (Paid)		(21.59)	(44.82)
Net Cash from Operating Activities	**(A)**	**211.09**	**255.96**
B. Cash Flow from Investing Activities			
Purchase of fixed assets		(422.43)	(336.36)
Interest Received		10.59	6.71
Proceeds from Sale of investments / fixed deposits matured		(33.42)	2.40
Net Cash used in Investing activities	**(B)**	**(445.26)**	**(327.25)**
C. Net Cash from/(used) in Financing Activities			
Proceeds from issue of Share Capital :			
- Equity		-	-
- Preference		3.79	10.80
Share Premium received :			
- Equity		0.01	-
- Preference		223.70	259.20
Repayment of long term borrowings		121.92	72.91
Proceeds from short term borrowings		178.86	(116.50)
Interest expense		(255.87)	(218.44)
Net Cash from/(used) in Financing Activities	**(C)**	**272.41**	**7.97**
Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**38.24**	**(63.32)**

K.P. RAO & CO. ★ BANGALORE FRN: 003135S ★ CHARTERED ACCOUNTANTS

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Consolidated Statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and cash equivalents as on April 01	30.50	7.43
Cash and cash equivalents as on March 31	**68.74**	**(55.89)**
Components of cash and cash equivalents		
Balance with scheduled banks on:		
- on Current Account	68.04	30.19
- on deposit accounts	-	0.18
Cash on Hand	0.70	0.13
	68.74	**30.50**

Notes

a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Significant accounting policies and notes to financial statement	**1 to 2**

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Bengaluru
Date: May 21, 2022

K.P. RAO & CO. BANGALORE FRN: 003135 S CHARTERED ACCOUNTANTS

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: May 21, 2022

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Consolidated Statement of changes in equity
(All amounts are in INR Millions, unless otherwise stated)

A. Equity Share Capital

Particulars	No. of Shares	Amount
As at March 31, 2020	67,99,992	68.00
Change during the year	10	-
As at March 31, 2021	68,00,002	68.00
Change during the year	3,93,58,004	393.58
As at March 31, 2022	4,61,58,006	461.58

B. Instruments Entirely of Equity Nature

Particulars	CCPS Series A		CCPS Series B		CCPS Series C	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
As at March 31, 2020	-	-	-	-	-	-
Change during the year	10,79,990	10.80		-		-
As at March 31, 2021	10,79,990	10.80	-	-	-	-
Change during the year	(10,79,990)	(10.80)	3,33,323	3.33	45,823	0.46
As at March 31, 2022	-	-	3,33,323	3.33	45,823	0.46

C. Other Equity

For the year ended March 31, 2022

Particulars	Reserves & Surplus				Other Comprehensive Income		Total Other Equity	Non Controlling Interest	Total
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations			
As at April 01, 2021	266.71	110.88	897.00	19.12	2.36	11.71	1,307.78	9.05	1,316.83
Profit for the period	-	-	412.65	-	-	-	412.65	2.27	414.92
On issue of New Preference shares	223.70	-	-	-	-	-	223.70	-	223.70
On issue of Equity shares	0.01	-	-	-	-	-	0.01	-	0.01
On issue of Bonus shares	(385.90)	-	-	-	-	-	(385.90)	-	(385.90)
On conversion of Preference shares into equity	3.12	-	-	-	-	-	3.12	-	3.12
Utilized towards redemption of debentures	-	-	-	(13.81)	-	-	(13.81)	-	(13.81)
Transfer from Debenture redemption reserve	-	13.81	-	-	-	-	13.81	-	13.81
Ind AS adjustments	-	-	0.10	-	-	-	0.10	-	0.10
Re-measurement of the net defined benefit liability/asset, net of tax effect			1.83			(1.83)	-	-	-
Fair value adjustments of investments	-	-	(0.98)	-	-	-	(0.98)	-	(0.98)
As at March 31, 2022	107.64	124.69	1,310.60	5.31	2.36	9.88	1,560.48	11.32	1,571.80

For the year ended March 31, 2021

Particulars	Reserves & Surplus				Other Comprehensive Income		Total Other Equity	Non Controlling Interest	Total
	Securities premium	General reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations			
As at April 01, 2020	7.51	61.69	803.35	68.31	1.09	17.03	958.98	5.49	964.47
Profit for the year	-	-	93.78	-	-		93.78	3.56	97.34
Amount transferred during the year	-	-	-	(49.19)	-	-	(49.19)	-	(49.19)
Foreign Currency translation reserve	-	-	-	-	1.27	-	1.27	-	1.27
Transfer from Debenture redemption reserve	-	49.19	-	-	-	-	49.19	-	49.19
Other Adjustments	-	-	(0.13)	-	-	-	(0.13)	-	(0.13)
On issuance of Preference share capital	259.20	-	-	-	-	-	259.20	-	259.20
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	(5.32)	(5.32)	-	(5.32)
As at March 31, 2021	266.71	110.88	897.00	19.12	2.36	11.71	1,307.78	9.05	1,316.83

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

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Bengaluru
Date: May 21, 2022

K.P. RAO & CO.
BANGALORE
FRN: 003135 S
CHARTERED ACCOUNTANTS

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: May 21, 2022

1 General Information

Kaynes Technology India Limited (Formerly known as Kaynes Technology India Private Limited) ("the Company" / "ParentCompany"/ Holding Company") is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company and its subsidiaries' (Collectively, "the Group") are primarily engaged in Design and Manufacturing of advanced electronic modules and solutions catering to a wide range of industries.

The Holding company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 24, 2022 and consequently the name of the Company has changed to "Kaynes Technology India Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on March 31, 2022.

The following entities are considered in these Consolidated financial information

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %		
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Kaynes Technology India Limited	Holding	India	100.00	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00	60.00
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00	60.00

2 Basis of preparation

A. Statement of compliance

These Consolidated Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The Company's financial statements upto and for the year ended 31 March 2021 were prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP"). For the purposes of filing a Draft Red Herring Prospectus with SEBI, the Company transitioned to Ind AS with effect from 01.04.2019. The transition was carried out from Indian GAAP. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows.

The Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
- Section 26 of part I of Chapter III of the Act;
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

Functional and presentation currency

Items included in the Consolidated Financial Information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Information are presented in Indian rupee (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,00,000 have been rounded and are presented as INR 0.00 Millions in the Consolidated Financial Information.

Basis of measurement

The Consolidated financial information has been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities	Fair Value
Defined benefits liability	Fair value of plan assets less present value of defined benefit obligations

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2.1 Current versus non-current classification

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

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Expected to be realised within twelve months after the reporting period, or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
(a) It is expected to be settled in normal operating cycle,
(b) It is held primarily for the purpose of trading,
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).;
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).
When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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2.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Estimates include provision for employee benefits, allowances for uncollectible trade receivables / advances / contingencies, useful life of fixed assets, provision for taxation, etc., during and 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.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 37 - measurement of defined benefit obligations: key actuarial assumptions;
Notes 29 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
Note 39 - impairment of financial assets;

2.4 Foreign currency translation

The Company's financial statements are presented in INR, which is also the parent company's functional currency. For each foreign opertaion, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency exchange rates at the reporting date. Non-monetary assets and liabilities that are carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of Exchange Differences

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges, to the extent the hedges are effective, which are recognised in other comprehensive income (OCI).

2.5 Principles of consolidation

a. Subsidaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
(i) The contractual arrangement with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements;
(iii) The Group's voting rights and potential voting rights;
(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31.

b. Consolidation Procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it:
(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
(ii) Derecognises the carrying amount of any non-controlling interests.
(iii) Derecognises the cumulative translation differences recorded in equity.
(iv) Recognises the fair value of the consideration received.
(v) Recognises the fair value of any investment retained.
(vi) Recognises any surplus or deficit in profit or loss.
(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e. Subsidiaries considered in the Consolidated Financial Statements:

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %			
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	0
Kaynes Technology India Limited	Holding	India	100.00	100.00	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21	95.21	99.99
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00	60.00	60.00
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00	60.00	60.00

2.6 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

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Sale of products and services:
Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The company has ascertained that all performance obligations are performed at a point in time.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (o) Financial instruments below.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments below.

Contract Liability
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.7 Other Income

Interest income is recognized on time proportion basis and other income, if any, recognized on the basis of certainty of receipts and on accrual basis and this is included in the finance income in the statement of profit and loss.

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Government Grant:
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.8 Employee Benefits

a) Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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b) Provident Fund
This is a defined benefit plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions equal to a specified percentage of the employee's salary to the provident fund. The Company contributes to the government administered pension fund.

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

d) Leave Encashment
The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company's liability for Gratuity and Leave encashment are actuarially determined using the Projected Unit Credit method at the end of each year.

Actuarial gains and losses are recognised immediately in the retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled.

2.9 Borrowing cost
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Financial instruments

2.10 Financial assets

Initial recognition and measurement
A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Consolidated Statement of Profit and Loss.

Subsequent measurement
For purposes of subsequent measurement financial assets are classified in two broad categories:
Amortised cost;
Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

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

a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b)the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

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Financial assets at FVOCI: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Other Comprehensive Income.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2.11 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

a. the group has transferred substantially all the risks and rewards of the asset, or

b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.12 Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:
(i) Financial assets measured at amortised cost;□
(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:
The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For investments in subsidiary companies, the company does not provide for impairment losses till indicators of impairment are confirmed.

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2.13 Financial liabilities:
Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

2.14 Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.15 Property, plant and equipment and intangible assets
Capital work in progress includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

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Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.
Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

2.16 Depreciation and amortisation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management in line with schedule II of the Companies Act, 2013 except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years based on the independent technical evaluation carried out by the internal technical team which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013. Building in leasehold land will be depreciated over the remaining usefull life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

Asset Category	Management estimate of useful life & Useful life as per Schedule II
Land	Unlimited
Buildings	30
Plant & Equipment	15
Furniture & Fittings	10
Office Equipments	5
Electrical Fittings	10
Computers	3
Vehicles	8
Airconditioners	5
Leasehold Improvement	3
Software	5
Technical Know-how	5

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life of the product. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end.

2.17 Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

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2.18 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.19 Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares,work-in-progress and finished goods is determined on a weighted average basis.

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

2.20 Leases

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

The Group applies a single recognition and measurement approach for all leases, except for shortterm leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As lessee

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made

at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.11) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an indeor a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.21 Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

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2.22 Taxes on Income

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 ("the IT Act") is recognised as current tax in the statement of Profit and Loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.23 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent Asset

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

2.25 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Group by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The conversion rate considered for computing dilutive potential equity shares is based on the terms and basis of the instrument as agreed under the shareholders agreement signed between the parties.

2.26 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

2.27 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

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Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Notes to Consolidated Financial Statements
(All amounts are in INR Millions, unless otherwise stated)

3 Property, plant and equipment

		Particulars	Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Gross Block		As at April 01, 2020	24.87	108.30	533.36	42.66	15.77	16.99	26.65	56.49	9.82	15.13	850.04
	2020-21	Additions during the year	-	62.33	48.51	3.47	1.35	1.59	2.12	6.63	0.91	1.90	128.81
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
		As at March 31, 2021	24.87	170.63	581.86	46.13	17.12	18.58	28.77	63.12	10.73	17.03	978.85
	2021-22	Additions during the year	7.60	0.75	102.70	8.50	1.05	2.65	5.41	4.10	1.62	0.18	134.56
		Deletions during the year	-	-	-	-	-	-	-	(1.22)	-	-	(1.22)
		As at March 31, 2022	32.47	171.38	684.56	54.63	18.17	21.23	34.18	66.00	12.35	17.21	1,112.19

		Particulars	Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Accumulated Depreciation		As at April 01, 2020	-	16.46	215.56	23.81	12.53	10.81	23.44	26.69	7.52	11.01	347.83
	2020-21	Charge for the year	-	3.47	38.80	3.58	1.17	1.02	2.66	6.25	0.84	2.58	60.37
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
		As at March 31, 2021	-	19.93	254.35	27.39	13.70	11.83	26.10	32.94	8.36	13.59	408.20
	2021-22	Charge for the year	-	5.79	40.27	3.82	1.15	1.17	3.12	6.44	0.96	2.19	64.91
		Deletions during the year	-	-	-	-	-	-	-	(0.50)	-	-	(0.50)
		As at March 31, 2022	-	25.72	294.62	31.21	14.85	13.00	29.22	38.88	9.32	15.78	472.61
Net Block		Net Block											
		As at March 31, 2022	32.47	145.66	389.94	23.42	3.32	8.23	4.96	27.12	3.03	1.43	639.58
		As at March 31, 2021	24.87	150.70	327.51	18.74	3.42	6.75	2.67	30.18	2.37	3.44	570.65

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3(a) Capitalised Expenditure
Borrowing cost:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance brought down	1.38	3.86
Interest expenses	6.26	9.91
Sub-Total	**7.64**	**13.77**
Less: Allocated to property, plant and equipment	(7.10)	(12.39)
Balance carried over (included	**0.54**	**1.38**

3(b) Capital Work in Progress

Particulars	Tangible Assets under Construction or Installation	Total
As at April 01, 2020	**49.75**	**49.75**
Additions/Adjustment	9.95	9.95
Capitalization of Interest	6.28	6.28
Capitalized in 2020-21	(55.92)	(55.92)
As at March 31, 2021	**10.06**	**10.06**
Additions/Adjustment	33.70	33.70
Capitalization of Interest	0.44	0.44
As at March 31, 2022	**44.20**	**44.20**

Capital work in progress ageing schedule
As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	34.14	10.06	-	-	44.20
Total	**34.14**	**10.06**	**-**	**-**	**44.20**

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As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	10.06	-	-	-	10.06
Total	**10.06**	**-**	**-**	**-**	**10.06**

* No projects are temporarily suspended as at March 31,2022 and March 31,2021 .

3(c) Intangible Assets

		Particulars	Intangible Assets		Total
			Software	Technical know-how	
Gross Block		**As at April 01, 2020**	**17.85**	**47.71**	**65.56**
	2020-21	Additions during the year	0.41	97.09	**97.50**
		Deletions during the year	-	-	**-**
		As at March 31, 2021	**18.26**	**144.80**	**163.06**
	2021-22	Additions during the year	19.87	177.98	**197.85**
		Deletions during the year	-	-	**-**
		As at March 31, 2022	**38.13**	**322.78**	**360.91**

		Particulars	Intangible Assets		Total
			Software	Technical know-how	
Accumulated Depreciation		**As at April 01, 2020**	**10.96**	**9.45**	**20.41**
	2020-21	Charge for the year	2.94	12.76	15.70
		Deletions during the year	-	-	-
		As at March 31, 2021	**13.90**	**22.21**	**36.11**
	2021-22	Charge for the year	2.37	32.70	35.07
		Deletions during the year	-	-	-
		As at March 31, 2022	**16.27**	**54.91**	**71.18**
Net Block		**Net Block**	-	-	
		As at March 31, 2022	**21.86**	**267.87**	**289.73**
		As at March 31, 2021	**4.36**	**122.59**	**126.95**

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

3(d) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at April 01, 2020	**8.37**	**61.33**	**69.70**
Additions/Adjustment	7.33	132.61	139.94
Capitalization of Interest	-	3.63	3.63
Capitalized in 2020-21	-	(97.09)	(97.09)
As at March 31, 2021	**15.70**	**100.48**	**116.18**
Additions/Adjustment	4.17	110.77	114.94
Capitalization of Interest	-	5.82	5.82
Capitalized in 2021-22	(19.87)	(177.98)	(197.85)
As at March 31, 2022	**-**	**39.09**	**39.09**

Intangible Assets under Development Ageing Schedule
As at March 31, 2022

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

As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	107.81	8.37	-	-	116.18
Total	**107.81**	**8.37**	**-**	**-**	**116.18**

* No projects are temporarily suspended as at March 31,2022 and March 31,2021 .

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Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company** **also indicate if in dispute
PPE	Land	1.183	P.K. Bansal	NA	April 12, 2012	To be registered

3(e) Right of Use Assets

(INR in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	78.57	86.39
Additions during the year	134.22	16.88
Deletions during the year	(0.54)	-
Depreciation during the year	(31.63)	(24.69)
Closing Balance	**180.62**	**78.57**

K.P. RAO & CO. ★ BANGALORE FRN: 003135S ★ CHARTERED ACCOUNTANTS

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Notes to Consolidated Financial Statements
(All amounts are in INR Millions, unless otherwise stated)

NON-CURRENT ASSETS	As at March 31, 2022	As at March 31, 2021
FINANCIAL ASSET		
4 Non-Current Financial Assets - Investments		
Unquoted		
Investments - Non-Trade		
Investments in Equity instruments	10.83	10.83
Investments in Others	4.33	6.06
Total	**15.16**	**16.89**
4.1 Detail of Non-Current Investments		
Financial assets measured at FVTOCI		
(i) Investment in equity instruments - Equity Shares		
(a) Other than Subsidiary Company		
Winfoware Technologies Limited	10.80	10.80
Mysore ESDM Cluster	0.03	0.03
	10.83	**10.83**
(b)Financial assets measured at FVTPL		
Investments in Mutual Funds (Quoted)	4.33	6.06
	4.33	**6.06**
4.2 Additional disclosure		
Aggregate carrying value of unquoted investments	10.83	10.83
Aggregate amount of quoted investments	4.33	6.06

Investments in equity instruments- Others

a) Investment in Winfoware Technologies Limited 14,87,120 equity shares (2021: 14,87,120 equity shares) face value of Rs.5/- each purchased at a premium, constitutes 18.98% of the capital of that company.

b) Investment in Mysore ESDM Cluster (Company constituted under section 8 of the Companies Act 2013), 2,500 equity shares of Rs. 10/- each constitutes 0.18% (2021: 2,500 equity shares) of the capital of that company.

Investments in Mutual Funds

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Total NAV	Units	Total NAV
Canara Robeco Capital Protection Oriented Growth Fund			-	-
Canara Robeco Capital Protection Oriented Growth Fund	-	-	4,00,000.00	4.98
Canara Robeco Emerging Equities - Regular Growth Fund	2,273.13	0.36	2,273.13	0.29
Canara Robeco Emerging Equities - Regular Growth Fund	315.66	0.05	315.66	0.04
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	976.67	0.24	976.67	0.21
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	135.30	0.03	135.30	0.03
Canara Robeco Infrastructure - Regular Growth Fund	1,711.00	0.13	1,711.00	0.10
Canara Robeco Blue Chip Equity Fund	6,474.13	0.27	6,474.13	0.23
Canara Robeco Large Capital Fund - Regular Growth Fund	1,320.41	0.05	1,320.41	0.05
Canara Robeco Consumer Trends Fund - Regular Growth	1,083.76	0.07	1,083.76	0.06
Canara Robeco Flexi Cap Fund - Regular Growth	404.53	0.09	404.53	0.07
SBI Mutual Fund	49,997.50	0.51	-	-
SBI Magnum low duration Fund	890.56	2.53	-	-
		4.33		**6.06**

K.P. RAO & CO. ★ BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS ★

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

5 FINANCIAL ASSET

NON-CURRENT

	As at March 31, 2022	As at March 31, 2021
5(a) Loans and deposits, carried at amortized cost		
Unsecured considered good (Unless Otherwise stated)		
Rental Deposits	21.82	17.42
Loans to related party	23.63	7.76
Utility Deposits	3.58	3.17
EMD Deposits	9.25	3.13
	58.28	31.48

* Rental deposit are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties, carrying an interest rate of 8.00%.

5(b) Other non current financial assets (At Amortised Cost)		
Unsecured considered good		
Advances recoverable in cash, kind or to value to be received	35.28	13.00
	35.28	13.00

6 OTHER NON-CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital Advances	27.17	5.53
Balance with government authorities	-	0.35
Deposits against performance guarantee	-	5.48
Prepaid Rent	8.00	3.14
	35.17	14.50

CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
7 Inventories (at cost or net realisable value whichever is lower)*		
Raw materials	1,748.30	1,208.90
Work-in-progress	154.67	212.73
Finished Goods	236.73	141.90
Goods-in-transit	61.52	35.96
Consumables, stores and spares	62.56	39.16
	2,263.78	1,638.65

*The inventory of the company has been pledged with banks for availing working capital and other facilities

8 Current Financial Assets

8(a) Trade receivables	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good	1,977.26	1,217.48
Unsecured, Considered Doubtful	76.71	67.76
Less - expected credit loss allowance	(76.71)	(67.76)
	1,977.26	1,217.48

Movement in the expected credit loss allowance of trade receivables are as follows:		
Balance at the Beginning of the year / period	67.76	41.47
Add: Provided during the year / period	8.95	26.29
Balance at the end of the year / period	76.71	67.76

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

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

Undisputed Trade receivables - considered good	As at March 31, 2022	As at March 31, 2021
Less than 6 months	1,698.71	1,098.74
6 months - 1 year	150.51	20.84
1 -2 years	42.82	34.74
2 -3 years	21.98	33.14
More than 3 years	63.24	97.79
Total	**1,977.26**	**1,285.24**

Note:
a. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.
b.The trade receivables of the company has been pledged with banks for availing working capital and other facilities.
c. No trade receivables are disputed as at March 31,2022 and March 31, 2021.

8(b) Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balance with banks		
- In Current accounts	68.04	30.19
- In EEFC accounts	-	0.18
Cash on hand	0.70	0.13
	68.74	**30.50**

8(c) Other Bank Balances

Cash Credit	0.01	0.01
Deposits with original maturity for less than 12 months	95.26	87.80
Margin Money and Other Deposits	51.93	24.24
	147.20	**112.05**

*Deposits held with banks for issue of bank guarantees, letters of credit and guarantees to customs authorities.

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

	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good(Unless otherwise stated)		
Loans to related party		
Loans to related party	-	15.90
Loans to employees	16.91	2.30
Total	**16.91**	**18.20**

8(e) Other current financial assets (At Amortised Cost)

	As at March 31, 2022	As at March 31, 2021
Interest accrued	2.29	2.02
Insurance claim receivable	0.45	-
	2.74	**2.02**

9 OTHER CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances for supply of goods	294.51	87.04
MAT Credit Entitlement	0.96	-
Prepaid Expenses	35.70	15.15
Balance with government authorities	52.16	66.97
Contract Asset- Unbilled revenue	3.69	3.89
	387.02	**173.05**

K.P. RAO & CO. BANGALORE FRN: 003135S CHARTERED ACCOUNTANTS

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

10 A. Share Capital

10(a) Equity Share Capital

i) Authorised

Particulars	Equity Share Capital No of Shares	Amount
Balance as at April 01, 2020	70,00,000	70.00
Increase during the year	10,00,000	10.00
Balance as at March 31, 2021	80,00,000	80.00
Increase during the year	5,50,00,000	550.00
Balance as at March 31, 2022	**6,30,00,000**	**630.00**

Pursuant to a resolution of Board of Directors dated February 21, 2022 and the shareholders meeting dated February 21, 2022, the Authorized Share Capital of the Company has been increased from Rs. 80 millions consisting of 80,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs.630 millions consisting of 6,30,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital No of Shares	Amount
Balance as at April 01, 2020	67,99,992	68.00
Add: Shares issued during the year	10	-
Balance as at March 31, 2021	68,00,002	68.00
Add: Shares issued during the year	20	-
Add: Conversion of Preference shares into equity	7,67,866	7.68
Add: Bonus shares issued during the year	3,85,90,118	385.90
Balance as at March 31, 2022	**4,61,58,006**	**461.58**

iii) Terms/rights attached to equity shares

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

iv) Shareholders holding more than 5 percent of Equity Shares

Name of Share holder	As at March 31, 2022	As at March 31, 2021
Mr. Ramesh Kunhikannan	4,07,80,042	67,96,670
% of Share holding	88.35%	99.95%
Ms. Freny Firoz Irani	49,67,369	10
% of Share holding	10.76%	0.00%

Note: For the period of five years immediately preceding March 31,2022

(i) No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash.

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

Equity share of Rs. 10/- each	No. of shares	Amount (Rs.)
(ii) Financial Year Ended March 31, 2022		
a) The company has issued 3,84,65,005 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on February 25, 2022. 5 five shares of Rs. 10 each were allotted for every one equity shares held in the company.	3,84,65,005	38,46,50,050
b) The company has issued 55,605 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on December 24, 2021. 11,121 Bonus shares of Rs. 10 each were allotted for every 95,998 Compulsory convertible preference shares held in the company.	55,605	5,56,050
c) The company has issued 69,508 fully paid up equity shares of Rs.10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on December 24, 2021. 17,377 Bonus shares of Rs.10 each was allotted for every 150,000 Compulsory convertible preference shares held in the company.	69,508	6,95,080

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(ii) Financial Year Ended March 31, 2018

The Company has issued 16,99,992 fully paid equity shares of Rs.10 each during that year as bonus shares based on approval accorded by the shareholders at the EGM held on September 14, 2017. One Bonus share of Rs.10 each was allotted for every three equity share held in the company.	16,99,992	1,69,99,920

(iii) No shares were bought back in any of the years.
(iv) No calls are unpaid by any director or officer of the company during the year.

v) Shareholding of Promoters

Promoter Name	As at March 31, 2022	As at March 31, 2021
Mr. Ramesh Kunhikannan		
- No. of Shares held	4,07,80,042	67,96,670
- Percentage of holding	88.35%	99.95%
- Changes during the year	(11.60%)	-
Mrs. Savitha Ramesh		
- No. of Shares held	19,800	3,300
- Percentage of holding	0.04%	0.05%
- Changes during the year	(0.01%)	-

10(b) Instruments entirely equity in nature

Compulsorily Convertible Preference Share Capital
i)Authorised

Particulars	No of Shares	Amount
Balance as at March 31, 2020	**20,00,000**	**20.00**
Increase during the year	**20,00,000**	**20.00**
Balance as at March 31, 2021	**20,00,000**	**20.00**
Increase during the year	-	-
Balance as at March 31, 2022	**20,00,000**	**20.00**

Pursuant to a resolution of Board of Directors dated June 05, 2020 and the shareholders meeting dated June 05, 2020, the Authorized Share Capital of the Company has been increased from Rs. 20 millions consisting of 20,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs.20 millions consisting of 20,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	No of Shares	Amount
As at March 31, 2020	-	-
Add: Shares issued during the year	10,79,990	10.80
As at March 31, 2021	**10,79,990**	**10.80**
Add: Shares issued during the year	3,79,146	3.79
Less: Share converted into equity during the year	(10,79,990)	(10.80)
As at March 31, 2022	**3,79,146**	**3.79**

Terms/rights attached to Preference shares:
During the financial year ended March 31, 2022, the Company has issued
(i) 83,323 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Resident Indian Mr. Ganesh Cherapuram Balasubramanian which carries cumulative dividend of 0.01% per annum on October 22, 2021.
(ii) 2,50,000 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 0.01% per annum on November 01, 2021.
(iii) 45,823 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 590 per share to a Resident Indian Mr. Bharadwaj Turlapati which carries cumulative dividend of 0.01% per annum on December 25, 2021.

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During the previous year ended March 31, 2021, the Company has issued
(i) 4,79,990 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 240 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 0.01% per annum on June 24, 2020.
(ii) 6,00,000 5% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 240 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 5% per annum on November 19, 2020.
The issue of preference shares was based on the valuation report issued by a Registered Valuer"
The compulsorily convertible preference shares are convertible into such number of equity shares of Rs. 10 each as laid down in the Articles of Association ("the AOA") (as amended) of the Company and the shareholders agreement.
"The conversion shall take place upon the occurrence of any of the events as mentioned in the Shareholders' agreement:

The equity shares allotted on conversion shall rank pari- passu with the outstanding equity shares.
The Preference Shareholders shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters.
In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding and are also eligible to participate in surplus funds.

Note on CCPS Conversion
Conversion Option as at March 31, 2022:
CCPS series C shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:

a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the company pursuant to an IPO;

b.Expiry of 120 months from the Execution Date ("Investment period") or
c. Any time prior to the expiry of the Investment period at the option of the holder of the CCPS series C Investor

Conversion Option as at March 31, 2021:
CCPS shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:

a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the company pursuant to an IPO;

b.Expiry of 120 months from the Execution Date ("Investment period") or
c. Any time prior to the expiry of the Investment period at the option of the Investor

CCPS Series A shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:

a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the company pursuant to an IPO;

b.Expiry of 120 months from June 18, 2020 being the Execution Date of Original SSHA ("Investment period") or
c. Any time prior to the expiry of the Investment period at the option of the Investor

iv) Shareholders holding more than 5 percent of Preference Shares

Name of Share holder	As at March 31, 2022	As at March 31, 2021
Mrs. Freny Firoze Irani		
- No. of shares held	2,50,000	10,79,990
- % of share holding	65.94%	100.00%
Mr. Ganesh Cherapuram Balasubramanian		
- No. of shares held	83,323	-
- % of share holding	21.98%	-
Mr. Bharadwaj Turlapati		
- No. of shares held	45,823	-
- % of share holding	12.09%	-

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11 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
Securities premium (refer note i)	107.64	266.71
General Reserve (refer note ii)	124.69	110.88
Surplus in the profit and loss statement (refer note iii)	1,310.60	897.00
Debenture redemption reserve (refer note v)	5.31	19.12
Foreign currency translation reserve (refer note iv)	2.36	2.36
Other Comprehensive income (refer note vi)	9.88	11.71
	1,560.48	1,307.78

i) Securities Premium

	As at March 31, 2022	As at March 31, 2021
At beginning of the year	266.71	7.51
Changes during the year	(159.07)	259.20
As at end of the year	107.64	266.71

ii) General Reserve

	As at March 31, 2022	As at March 31, 2021
At beginning of the year	110.88	61.69
Add: Transfer from Debenture redemption reserve	13.81	49.19
As at end of the year	124.69	110.88

iii) Surplus in the profit and loss statement

	As at March 31, 2022	As at March 31, 2021
At beginning of the year	897.00	803.35
Add: Profit for the year	412.65	93.78
Less: Other Comprehensive Loss	1.83	-
Fair Value adjustment of Investment	(0.98)	
Other Adjustments	0.10	(0.13)
As at end of the year	1,310.60	897.00

v) Debenture Redemption Reserve

	As at March 31, 2022	As at March 31, 2021
At beginning of the year	19.12	68.31
Less : Transferred to General Reserve on utilisation for redemption of debentures	(13.81)	(49.19)
As at end of the year	5.31	19.12

iv) Foreign currency translation reserve

	As at March 31, 2022	As at March 31, 2021
At beginning of the year	2.36	1.09
Translation as per Non Integral Foreign Operations	-	1.27
As at end of the year	2.36	2.36

vi) Remeasurement of defined benefit obligations

	As at March 31, 2022	As at March 31, 2021
At beginning of the year	11.71	17.03
Add: Changes during the year	(1.83)	(5.32)
As at end of the year	9.88	11.71

Note

1. Securities premium account is used to record the premium received on issue of share. It is utilised in accordance with the provisions of the Companies Act, 2013.

2. General reserve is the free reserve created out of the retained earnings of the company. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

3.The debenture redemption reserve is created as per Section 71 of the Companies Act-2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014.

4. The adequacy of Debenture Redemption Reserve has been reduced from 25% to 10% as per notification dated August 16, 2019. However the company has adopted the same during the current period and transferred the differential amount to General reserves.

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		As at March 31, 2022	As at March 31, 2021
12	Non Controlling Interest	11.32	9.05
		11.32	9.05

NON-CURRENT LIABILITIES

		As at March 31, 2022	As at March 31, 2021
13	FINANCIAL LIABILITIES		
	Borrowings		
	Term loans from banks & financial institutions		
	- Secured	326.50	201.76
	- Unsecured	-	13.76
	Non-Convertible Debenture		
	- Secured	29.75	76.50
	Vehicle loan - Secured	20.14	22.10
	Less: Current maturities of Long term borrowings		
	Term loans from banks & financial institutions		
	- Secured	(43.00)	(90.64)
	Non-Convertible Debenture		
	- Secured	(34.00)	(46.75)
	Vehicle loan - Secured	(6.60)	(5.86)
		292.79	170.87

Term Loans from Banks

Term Loans have been availed from various banks. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the company has given collateral security of Factory Land and Building situated at Belagalo (Food) Industrial Area, Mysuru Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 60 months .

Term Loans from Financial Institutions-Secured

Term Loans have been availed from various financial institutions. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the company has hypothecated plant and machinery and personal property as well as an insurance policy of the Director of the Company. Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 60 months.

Non-Convertible Debentures- Secured

NCDS have been secured by specific plant and machinery and specific receivables. These are guaranteed by personal guarantee of promoter director of the company. 33% shares of the company held by one of the promoter/director has been pledged. These Debentures are repayable in 16 quarterly instalments.

Non-Convertible Debentures-Unsecured

Unsecured NCDS were issued in 2017 and closed during the financial year 2020-21

Vehicle Loans

Vehicle loan from banks are repayable in 48 to 72 monthly instalments along with the interest.

A break-up of the above loans is tabulated below:

Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			As at March 31, 2022	As at March 31, 2021
Term Loans from banks - Secured	Saraswat Bank	Repayable in 12 months in 6 equal monthly instalments after a moratorium of 6 months from date of disbursement.	112.00	12.32
Term loans from Bank - Secured	Canara Bank	Repayable in 24 months in 18 equal monthly instalments after a moratorium of 6 months from date of disbursement.	3.12	32.99
	Canara Bank - GECL - 3	Repayable in 72 months in 48 equal monthly instalments after a moratorium of 24 months from date of disbursement.	45.00	-
	Saraswat Bank	Repayable in 60 months in 48 equal monthly instalments after a moratorium of 12 months from date of disbursement.	109.67	152.45
	State Bank of India		30.36	-
	State Bank of India		16.91	
	State Bank of India		3.19	4.00

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Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			-	-
Term loans - From Financial Institutions - Secured	Sundaram Finance Machinery Loan -1	Repayable in 47 monthly instalments from the date of loan.	-	0.78
	Sundaram Finance Machinery Loan - 2	Repayable in 48 monthly instalments from the date of loan.	-	12.98
	Sundaram Finance Machinery Loan - 3		6.25	-
Non-Convertible Debenture - Secured	IL & FS - 15% Secured Non-Convertible Debentures	Repayable in 16 quarterly instalments with the first repayment starting from June 30, 2019 onwards.	29.75	76.50
Vehicle Loan - From Bank - Secured	Jeep Loan	Repayable in 60 monthly instalments from date of Loan.	0.17	0.32
	Hdfc Car Loan - Tata Nexon		0.39	0.61
	Hdfc Car Loan - Jeep Compas		0.97	1.50
	Hdfc Car Loan - Innova		0.94	1.43
	Hdfc Car Loan - Benz		3.31	5.13
	Hdfc Car Loan - Verna		-	0.70
	SBI Loan - Mini Cooper		1.55	2.25
	Saraswat Car Loan-Seltos		0.85	1.07
	Saraswat Car Loan-Nex		0.81	1.03
	Saraswat Car Loan - Bmw		3.37	4.13
	Saraswat Car Loan - Ertiga		0.81	0.99
	Saraswat Car Loan - Santro		0.50	0.62
	Car Loan		3.17	-
	Saraswat Bus Loan		1.69	-
	Canara Car Loan-Skoda Octavia	Repayable in 72 monthly instalments from date of loan.	1.61	1.99
Vehicle Loan - From Others	Bajaj Finance Ltd-Bike	Repayable in 24 monthly instalments from date of loan.	-	0.33

14 DEFERRED TAX LIABILITIES (NET)	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liability		
Property plant and equipment: timing differences on account of	71.57	72.39
Actuarial Gain/Loss	1.87	1.71
Fair Valuation of Mutual Funds	0.54	0.72
Gross deferred tax liability	73.98	74.82
Deferred Tax Asset		
Security Deposits	(0.09)	(0.07)
Actuarial Gain/Loss	(0.59)	-
Effect of foreign exchange difference	-	(0.66)
Provision for ECL	-	(7.04)
Leases	(4.40)	(3.52)
Expenses: timing differences on expenses allowable on payment basis.	(1.16)	(11.12)
Gross deferred tax asset	(6.23)	(22.42)
Net deferred tax liability	67.75	52.40

15 LONG TERM PROVISIONS	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	34.53	26.56
Provision for compensated absences	7.22	5.45
	41.75	32.01

CURRENT LIABILITIES

16 FINANCIAL LIABILITIES	As at March 31, 2022	As at March 31, 2021
16 (a) Current borrowings (At Amortised Cost)		
Credit Balance - Cash credit from banks (Secured)	1,158.19	912.21
Loans from Others (Unsecured)	21.55	18.72
Rupee demand loan (Secured)	-	29.62
Rupee Packing Credit (Secured)	139.33	120.01
Current maturities of Long term borrowings		
- Term loans from banks & financial institutions		
- Secured	43.00	90.64
- Non-Convertible Debenture-Secured	34.00	46.75
- Vehicle loan	6.60	5.86
Total	1,402.67	1,223.81

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Cash credit/Packing Credit from banks (Secured)
Secured Cash credit and Packing credit from Banks are secured against the hypothecation of stock of raw materials, work-in-progress, finished goods, book debts outstanding and common collateral security of factory land and building, canteen building and plant and machinery. Canara Bank which has approved a cash credit, packing credit and bill discounting facility to the extent of Rs 56 Crores holds a paripassu charge along with Saraswat Co-operative Bank Limited and State Bank of India. Further these loans have been guaranteed by the personal guarantee of two promoter directors of the company and further secured by pledge of 30% shares of the company held by one of the promoter director.

Loans from Others (Unsecured)
Short term loans from shareholders are repayable in monthly instalments during the next year.

Rupee Demand Loan
Rupee demand loan amounting to Rs 3.0 crores from Oxyzo Financial Services Private Limited is secured by Unconditional and irrevocable bank guarantee amounting to Rs 3.0 Crores.

The Break up of above loans is tabulated below

Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			As at March 31, 2022	As at March 31, 2021
Cash credit from banks (secured)	Canara Bank	Repayable on Demand	354.64	367.13
	Saraswat Bank		388.01	373.47
	State Bank of India		167.19	171.61
	SBI Parwanoo		(1.65)	-
Term Loans from others - Unsecured	Loans from Others	12 or 10 Months differs by Party	21.51	18.23
Working Capital Loan	HDFC Bank	Repayable within 180 days from the date of disbursement	250.00	-
Rupee demand loan - Secured	Oxyzo Financial Services Private Limited	Repayable on Demand	-	29.62
Rupee Packing Credit - Secured	Canara Bank - Packing Credit FBE		99.12	100.02
	State Bank of India - EPC		40.21	19.99

16 (b) Trade payables (At Amortised Cost)

	As at March 31, 2022	As at March 31, 2021
Dues to micro enterprises and small enterprises (refer note 46)	47.92	66.34
Dues to other than micro enterprises and small enterprises	1,592.64	887.98
Total trade payables	1,640.56	954.32

Ageing Schedule

As at March 31, 2022 — Outstanding following for periods from due date of payment

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	47.20	0.73	-	-	47.92
Others	1,478.35	84.73	12.23	17.34	1,592.64

As at March 31, 2021 — Outstanding following for periods from due date of payment

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	59.92	4.86	1.19	0.37	66.34
Others	854.51	22.11	6.64	4.72	887.98

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

	As at March 31, 2022	As at March 31, 2021
Payables - Capital Goods	-	11.97
Employee benefits payable*	70.44	52.15
Interest accrued and not due on borrowings	6.85	1.78
	77.29	65.90

*Refer Related party disclosure for details on dues to employees

17 CURRENT TAX LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
Provision for income taxes (net of advance income taxes)	155.53	17.41
Less: MAT Credit	-	(0.96)
	155.53	16.45

18 OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Advance from customers	139.17	87.34
Statutory dues and related liabilities	22.45	50.49
Other payables	141.67	47.99
	303.29	185.82

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19 SHORT-TERM PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for Gratuity	7.70	6.19
Provision for Compensated absence	1.25	0.48
Other Provisions	1.14	-
	10.09	6.67

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20 REVENUE FROM OPERATIONS	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Goods	6,833.00	3,983.64
Sale of services	229.49	222.63
	7,062.49	**4,206.27**
The company derives revenue from the transfer of goods & services in the following geographical regions		
India	5,650.72	3,127.77
Outside India	1,411.77	1,078.50
	7,062.49	**4,206.27**
Timing of Revenue Recognition		
Goods transferred at a point in time	6,833.00	3,983.64
Service transferred at a point in time	229.49	222.63
	7,062.49	**4,206.27**

21 OTHER INCOME	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income :		
Interest received on deposits with banks	10.59	6.71
Interest received on Advances with others	-	1.84
Interest on Income Tax refund	0.01	0.03
Interest on Security Deposit	1.57	1.12
Gain On Fair Valuation of Mutual Funds	0.26	0.92
Profit on sale of property, plant & equipment (net)	0.08	-
Liabilities no longer required, written back	0.08	2.85
Export Incentives	0.28	12.62
Other non-operating income	0.03	0.63
Exchange Differences (net)	28.15	13.64
	41.05	**40.36**

22 Cost of materials consumed	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	1,208.90	1,055.37
Add: Purchase	5,517.71	3,030.51
Less : Inventory at the end of the year	(1,748.30)	(1,208.90)
Less: R&D ~~exp~~ considered separately	(47.24)	(53.99)
Cost of materials consumed	**4,931.07**	**2,822.99**

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23 Changes in inventories of Finished goods and work in progress

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Finished goods		
Closing stock	236.73	141.90
Opening stock	141.90	189.22
Sub total (A)	(94.83)	47.32
Work-in-progress		
Closing stock	154.67	212.73
Opening stock	212.73	203.64
Sub total (B)	58.06	(9.09)
Total Changes in Inventories	**(36.77)**	**38.23**

24 EMPLOYEE BENEFITS EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and incentive	582.33	449.93
Contribution to provident fund	25.77	19.21
Gratuity contribution scheme (Refer note 36)	9.13	2.19
Staff welfare expenses	49.82	45.03
Less: R&D exp - considered separately	(64.70)	(57.36)
	602.35	**459.00**

25 FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	224.05	214.01
Interest to Vendors	9.30	6.94
Interest others	7.61	14.41
Other borrowing costs	8.61	4.17
Interest on lease liabilities (Refer Note 34)	12.56	10.17
Less: Capitalized	(6.26)	(9.91)
	255.87	**239.79**

26 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant & equipment (Refer Note 3)	64.92	60.37
Amortization of Intangible Assets (Refer Note 3(c))	35.08	15.70
Depreciation of Right To Use Assets (Refer Note 3(e))	31.62	24.69
	131.62	**100.76**

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27 OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	4.03	5.32
Rates and taxes	15.06	12.10
Printing and stationery	3.74	4.64
Insurance	8.90	5.62
Discount Allowed	2.60	4.91
Donation	2.69	14.45
Power and fuel	37.58	30.03
Contract Labour	163.40	92.42
Consumption of stores and spares	135.19	93.40
Repairs and maintenance - Plant & Machinery	10.89	10.37
Repairs and maintenance - Buildings	6.59	3.52
Repairs and maintenance - Others	20.17	14.88
Security maintenance expenses	9.17	8.41
Research and Development Expenses	11.76	12.08
Legal and professional fees	32.50	19.28
Audit Fees	-	2.17
Commission Expenses	(0.45)	0.16
LD/Claim Settled	2.25	0.22
Bank charges	15.08	11.85
Communication expenses	4.41	5.85
Travelling and conveyance	23.95	14.85
Business Promotion	7.39	8.40
Freight and forwarding charges	98.91	75.66
CSR expenditure	-	2.92
Provision for ECL	8.95	26.29
Software Expense	0.89	-
Hire charges	2.78	-
Miscellaneous expenses	0.70	2.09
Less: Capitalized	-	(4.74)
	629.13	**477.15**

Research and Development Expenditure	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw Materials, Components and Consumables	47.24	53.99
Salaries and Wages	64.70	57.36
Professional Charges	-	3.86
Communication expenses	0.09	0.57
Travelling and Conveyance	-	0.31
	112.03	**116.09**
Less: Capitalized	(100.27)	(104.01)
	11.76	**12.08**

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

28 Contingent Liabilities and Commitments

	Particulars	As at March 31, 2022 (Rs.)	As at March 31, 2021 (Rs.)
	Contingent Liabilities:		
a)	**Claims against the company not acknowledged as debt**		
	Disputed Income Tax Demand [refer note 29.1]	1.74	1.74
	Disputed Income Tax Demand - CPC Demand (refer note 29.2)	6.05	7.56
	Disputed Income Tax Demand - CPC Demand (refer note 29.3)	3.32	12.98
	Disputed Income Tax Demand - CPC demand (refer note 29.4)	4.00	4.48
	Disputed Indirect taxes Demand (Refer note 29.5)	56.92	-
b)	Bank Guarantees for contractual performance	68.74	19.69
c)	Letter of Credit issued by bank	3.27	5.95
d)	Bond Executed for Customs/Central Excise. (Covered by Bank guarantee to the extent of Rs 8.16 Millions)	323.21	248.21
e)	On account of Bills Discounted with Banks set off against Trade Receivable	471.00	171.48
f)	Corporate Guarantee to Subsidiary Company	44.00	24.00
g)	Other sums for which company is contingently liable	11.24	11.24
	Commitments:		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances.	9.18	33.03
(ii)	Cumulative dividend on Preference shares	0.15	0.11
(iii)	Approval for Land Conversion from Lease to Sale of Plot no 20 & Plot no 119 from Karnataka Industrial Area Development Board (KIADB) is in progress. Estimated Conversion cost is considered as a Capital commitment remaining unexecuted.	12.14	-

1 CPC demand of Rs. 17,37,670/- against the disallowance made by ITO against under 35(2AB) for A.Y. 2016-17 and thereby reducing the MAT credit availed by the company which was disputed in appeal before CIT(A) and the matter is resolved in FY 2021-22.

2 Income tax authorities Disallowed R& D expenditure and raised a demand for non submission of certificate from DSIR , Delhi. We requested for extension of time and in the process of obtaining the certificate to substantiate the claim.

3 The disallowance on account of delay in payment of employer's contribution to EPF & ESI . Filed appeal against the order and submitted the relevant documentation. Assessing officer is in the process of reviewing supportings provided by us to substantiate our claim.

4 Commissioner of Income tax , Bangalore has issued a notice on Short deduction of TDS for various years commencing from FY 2009-10 to 2021-22 and imposed a Interest and penalty .Demand appearing in the TDS Portal amounts to Rs. 4.0 Million . We are in the process of adjusting the demand against the unconsumed challans available . We have already submitted a request to the commissioner for extension of time for reconciliation of TDS .

5 There are 16 cases relating to excise, VAT, Customs and CST amounting to Rs. 56.9 Million covering a period commencing from FY 2012-13 to 2018-19 pertaining to units located in various states in Karnataka, Uttarakand, Haryana, Tamilnadu and Maharashtra. Many of the cases required Information provided to the Concerned authorities and are in progress.

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29 Related Party Disclosures

Disclosure in respect of material transactions with associated parties as required by Accounting Standard (AS) 18 "Related Party Transactions".

[A.] Related Parties and their Relationship with the Company

Ref.	Description of relationship	Names of Related parties
[1.]	*Subsidiary Companies:*	Kaynes Embedded Systems Private Limited (Defunct)
		Kemsys Technologies Private Limited
		Kaynes Technology Europe Gmbh
		Kaynes International Design & Manufacturing Private Limited
[2.]	*Entity Controlled by Directors:*	Kaynes Interconnection Systems India Private Limited
		Kaynes Technology Inc.
		Kemsys Technologies Inc.
		Kaynes Circuits Private Limited
		Kaynes Electro-Plast Private Limited
		Mysore ESDM Cluster
		Wendorhub Solutions Private Limited
		Cheyyur Real Estates Private Limited
		Cheyyur Properties Private Limited
		Nambi Reality Private Limited
[3.]	*Entity where relative of Directors have substantial interest*	A ID Systems (India) Private Limited
[4.]	*Key Management Personnel:*	
	Mr. Ramesh Kunhikannan	Managing Director
	Ms. Savitha Ramesh	Whole Time Director
	Mr. Jairam Paravasthu Sampath	Whole Time Director & Chief Financial Officer (w.e.f 08.04.2022)
	Mr. Satheesh Kumar Gopa Kumar	Whole Time Director (From 03.03.2021 to 02.10.2021)
	Mr Rajesh Sharma	Chief Executive Officer
	Mr Anup Kumar Bhat	Independent Director (w.e.f 12.01.2022)
	Mr Vivekandh Ramaswamy	Independent Director (w.e.f 12.01.2022)
	Mr Lakshmi Narayana Nutheti	Independent Director (From 12.01.2022 to 01.02.2022)
	Mr Seeplaputhur Ganapathiramaswamy Murali	Independent Director (w.e.f 21.02.2022)
	Mr Alexander Koshy	Independent Director (w.e.f 21.02.2022)
	Mr Venkata Ramana Mannapragada	Chief Financial Officer (From 20.12.2021 to 08.04.2022)
	Ms Narayanan Srividhya	Company Secretary
[5.]	*Relatives of KMP's:*	
		Ms. Premita Ramesh
		Mr. Govind Shasiprasad Menokee

[B.] Transactions with KMPs

Transactions / Balances	For the year ended March 31, 2022	For the year ended March 31, 2021
[i.] Remuneration and Commission:		
Mr. Ramesh Kunhikannan	13.14	14.55
Ms. Savitha Ramesh	11.54	14.55
Mr. Jairam Paravasthu Sampath	4.80	4.38
Mr. Satheesh Kumar Gopa Kumar	2.00	1.68

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Ms. Premita Ramesh	3.55	1.60
Mr. Govind Shasiprasad Menokee	4.95	3.20
Mr. Sai Kamalesh	-	1.67
Mr. Manoj Rajnarain Pandey	8.61	8.61
Mr Venkata Ramana Mannapragada	2.24	-
Ms Narayanan Srividhya	0.85	0.70
Mr Rajesh Sharma	3.35	-
Reimbursement of expenses		
Mr. Sai Kamalesh	-	0.26
Mr. Manoj Rajnarain Pandey	0.15	0.09
Mr Rajesh Sharma	0.04	-
[ii.] Transaction in current account (net)		
Mr. Ramesh Kunhikannan	3.56	3.56
Ms. Savitha Ramesh	4.18	4.18
Ms. Premita Ramesh	(1.13)	-
Mr. Jairam Paravasthu Sampath	(1.29)	-
Mr. Govind Shasiprasad Menokee	0.08	-

[C.] Balances with KMPs and relatives of KMPs	**As at March 31, 2022**	**As at March 31, 2021**
[i.] Amount Receivable from/ Due to directors:		
Mr. Ramesh Kannan (Dr. Balance)	3.56	7.12
Ms. Savitha Ramesh (Dr. Balance)	4.17	8.36
Mr. Jairam P Sampath (Dr. Balance)	1.18	(0.11)
Mr. Govind Shasiprasad Menokee	0.08	-
Ms. Premita Ramesh (Dr. Balance)	1.13	-
[ii.] Salaries payable		
Mr. Ramesh Kunhikannan	0.94	0.27
Ms. Savitha Ramesh	0.96	0.38
Mr. Jairam Paravasthu Sampath	0.30	0.29
Mr. Satheesh Kumar Gopa Kumar	-	0.36
Mr. Manoj Rajnarain Pandey	0.50	0.50
Ms. Premita Ramesh	0.33	0.12
Mr. Govind Shasiprasad Menokee	0.42	0.22

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Mr Rajesh Sharma	0.51	-
Mr Venkata Ramana Mannapragada	0.38	-
Ms Narayanan Srividhya	0.11	0.06

[D.] Transactions with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Kaynes Interconnection Systems India Private Limited			
	Sale of material	9.33	16.26
	Services Received	0.07	3.53
	Purchase of Material	18.89	16.51
Kaynes Technology Inc.			
	Services Rendered	16.30	11.84
Kemsys Technologies Inc.			
	Services Rendered	-	0.25

[E.] Balances with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	As at March 31, 2022	As at March 31, 2021
Kaynes Interconnection Systems India Private Limited			
	Loans and Advances	3.20	4.04
	Trade Payables	-	0.26
Mysore ESDM Cluster			
	Investments	0.03	0.03
Kaynes Technology Inc.			
	Services Rendered Receivable	7.95	5.80
Kemsys Technologies Inc.			
	Services Rendered Receivable	0.26	0.26

[F.] Disclosure as per Schedule VI (Para 11(1)(A)(i)(g) of ICDR Regulation
The following are the transactions eliminated during the period ended March 31, 2022 and years ended March 31, 2021, March 31, 2020 and March 31, 2019

Name of the related party	Nature of the transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Kaynes International Design & Manufacturing Private Limited	Received towards Marketing,	19.03	45.49
	Distribution, Administration,	1.37	10.86
	Sale of material	2.22	-
	Purchases	2.62	-
Kemsys Technologies Private Limited	Loans and Advances given to	48.23	64.68
	Loans and Advances repaid by	24.52	10.90
	Services Received from	3.73	5.50
	Interest on loan advanced	8.50	5.93
	Purchases	0.03	0.69
	Sale of material	8.89	10.66

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Kaynes Technology Europe GMBH	Loans and Advances repaid by	-	6.59
	Commission paid	-	17.11

[G.] **The following are the details of the balances that were eliminated during the period ended March 31, 2022 and years ended March 31, 2021, March 31, 2020 and March 31, 2019**

Name of the related party	Nature of the transaction	As at March 31, 2022	As at March 31, 2021
Kaynes International Design & Manufacturing Private Limited	Loans and Advances received	67.13	28.70
	Investments	1.50	1.50
Kemsys Technologies Private Limited	Loans and Advances	148.60	107.09
	Investments	5.00	5.00
	Trade payable	-	1.13
	Trade receivable	-	22.98
Kaynes Embedded Systems Private Limited	Investments	3.00	3.00
Kaynes Technology Europe GMBH	Investments	9.24	9.24

30 **Segment information**

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified APAC, Europe, India, Middle East, UK, USA,Africa and Mexico as its reportable segment.

As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by the Company for the geographical segments identified.

A) Revenue from Customers

Geographic Segment	For the year ended March 31, 2022	For the year ended March 31, 2021
Outside India	1,411.77	1,078.50
In India	5,650.72	3,127.77
	7,062.49	**4,206.27**

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

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31 Earnings per share (EPS)

Particulars	As at March 31, 2022	As at March 31, 2021
Earnings		
Profit after tax for the year	416.75	97.32
Less: Profit attributable to the minority shareholders	(2.27)	(3.56)
Profit after tax for the year attributable to equity shareholders	**414.48**	**93.76**
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :		
Basic :		
Number of Shares outstanding at the beginning of the year	68,00,002	67,99,992
Add : Shares Issued during the year	20	10
Add : Shares Issued during the year on conversion of CCPS	7,67,866	-
Add : Bonus issue	3,85,90,118	3,47,50,688
Number of Shares outstanding at the end of the year (Post bonus issue #)	**4,61,58,006**	**4,15,50,690**
Weighted average number of equity shares For calculating Basic EPS	4,16,34,474	4,12,08,813
Profit after tax for the year attributable to equity shareholders	414.48	93.76
Cumulative Preference Dividend	-	-
Profit after tax for the year attributable to equity shareholders	**414.48**	**93.76**
Basic EPS (Rs. per share)	**9.96**	**2.28**
Diluted :		
Number of shares considered as basic weighted average shares outstanding	4,16,34,474	4,12,08,813
Add: Effect of diluted equity shares relating to CCPS issued during the year	46,73,516	24,87,511
Total shares outstanding including dilution	4,63,07,990	4,36,96,324
Diluted EPS (Rs. per share)	8.95	2.15
Restated Earnings per equity share (Face Value INR 10/- per share)		
- Basic	9.96	2.28
- Diluted	8.95	2.15

* The Company has issued bonus shares during the period ended March 31, 2022. In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

Pursuant to the resolutions passed on EGM on February 21, 2022, and Board of Directors on February 25, 2022, company had issued bonus shares in the ratio of Five Bonus shares of One Equity share held post the reporting date March 31, 2022.In line with the requirements of Para 64 of Ind AS 33, retrospective adjustments of the same has been considered in computation of the EPS and Diluted EPS.

32 Impact and future uncertainties relating to Global health pandemic from COVID-19

The global spread of COVID-19 has led to an uncertain business environment including its ability to pursue recovery of its advances and using the accumulated stocks. The management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of various assets including investments (net of impairment loss) in subsidiaries and loans and advances given to subsidiaries and other parties after taking into account various internal and external information including for settlement of liabilities upto the date of approval of these financial statements and have concluded that they are fully recoverable based on the expected future performance of the company and its subsidiaries on a net basis. the company has also assessed various scenarios and assumptions and based on the current estimates, the management of the company expects that the carrying amount of these assets, as reflected in the balance sheet as at March 31, 2022, net of provisions made are fully recoverable and that no further provision is required.

Considering the present liquidity position of the company, its ability to raise funds if required and its order book position the management of the company does not foresee any adverse impact on its ability to continue as a going concern and in meeting its liabilities as and when they fall due.
The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature as well as it's duration and the management will continue to monitor any events/ changes to future economic conditions. Accordingly, the final impact may be different from that estimated as at the date of approval of these financial statements.

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33 Disclosure with respect to Ind AS 116 - Leases

The company has entered into agreements for leasing on lease. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of INR 68.64 Millions and a lease liability of INR 71.4 Millions.

The following is the summary of practical expedients elected on initial application.

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the short-term lease exemption to leases with lease term that ends within 12 months at the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. The accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under previous GAAP. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

Information about Leases Assets for which the company is a lessee is presented below

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	78.57	86.39
Additions	134.22	16.88
Deletions	(0.54)	-
Depreciation*	(31.63)	(24.69)
Balance as at end of the year	**180.62**	**78.58**

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the consolidated Statement of Profit and Loss.

The changes / movement in Lease Liabilities of the company are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	78.57	86.39
Additions	134.22	16.88
Deletions	(0.54)	-
Payment of lease liabilities	(39.34)	(30.40)
Accreditation of interest	12.19	9.98
Balance as at end of the period/year	78.92	89.79
Current Liabilities	33.00	31.96
Non-Current Liabilities	33.00	163.35
Total cash outflow for leases	39.34	30.40

The table below provides details regarding amounts recognised in the consolidated Statement of Profit and Loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expenses relating to short-term leases and/or leases of low-value items	2.38	4.12
Interest on lease liabilities	12.56	10.17
Depreciation expense	31.62	24.69
Total	46.56	38.99

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Contractual maturities of lease liabilities on undiscounted basis

	As at March 31, 2022	As at March 31, 2021
Less than one year	31.96	34.54
One to five years	62.54	69.20
More than five years	13.73	12.07
	108.23	115.81

34 Taxes

(a) Income tax expense:

Components of Income Tax Expense

(i) Income tax recognised in Profit or Loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Tax expense recognised in the Statement of Profit and Loss		
A. Net current tax expense	153.07	36.23
B. Deferred tax (credit)/charge	20.45	(24.84)
Net deferred tax	**20.45**	**(24.84)**
Total income tax expense recognised in statement of Profit & Loss	**173.52**	**11.39**

C. Tax recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Origination and reversal of temporary differences - OCI	(0.15)	1.79
Remeasurement of Defined Benefiy Obligation	-	-
Total	**(0.15)**	**1.79**

Current tax assets / liabilities (net)

	As at March 31, 2022	As at March 31, 2021
D. Advance tax (net of provision for tax)	-	-
E. Provision for tax (net of advance payment of taxes)	155.53	16.45

Deferred tax assets / liabilities (net)	As at March 31, 2022	As at March 31, 2021
F.Deferred tax asset	(4.40)	(3.52)
G.Deferred tax liability	(1.87)	(1.71)
Deferred tax Liability (net)	**(6.27)**	**(5.23)**

H. Reconciliation of tax expense and the Accounting Profit

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit Before Tax	590.27	108.72
Enacted tax rate in India (B)	25.17%	29.12%
Expected tax expense using the Company's applicable rate	148.56	31.66
Deferred tax effect	20.45	(24.84)
Deferred tax effect on all amounts debited to other comprehensive income (OC	(0.15)	1.79
Income tax expense recognised in statement of profit or loss	20.45	(24.84)

Note: The tax rate used for the period ended March 31, 2022 and March 31, 2021 reconciliations above is the corporate tax rate of 25.17% and 29.12% respectively, payable by corporate entities in India on book profits under Indian Income Tax Laws.

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35 Employee benefit plans

[a.] Defined Contribution Plans

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employers' contribution to Provident Fund	7.37	5.15
Employers' contribution to Employee State Insurance	4.67	3.99
Employers' contribution to Employee's Pension Scheme 1995	11.90	8.58

[b.] Defined Benefit Plan

Gratuity -Funded obligation

The liability towards gratuity is provided for on the basis of independent actuarial valuation using projected unit

Compensated Absences- Unfunded obligation

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

Gratuity -Funded obligation

i. Actuarial Assumptions

	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate (per annum)	7.00%	7.00%
Expected return on plan assets	7.00%	7.00%
Salary escalation rate*	5.00%	5.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

*The assumption of future salary escalation in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii. Reconciliation of Obligation

	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of obligation at the beginning of the year	**38.82**	**31.02**
Current Service Cost	7.66	6.01
Interest Cost	2.80	2.17
Actuarial (gain)/ loss	(0.24)	5.95
Benefits Paid	(4.18)	(7.51)
Present value of obligation at the end of the year	**44.86**	**37.64**

iii. Reconciliation of fair value of plan assets

	For the year ended March 31, 2022	For the year ended March 31, 2021
Fair value of plan assets at the beginning of the year	**6.07**	**7.51**
Actual return of plan assets	0.44	0.53
Actuarial gain/ (loss)	(0.11)	(0.05)
Contributions	1.23	5.59
Benefits paid	(4.10)	(7.51)
Fair value of plan assets at the end of the year	**3.53**	**6.07**

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iv. Description of Plan Assets

	For the year ended March 31, 2022	For the year ended March 31, 2021
Insured Managed Funds(LIC India)	3.53	6.07

v. Net (Asset)/ Liability recognized in consolidated statement of assets and liabilities

	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of obligation at the end of the year	44.86	37.64
Fair value of plan assets at the end of the year	3.53	6.07
Net (asset)/ liability recognised in consolidated statement of assets and liabilities	41.33	31.57

vi) (Income)/ Expense recognized in consolidated statement of profit and loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Service Cost	7.66	6.01
Interest Cost	2.80	2.17
Actuarial (gain)/ loss recognized for the period	0.51	
Expected return on plan assets	(0.44)	(0.53)
(Income)/ Expenses recognized in consolidated statement of profit and loss	10.53	7.66

vii) Sensitivity analysis of the defined benefit obligation:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	44.86	37.64
Impact due to increase of 1%	41.42	34.71
Impact due to decrease of 1%	48.87	41.08
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	44.86	37.64
Impact due to increase of 1%	48.92	41.12
Impact due to decrease of 1%	41.35	34.64
Impact of the change in Withdrawal Rate		
Present Value of Obligation at the end of the period	44.86	37.64
Impact due to increase of 1%	45.41	38.06
Impact due to decrease of 1%	44.19	37.12

viii) Maturity profile of defined benefit obligation:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Year 1	7.50	6.11
Year 2	1.64	1.66
Year 3	2.00	1.42
Year 4	1.53	1.61
Year 5	2.66	1.22
Years 6 to 10	29.25	25.62

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viii) Other comprehensive (income) / expenses (Remeasurement)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(6.40)	(12.47)
Actuarial (gain)/loss - obligation	0.24	5.95
Actuarial (gain)/loss - plan assets	0.11	0.05
Total Actuarial (gain)/loss	0.51	6.00
Cumulative total actuarial (gain)/loss. C/F	(6.05)	(6.47)

Compensated Absences- Unfunded obligation

i. Actuarial Assumptions

	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate (per annum)	7.00%	7.00%
Expected return on plan assets	NA	NA
Salary escalation rate*	5.00%	5.00%

ii. Reconciliation of Obligation

	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of obligation at the beginning of the year	**5.95**	**4.54**
Current Service Cost	4.35	1.38
Interest Cost	0.43	0.32
Actuarial (gain)/ loss	1.80	(0.60)
Present value of obligation at the end of the year	**12.12**	**5.64**

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of obligation at the end of the year	12.12	5.64
Fair value of plan assets at the end of the year	-	-
Net (asset)/ liability recognised in consolidated statement of assets and liabilities	16.80	5.64

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Service Cost	4.35	1.38
Interest Cost	4.18	0.32
Actuarial (gain)/ loss recognized for the period	1.76	(0.60)
Expected return on plan assets	0.06	-
(Income)/ Expenses recognized in consolidated statement of profit and loss	9.54	1.10

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v) Sensitivity analysis of the defined benefit obligation:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	12.12	5.64
Impact due to increase of 1%	11.07	5.09
Impact due to decrease of 1%	13.35	6.30
Impact of the change in salary increase	-	
Present Value of Obligation at the end of the period	12.12	5.64
Impact due to increase of 1%	13.37	6.31
Impact due to decrease of 1%	11.05	5.08
Impact of the change in Withdrawal Rate	-	
Present Value of Obligation at the end of the period	12.12	5.64
Impact due to increase of 1%	12.36	5.76
Impact due to decrease of 1%	11.84	5.50

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36 Financial risk management objectives and policies

The company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to financing for working capital requirements. the company has trade and other receivables, loans and advances that arise directly from its operations.

The company is accordingly exposed to market risk, credit risk and liquidity risk.

The company's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. the company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations with floating interest rates.

The company has no exposure to financial instruments with an interest rate risk as on March 31, 2022 and March 31, 2021. For the financial years ended March 31, 2020 and March 31, 2019, we have been informed that the company had exposure to financial instruments with an exposure to an interest rate risk. The management is of the opinion that the impact of the interest rate risk on the financial statements for the years ended March 31, 2020 and March 31, 2019 is not material and hence a sensitivity analysis has not been tabulated.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. the company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency) and the company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The sensitivity analysis has been based on the composition of the company's financial assets and liabilities at the end of the respective reporting periods. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		Foreign Currency	INR (Millions)	Foreign Currency	INR (Millions)
Financial assets					
Trade receivable	EURO	1.12	93.70	11,38,075	96.85
Trade receivable	GBP	0.73	72.17	5,36,972	53.60
Trade receivable	JPY	1.09	0.67	-	-
Trade receivable	CHF	4.04	304.22	1,39,843	10.88
Trade receivable	USD	-	-	22,25,571	162.45
Advance to suppliers	EURO	0.13	11.45	54,430	4.73
Advance to suppliers	GBP	0.03	3.43	1,39,266	14.25
Advance to suppliers	JPY	0.04	2.24	37,10,178	2.49
Advance to suppliers	USD	2.95	224.08	20,80,902	154.27
Financial Liabilities					
Trade payables	EURO	0.34	28.95	4,14,723	36.25
Trade payables	GBP	0.01	0.79	1,76,036	17.95
Trade payables	JPY	59.10	36.98	2,02,50,875	13.57
Trade payables	CHF	10.22	779.57	2,101	0.16
Trade payables	USD	-	-	68,52,827	507.20
Net exposure in financial asset			**(134.33)**		**(75.60)**

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A. Trade Receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

The company does not hold collateral as security. the company evaluates the concentration of risk with respect to trade receivables as low, as its customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.

The company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The management makes estimates of the expected losses on receivables taking into account past history and their assumptions. Expected credit loss allowance is calculated by comparing the management estimates with the provision matrix.

Details of allowances for expected credit losses are provided hereunder

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
At the beginning of the year	67.76	41.47
Provisions created	8.88	26.29
Closing at the end of the year	**76.64**	**67.76**

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year subject to approval of the company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. the company's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. the company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022:

Particulars	**Less than 1 year**	**More than 1 year**	**Total**
Interest bearing borrowings	1,402.67	292.79	1,695.46
Trade Payables	1,640.56	-	1,640.56
Other financial liabilities	77.29	-	77.29
Lease liabilities	31.96	56.61	88.57
Total	**3,152.48**	**349.40**	**3,501.88**

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The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2021:

Particulars	**Less than 1 year**	**More than 1 year**	**Total**
Interest bearing borrowings	1,223.81	170.86	1,394.67
Trade Payables	954.32	-	954.32
Other financial liabilities	65.90	-	65.90
Lease liabilities	25.43	64.36	89.79
Total	**2,269.46**	**235.22**	**2,504.68**

37 Capital management

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholders value.
the company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. the company monitors capital using a gearing ratio, which is net debt divided by total capital. the company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Gross debt	1,695.46	1,394.68
Less: Cash and Cash equivalents	68.74	30.50
Net debt	**1,764.20**	**1,425.18**
Equity	2,022.06	1,375.78
Total capital	**2,022.06**	**1,375.78**
Gearing ratio	**87.25%**	**103.59%**

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38 **Financial instruments: Fair values**

Particulars	As at March 31, 2022				As at March 31, 2021			
	FVTPL	FVOCI	Amortised cost	Total Carrying Amount	FVTPL	FVOCI	Amortised cost	Total Carrying Amount
Financial assets								
At Fair value								
Investments - Equity	-	10.83	-	10.83	-	10.83	-	10.83
Investments - Mutual Funds	4.35	-	-	4.35	6.06	-	-	6.06
At amortised cost:								
a) Trade receivables	-	-	1,563.74	1,563.74	-	-	1,217.48	1,217.48
b) Cash and cash equivalents	-	-	162.13	162.13	-	-	30.50	30.50
c) Bank balances other than cash and cash equivale	-	-	130.58	130.58	-	-	112.05	112.05
d) Loans and deposits	-	-	75.92	75.92	-	-	49.68	49.68
e) Other financial assets	-	-	30.63	30.63	-	-	15.02	15.02
Total Financial Assets	**4.35**	**10.83**	**1,963.00**	**1,978.18**	**6.06**	**10.83**	**1,424.73**	**1,441.62**
Financial liabilities								
At amortised cost:								
a) Borrowings (Long term)	-	-	300.26	300.26	-	-	170.86	170.86
b) Borrowings (Short term)	-	-	1,375.40	1,375.40	-	-	1,223.81	1,223.81
c) Trade payables	-	-	1,302.10	1,302.10	-	-	954.32	954.32
d) Other Financial Liabilities	-	-	88.40	88.40	-	-	65.90	65.90
e) Lease Liabilities			78.92	78.92			89.79	89.79
Total Financial Liabilities	**-**	**-**	**3,145.08**	**3,145.08**	**-**	**-**	**2,504.68**	**2,504.68**

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The company has assessed that trade receivables, cash and cash equivalents, bank balances, other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

i. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2022	15.18	4.35	-	10.83

There are no transfers between levels 1 and 2 during the year.

ii. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2021	16.88	6.06	-	10.83

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The company also applied the available practical expedients wherein it:
a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
b)Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

A.2 Ind AS mandatory exceptions

A.2.1 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. the company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

A.2.3 Estimates

On assessment of the estimates made under the previous GAAP financial statements, the company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

Fair valuation of financial instruments carried at FVTPL
Determination of the discounted value for financial instruments carried are amortised cost.
Impairment of financial assets based on the expected credit loss model.

41 Recent Accounting pronouncements

The Ministry of Corporate Affairs(" MCA) notifies new standards or amendment to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the consolidated Financial Information is required to be disclosed.

K.P. RAO & CO.
BANGALORE
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42 Additional information as required under schedule III of companies act, 2013 of entities consolidated as subsidiaries

Name of the entity in the company	As at March 31, 2022		As at March 31, 2021	
	Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities	
	As % of consolidated net assets	Amount in INR Millions	As % of consolidated net assets	Amount in INR Millions
A.Parent company				
Kaynes Technology India Limited	102.38%	1,878.35	100.43%	1,401.58
B.Indian Subsidiaries				
Kaynes International Design and Manufacturing Private Limited	3.62%	66.42	2.94%	40.98
Kemsys Technologies Private Limited	(4.58%)	(83.98)	(3.25%)	(45.38)
Kanyes Embedded Systems Private Limited	-	-	-	-
C. Foreign Subsidiary				
Kaynes Technology Europe GmbH	1.10%	20.11	1.28%	17.88
D.Consolidated adjustments	(2.52%)	(46.30)	(1.39%)	(19.42)
	100.00%	**1,834.60**	**100.00%**	**1,395.63**

Name of the entity in the company	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Share in Profit/(Loss)		Share in Profit/(Loss)	
	As % of consolidated net assets	Amount in INR Millions	As % of consolidated net assets	Amount in INR Millions
A.Parent company				
Kaynes Technology India Limited	119.46%	249.27	92.22%	82.60
B.Indian Subsidiaries				
Kaynes International Design and Manufacturing Private Limited	12.20%	25.45	36.99%	33.14
Kemsys Technologies Private Limited	(18.40%)	(38.40)	(21.81%)	(19.54)
Kanyes Embedded Systems Private Limited	-		-	-
C. Foreign Subsidiary				
Kaynes Technology Europe GmbH	2.98%	6.22	5.65%	5.06
D.Consolidated adjustments	(16.23%)	(33.87)	(13.05%)	(11.69)
	100.00%	**208.67**	**100.00%**	**89.57**

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

43 Ratios as per Schedule III Requirements

a) Current Ratio = Current Assets divided by Current Liabilities

	As at March 31, 2022	As at March 31, 2021
Current Assets	4,863.65	3,191.95
Current Liabilities	3,621.39	2,478.40
Ratio	**1.34**	**1.29**
% Change from previous year	4.28	8.83

Reason for change more than 25%- No variance>25%

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

	As at March 31, 2022	As at March 31, 2021
Total Debt	1,695.46	1,394.68
Total Equity	2,037.17	1,395.63
Less : Non-controlling Interest	(11.32)	(9.05)
Less: Non free reserves	(7.67)	(21.48)
Equity attributable to the owners of the company	**2,018.18**	**1,365.10**
Ratio	**0.84**	**1.02**
% Change from previous year	(17.77)	

Reason for change more than 25%
The change in the year ended March 31, 2021 is due to reduction in debt and increase in equity as compared to the previous year.

c) Debt Service Coverage Ratio = Earnings available for servicing debt divided by total interest and principal payments

	As at March 31, 2022	As at March 31, 2021
Profit before tax	590.27	108.71
Less : Preference Dividend	-	-
Add: Depreciation	131.62	100.76
Add: Finance Cost	255.87	239.79
Adjusted Profit	**977.76**	**449.26**
Interest cost on borrowings	255.87	239.79
Principal repayments	194.31	236.55
Total of Interest and Principal repayments	**450.18**	**476.34**
DSCR	**2.17**	**0.94**
% Change from previous year	130.29	

Reason for change more than 25%- no variation >25%
The improvement in the ratio for the year ended March 31, 2021 is due to a significant reduction in principal repayments.

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d) Return on Equity Ratio = Profit after Tax divided by Equity	**As at March 31, 2022**	**As at March 31, 2021**
Profit after tax	416.75	97.32
Less : Share of Profit / (Loss) of minority interest	(2.27)	(3.56)
consolidated Net Profit after tax, for the year attributable to equity shareholders	**414.48**	**93.76**
Total Equity	2,037.17	1,395.63
Less : Non-controlling Interest	(11.32)	(9.05)
Less: Non free reserves	(7.67)	(21.48)
Equity attributable to the owners of the company	**2,018.18**	**1,365.10**
Average Shareholder's equity *	1,691.64	1,161.34
Ratio	**24.50**	**8.07**
% Change from previous year	203.49	

Reason for change more than 25%- no variation > 25%
The improvement in the ratio for the year ended March 31, 2022 is due to the increase in profits.

e) Trade Receivables Turnover Ratio = Credit Sales divided by Closing Trade Receivables	**As at March 31, 2022**	**As at March 31, 2021**
Revenue from Operations	7,062.49	4,206.27
Average Trade Receivables *	1,597.37	1,076.99
Ratio	**4.42**	**3.91**
% Change from previous period/year	13.20	

Reason for change more than 25%- no variation > 25%
The improvement in the ratio for March 31, 2022 is due to better collections

f) Trade Payables Turnover Ratio = Credit Purchases divided by closing trade payables	**As at March 31, 2022**	**As at March 31, 2021**
Credit Purchases	5,517.71	3,030.51
Average Trade payables *	1,297.44	937.57
Ratio	**4.25**	**3.23**
% Change from previous year	31.57	

Reason for change more than 25%- no variation > 25%
The improvement in the ratio during March 31, 2022 is due to the better cash flow management.

g) Inventory Turnover Ratio = Revenue from operations divided by Closing Inventory	**As at March 31, 2022**	**As at March 31, 2021**
Revenue from Operations	7,062.49	4,206.27
Average Inventory *	1,951.22	1,574.88
Ratio	**3.62**	**2.67**
% Change from previous year	35.52	

Reason for change more than 25%-
The improvement in the ratio for the year ended March 31, 2022 is due to the increase in revenue from operations.

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

h) Net Capital Turnover ratio= Sales divided by net working capital	**As at March 31, 2022**	**As at March 31, 2021**
Revenue from Operations	7,062.49	4,206.27
Average working capital	977.91	581.87
Ratio	**7.22**	**7.23**
% Change from previous year	(0.09)	

Reason for change more than 25%
The deterioration in the ratio for the year ended March 31, 2022 is due to the increase in working capital.

i) Profit Ratio = Profit after tax divided by Revenue from Operations	**As at March 31, 2022**	**As at March 31, 2021**
Profit after tax	416.75	97.32
Revenue from Operations	7,062.49	4,206.27
Ratio	**5.90**	**2.31**
% change from previous year	155.04	

Reason for change more than 25%-
The improvement in the ratio for the year ended March 31, 2022 is due to the increase in profits and revenue from operations.

j) Return on Capital Employed= Adjusted EBIT / Total Capital Employed	**As at March 31, 2022**	**As at March 31, 2021**
Profit before tax	590.27	108.71
Add: Finance Costs	255.87	239.79
EBIT	**846.14**	**348.50**
Tangible Net worth	1,767.35	1,192.68
Non Current Borrowings	292.79	170.87
Short Term Borrowings	1,402.67	1,223.81
Total	**3,462.81**	**2,587.36**
ROCE	**24.44**	**13.47**
% change from previous year	81.41	

Reason for change more than 25%-
The improvement in the ratio for the year ended March 31, 2022 is due to the increase in profits.

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

44 A. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

A.1 Reconciliation of total equity between previous GAAP and Ind AS

	Notes to first time adoption	As at March 31, 2021
Total Equity (shareholders funds) as per previous GAAP		1,411.25
Adjustments:		
Security Deposits		(0.26)
Leases	C.1	(11.20)
Fair valuation of investment in mutual funds		2.32
Allowance for expected credit loss	C.2	(22.76)
Tax adjustments	C.4	8.20
Total Adjustments		(23.70)
		(7.90)
Total Equity as per Ind AS		1,387.55

A.2 Reconciliation of total comprehensive income between previous GAAP and Ind AS

	Notes to first time adoption	For the year ended March 31, 2021
Profit After Tax as per previous GAAP		97.47
Adjustments:		
Security Deposits		(0.08)
Leases	C.1	(3.86)
Fair valuation of investment in mutual funds		0.92
Allowance for expected credit loss	C.2	(9.35)
Tax adjustments	C.4	4.47
Net profit under Ind AS		89.57
		89.57
		(0.00)
Total Comprehensive Income for the Year		

A.3 Impact of Ind AS adoption on the Restated Summary Statement of Cash Flows

There were no material differences between the restated summary statement of cash flow and cash flow statement under previous GAAP.

B. Notes to First Time Adoption:

B.1 Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the consolidated statement of profit and loss. Under Ind AS 116, all arrangement that full under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

B.2 Allowance for expected credit loss

As per Ind AS 109 requirement, expected credit loss impact on Trade receivable has been worked out for the purpose of restated financial statement and shown as adjustments.

B.3 Defined benefit obligation

Both under Indian GAAP and Ind-AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are to be recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Whereas, the Company has recognised all the remeasurements to the Statement of profit and loss and decided to follow the same consistently.

B.4 Deferred tax assets (net)

Deferred tax adjustments has been made in accordance with Ind AS, under balancesheet approach for all the items which have differential book base from that of tax base and which temporarily gets reversed due to timing difference including adjustments arising from Ind AS transition.

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

45 Corporate social responsibility expenses:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the company during the year.	2.38	3.32
Amount of expenditure incurred.	-	2.92
Shortfall at the end of the year.	2.38	0.40
Total of previous years shortfall.	2.78	0.40

The company's CSR Activities primarily involve promoting education, rendering help at the time of natural calamities and helping under privileged people.

The shortfall has arisen due to the lack of eligible projects due to the impact of the pandemic.

46 Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act):

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to micro & small enterprises	47.92	63.42
Interest due on above	9.30	2.92
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

Note: The above information and that given in Note 16(b)'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the company and has been relied upon by the auditors.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Bengaluru
Date: May 21, 2022

K.P. RAO & CO. BANGALORE FRN: 003135 S CHARTERED ACCOUNTANTS

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: May 21, 2022

Independent Auditor's Report on Special Purpose Consolidated Ind AS Financial Statements of Kaynes Technology India Limited for the year ended March 31, 2021

To
The Board of Directors of
Kaynes Technology India Limited

Opinion

1. We have audited the accompanying Special Purpose Consolidated Ind AS Financial Statements of **Kaynes Technology India Limited** ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group') as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the period ended/years then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as '**Special Purpose Consolidated Ind AS Financial Statements**') which have been prepared by the Company's management in accordance with the basis of accounting specified in Note 2 to the Special Purpose Consolidated Ind AS Financial Statements.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Consolidated Ind AS Financial Statements are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 of the Special Purpose Consolidated Ind AS Financial Statements.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 ('Act'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and we have fulfilled our other ethical responsibilities in accordance with the requirements of Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution or Use

4. Without modifying our opinion, we draw attention to Note 2 to the accompanying Special Purpose Consolidated Ind AS Financial Statements, which describes the basis of accounting used for the preparation of the aforesaid financial statements. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company's management for the financial year ended March 31, 2021, solely in connection with proposed Qualified institutions placement of equity shares of the Company to be included in the Preliminary Placement Document and Placement Document prepared by the Company under Chapter VI of Securities and Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and applicable provisions of the Companies Act, 2013, and the rules framed thereunder, each as amended ("Companies Act") and therefore, these Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any other purpose. Our report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Responsibilities of Management and those Charged with Governance for the Special Purpose Consolidated Ind AS Financial Statements

5. The accompanying Special Purpose Consolidated Ind AS Financial Statements have been approved by the Company's Board of Directors on December 18, 2023.The Company's Board of Directors is responsible for preparation of these Special Purpose Consolidated Ind AS Financial Statements in accordance with the basis of accounting described in Note 2 to the Special Purpose Consolidated Ind AS Financial Statements. Further in terms of the provisions of the Act, the respective board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Special Purpose Consolidated Ind AS Financial Statements that, in all material respects, in accordance with the basis of accounting specified in aforementioned Note 2 and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Special Purpose Consolidated Ind AS Financial Statements by the Directors of the Company, as aforesaid.

6. In preparing the Special Purpose Consolidated Ind AS Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective board of directors either intends to liquidate the companies included in the Group or to cease operations, or has no realistic alternative but to do so.

7. Those respective board of directors included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Ind AS Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with Standards on Auditing 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 Special Purpose Consolidated Ind AS Financial Statements.

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

    - Identify and assess the risks of material misstatement of the Special Purpose Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Group has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Special Purpose Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our Opinion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the Special Purpose Consolidated Ind AS Financial Statements, including the disclosures, and whether the Special Purpose Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. 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.

Other Matters

11. The Group has also prepared separate set of standalone financial statements for the year ended March 31, 2021 in accordance with Indian Accounting Standards as specified under Companies (Indian Accounting Standards) Rules 2015 prescribed by Section 133 of the Act using 01 April 2018 as transition date, as further described in Note 2 to the Special Purpose Consolidated Ind AS Financial Statements, on which have issued separate unmodified audit opinion dated September 17, 2022. Our opinion is not modified in respect of this matter.

12. We did not audit the financial statements / financial information of the subsidiaries as listed in Annexure 1 whose share of total assets, total revenue, net worth and net cash inflows / (outflows) included in the Special Purpose Consolidated Ind AS Financial Statements, for the Fiscal 2021 is tabulated below. These financial statements of Kaynes Technology Europe GMBH were prepared in accordance with accounting principles generally accepted in its jurisdiction and the financial statements of the Indian subsidiaries were prepared as per Indian GAAP. The Company's management has converted the financial statements of Kaynes Technology Europe GMBH from the accounting principles generally accepted in that country and the converted the financial statements of the Indian subsidiaries from Indian GAAP to Ind AS and we have audited such conversion adjustments. Our opinion on the Special Purpose Consolidated Ind AS Financial Statements is not modified in respect of the above matters in respect of the financials.

(All amounts in million)

Name of the Company	Nature of the relationship	Year Ended	Total assets	Net worth	Total Revenue	Net cash inflow/ (outflows)
Kemsys Technologies Private Limited	Subsidiary	March 31, 2021	108.54	(45.37)	43.43	2.28
Kaynes International Design & Manufacturing Private Limited	Subsidiary	March 31, 2021	189.34	40.80	317.63	(3.36)
Kaynes Technology Europe GMBH	Subsidiary	March 31, 2021	19.41	17.48	16.01	-
Kaynes Embedded Systems Private Limited	Subsidiary	March 31, 2021	-	-	-	-

Our opinion above on the Special Purpose Consolidated Ind AS Financial Statements is not modified in respect of the above matters.

For **K.P. Rao & Co**
Chartered Accountants
Firm's Registration No.: 003135S

Mohan R Lavi

Membership No. 029340

UDIN: 23029340BGWIEV4910

Place: Bengaluru
Date: December 18, 2023

Annexure 1:

List of entities included in the Special Purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2021

Subsidiaries:

Name of the Subsidiary	**Ownership Interest in Percentage (%) as at March 31, 2021**
Kemsys Technology Private limited	100
Kaynes International Design & Manufacturing Private Limited	95.21
Kaynes Embedded Systems Private Limited	60
Kaynes Technology Europe GMBH	60

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Restated Consolidated Statement of Assets and Liabilities
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3(a)	570.65	502.22
Capital work-in-progress	3(b)	10.06	49.75
Intangible assets	3(a)	126.94	45.14
Intangible under development	3(c)	116.17	69.70
Rights-of-Use Assets	3(d)	78.58	86.40
Goodwill		23.44	23.44
Financial assets			
i)Investments	4	16.89	15.97
ii)Loans and deposits	5(a)	31.48	26.14
iii)Other financial assets	5(b)	13.00	12.96
Other non-current assets	6	14.51	44.90
Total Non-Current Assets (A)		**1,001.72**	**876.62**
CURRENT ASSETS			
Inventories	7	1,638.65	1,511.10
Financial asset			
i)Trade receivables	8(a)	1,217.48	936.49
ii)Cash and cash equivalents	8(b)	30.50	7.43
iii)Bank balances other than cash and cash equivalents	8(c)	112.05	115.37
iv)Loans and deposits	8(d)	18.20	51.18
v)Other financial assets	8(e)	2.02	6.79
Other current assets	9	173.05	276.17
Total Current Assets (B)		**3,191.95**	**2,904.53**
TOTAL ASSETS (A + B)		**4,193.67**	**3,781.15**
EQUITY AND LIABILITIES			
EQUTIY			
Equity Share Capital	10(a)	68.00	68.00
Instruments entirely equity in nature	10(b)	10.80	-
Other Equity	11	1,307.78	958.98
Non-controlling Interest	12	9.05	5.49
Total Equity (A)		**1,395.63**	**1,032.47**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
- Borrowings	13	170.86	97.96
- Lease liabilities	35	64.36	90.17
Deferred Tax Liabilities (Net)	14	52.41	79.06
Long Term Provisions	15	32.01	27.14
Total Non-current Liabilities (B)		**319.64**	**294.33**

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Restated Consolidated Statement of Assets and Liabilities
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
CURRENT LIABILITIES			
Financial Liabilities			
- Short-term borrowings	16 (a)	1,223.81	1,340.31
- Trade payables	16 (b)		
- Total outstanding dues of micro enterprises and small enterprises		66.34	52.90
- Total outstanding dues to other than micro enterprises and small enterprises		887.98	867.91
- Other financial liabilities	16 (c)	65.90	59.89
- Lease liabilities	32	25.43	3.57
Current tax liabilities (net)	17	16.45	7.85
Other current liabilities	18	185.82	119.36
Short-term provisions	19	6.67	2.56
Total Current Liabilities (C)		**2,478.40**	**2,454.35**
Total Liabilities (B+C)		**2,798.04**	**2,748.68**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**4,193.67**	**3,781.15**
Significant accounting policies and notes to financial statements	**1 to 2**		

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of Fund Raising Committee of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Mohan R Lavi
Partner
Membership No.029340

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Place: Bengaluru
Date: December 18, 2023

Adithya Jain S M
Company Secretary
Membership No. A49042

Place: Mysuru
Date: December 18, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Restated Consolidated Statement of Profit and Loss
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	20	4,206.27	3,682.38
Other Income	21	40.36	19.28
Total Income (A)		**4,246.63**	**3,701.66**
Expenses			
Cost of materials consumed	22	2,822.99	2,603.38
Changes in inventories of Finished goods and traded goods	23	38.23	(186.58)
Employee Benefit Expenses	24	458.99	424.31
Finance Cost	25	239.79	236.02
Depreciation and amortization expense	26	100.76	83.79
Other Expenses	27	477.15	427.94
Total Expenses (B)		**4,137.91**	**3,588.86**
Restated profit before tax (A-B)=C		**108.72**	**112.80**
Tax Expenses			
Income taxes - Current tax		36.23	19.55
- Earlier year tax adjustments		-	(0.47)
Deferred tax Charge/ (Credit)		(24.84)	0.17
Total tax expense (D)		**11.39**	**19.25**
Restated profit after tax (C - D)=E		**97.33**	**93.55**
Related other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(5.41)	9.16
Exchange differences in translating financial statements of foreign operations		(1.70)	0.06
Income tax effect		1.79	(3.22)
Other comprehensive income for the year, net of tax (F)		**(5.32)**	**6.00**
Restated total comprehensive income for the year, net of tax (E+F)		**92.01**	**99.55**
Less: Share of Profit /(Loss) of minority interest		3.56	(1.20)
Total comprehensive income for the year, net of tax		**88.45**	**100.75**
Earnings per share (nominal value of Rs. 10 each)			
Basic*	31	2.28	2.32
Diluted	31	2.15	2.32
Significant accounting policies and notes to financial statement	1 to 2		

As per our report of even date
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Date: December 18, 2023

Adithya Jain S M
Company Secretary
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Place: Mysuru
Date: December 18, 2023

Restated Consolidated Statement of Changes in Equity
(All amounts are in INR Millions, unless otherwise stated)

A. Equity Share Capital

Particulars	**No. of Shares**	**Amount**
As at April 01, 2019	67,99,992	68.00
Change during the year	-	-
As at March 31, 2020	67,99,992	68.00
Change during the year	10	-
As at March 31, 2021	68,00,002	68.00

B. Instruments Entirely of Equity Nature

Particulars	**CCPS Series A**		**CCPS Series B**		**CCPS Series C**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
As at April 01, 2019	**-**	**-**	**-**	**-**	**-**	**-**
Change during the year	-	-				
As at March 31, 2020	**-**	**-**	**-**	**-**	**-**	**-**
Change during the year	10,79,990	10.80				
As at March 31, 2021	**10,79,990**	**10.80**	**-**	**-**	**-**	**-**

C. Other Equity

For the year ended March 31, 2021

Particulars	**Reserves & Surplus**				**Other Comprehensive Income**		**Total Other Equity**	**Non Controlling Interest**	**Total**
	Securities premium	**General reserve**	**Surplus in the profit and loss statement**	**Debenture Redemption Reserve (DRR)**	**Foreign Currency Translation Reserve**	**Remeasurement of defined benefit obligations**			
As at April 01, 2020	7.51	61.69	803.35	68.31	1.09	17.03	958.98	5.49	964.47
Restated Profit for the year	-	-	93.78			(5.32)	88.46	3.56	92.02
Foreign Currency translation reserve					1.27		1.27		1.27
Utilized towards redemption of debentures				(49.19)			(49.19)		(49.19)
Transfer from Debenture redemption reserve	-	49.19	-				49.19		49.19
Other Adjustments			(0.13)				(0.13)		(0.13)
On issuance of Preference share capital	259.20	-	-	-			259.20		259.20
As at March 31, 2021	**266.71**	**110.88**	**897.00**	**19.12**	**2.36**	**11.71**	**1,307.78**	**9.05**	**1,316.83**

For the year ended March 31, 2020

Particulars	**Reserves & Surplus**				**Other Comprehensive Income**		**Total Other Equity**	**Non Controlling Interest**	**Total**
	Securities premium	**General reserve**	**Surplus in the profit and loss statement**	**Debenture Redemption Reserve (DRR)**	**Foreign Currency Translation Reserve**	**Remeasurement of defined benefit obligations**			
As at April 01, 2019	7.51	50.00	709.76	80.00	1.13	11.03	859.43	6.62	866.05
Restated Profit for the year	-		94.75			6.00	100.75	(1.13)	99.62
Ind AS 116 Effect			(1.81)				(1.81)		(1.81)
Foreign Currency translation reserve					(0.04)		(0.04)		(0.04)
Utilized towards redemption of debentures				(11.69)			(11.69)		(11.69)
Fair value adjustments of investments			(0.98)				(0.98)		(0.98)
Other Adjustments			1.63				1.63		1.63
Transfer from Debenture redemption reserve		11.69					11.69		11.69
As at March 31, 2020	**7.51**	**61.69**	**803.35**	**68.31**	**1.09**	**17.03**	**958.98**	**5.49**	**964.47**

As per our report of even date
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Chief Executive Officer

Place: Bengaluru
Date: December 18, 2023

Adithya Jain S M
Company Secretary
Membership No. A49042

Place: Mysuru
Date: December 18, 2023

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Restated Consolidated statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow from Operating Activities			
Net profit before extraordinary items and tax		108.72	112.80
Adjustments for :			
Depreciation and Amortisation Expense		100.76	83.79
Unrealised foreign exchange gain (net)		(0.13)	1.63
Interest expense		239.79	236.02
Interest income		(6.71)	(7.63)
Operating profit before working capital changes, extraordinary items		**442.43**	**426.61**
Adjustments for:			
(Increase)/ decrease in Inventories		(127.55)	(293.28)
(Increase)/Decrease in Trade receivables		(280.99)	293.12
(Increase)/Decrease in Loans and Advances and other assets		160.48	(120.26)
Increase/(Decrease) in Trade payable and other liabilities		102.03	164.93
Increase/(Decrease) in Provisions		8.98	(0.10)
Cash Generated (used in) / From Operations		**305.38**	**471.02**
Income tax Received / (Paid)		(28.08)	(18.55)
Net Cash from Operating Activities	**(A)**	**277.30**	**452.47**
B. Cash Flow from Investing Activities			
Purchase of fixed assets		(249.95)	(312.23)
Interest Received		6.71	7.63
Proceeds from Sale of investments / fixed deposits matured		2.40	205.34
Net Cash used in Investing activities	**(B)**	**(240.84)**	**(99.26)**
C. Net Cash from/(used) in Financing Activities			
Proceeds from issue of Share Capital :			
- Equity		0.00	-
- Preference		10.80	-
Share Premium received :			
- Equity		-	-
- Preference		259.20	-
Repayment of long term borrowings		72.90	(197.50)
Proceeds from short term borrowings		(116.50)	79.39
Interest expense		(239.79)	(236.02)
Net Cash from/(used) in Financing Activities	**(C)**	**(13.39)**	**(354.13)**
Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**23.07**	**(0.92)**
Cash and cash equivalents as on April 1		7.43	8.35
Cash and cash equivalents at the end of year		**30.50**	**7.43**

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Restated Consolidated statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Components of cash and cash equivalents		
Balance with scheduled banks on:		
- on Current Account	30.19	4.51
- on deposit accounts	0.18	0.15
Cash on Hand	0.13	2.77
	30.50	**7.43**

Notes

a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

b) Figures have been regrouped/ rearranged wherever necessary.

Significant accounting policies and notes to financial statement 1 to 2

As per our report of even date
For K.P. Rao & Co
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Date: December 18, 2023

Adithya Jain S M
Company Secretary
Membership No. A49042

Place: Mysuru
Date: December 18, 2023

1 General Information

Kaynes Technology India Limited (Formerly known as Kaynes Technology India Private Limited) (“the Company" / "Parent Company"/ Holding Company”) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company and its subsidiaries' (Collectively, "the Group") are primarily engaged in Design and Manufacturing of advanced electronic modules and solutions catering to a wide range of industries.

The Holding company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 24, 2022 and consequently the name of the Company has changed to "Kaynes Technology India Limited" pursuant to a fresh certificate of incorporation by the Registrar of Companies on March 31, 2022.

The following entities are considered in these restated consolidated financial

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %	
			As at March 31, 2021	As at March 31, 2020
Kaynes Technology India Limited	Holding	India	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	NA	NA
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00

2 Basis of preparation

The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements as at and for the half year ended September 30, 2023 have been prepared on an accrual and going concern basis in accordance with Indian Accounting Standards (Ind AS) -34 'Interim Financial Reporting' as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the “Act”) and should be read in conjunction with the Group last annual consolidated financial statements as at and for the year ended March 31, 2023 (last audited annual financial statements). These Unaudited Special Purpose Condensed Interim Consolidated Financial Statements do not include all the information required for a complete set of Ind AS financial statements. They have been prepared solely in connection with the proposed issue of the equity shares of the Parent Company.

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Preliminary Placement Document(' PPD') and the Placement Document ('PD’)in connection with the proposed Qualified Institutional Placement of the equity shares of the company.

The Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
- Section 26 of part I of Chapter III of the Act;
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”).

The restated consolidated financial information has been compiled by the Group from:
a) Audited Ind AS financial statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with the Indian Accounting Standard (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 18, 2023.

b) Audited financial statements as at for the years ended March 31, 2021 and March 31, 2020 being prepared by the management in accordance with the Indian Accounting Standard (Ind AS) by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2021 and March 31, 2020 prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP" or "Previous GAAP")) and other accounting principles generally accepted in India, at the relevant time, which have been approved by the Board of Directors at their meeting held on November 01, 2021 and December 17, 2020, respectively. Special Purpose Ind AS Consolidated Financial Statements as at and for the years ended March 31, 2021 and March 31,2020 are approved by the Board of directors at their meeting held on DEcember 18, 2023.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note No. 41).

Functional and presentation currency

Items included in the Restated Consolidated Financial Information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Consolidated Financial Information are presented in Indian rupee (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,00,000 have been rounded and are presented as INR 0.00 Millions in the Restated Consolidated Financial Information.

Basis of measurement

The restated Consolidated financial information has been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities	Fair Value
Defined benefits liability	Fair value of plan assets less present value of defined benefit obligations

2.1 Current versus non-current classification

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

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
(b) Held primarily for the purpose of trading,
(c) Expected to be realised within twelve months after the reporting period, or
(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
(a) It is expected to be settled in normal operating cycle,
(b) It is held primarily for the purpose of trading,
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).;
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Use of estimates and judgements

The preparation of the restated consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Estimates include provision for employee benefits, allowances for uncollectible trade receivables / advances / contingencies, useful life of fixed assets, provision for taxation, etc., during and 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.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 37 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 29 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 39 – impairment of financial assets;

2.4 Foreign currency translation

The Company's financial statements are presented in INR, which is also the parent company's functional currency. For each foreign operation, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency exchange rates at the reporting date. Non-monetary assets and liabilities that are carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of Exchange Differences

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges, to the extent the hedges are effective, which are recognised in other comprehensive income (OCI).

2.5 Principles of consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements;
(iii) The Group's voting rights and potential voting rights;
(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31.

b. Consolidation Procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Restated Consolidated Financial Statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it:
(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
(ii) Derecognises the carrying amount of any non-controlling interests.
(iii) Derecognises the cumulative translation differences recorded in equity.
(iv) Recognises the fair value of the consideration received.
(v) Recognises the fair value of any investment retained.
(vi) Recognises any surplus or deficit in profit or loss.
(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e. Subsidiaries considered in the Restated Consolidated Financial Statements:

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in % As at March 31, 2021	Ownership Interest in % As at March 31, 2020
Kaynes Technology India Limited	Holding	India	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	NA	NA
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00

2.6 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services:
Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.
The company has ascertained that all performance obligations are performed at a point in time.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (o) Financial instruments below.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments below.

Contract Liability
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.7 Other Income
Interest income is recognized on time proportion basis and other income, if any, recognized on the basis of certainty of receipts and on accrual basis and this is included in the finance income in the statement of profit and loss.

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Government Grant:
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.8 Employee Benefits

a) Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Provident Fund
This is a defined benefit plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions equal to a specified percentage of the employee's salary to the provident fund. The Company contributes to the government administered pension fund.

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

d) Leave Encashment

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company's liability for Gratuity and Leave encashment are actuarially determined using the Projected Unit Credit method at the end of each year.

Actuarial gains and losses are recognised immediately in the retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled.

2.9 Borrowing cost
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Financial instruments

2.10 Financial assets

Initial recognition and measurement
A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Restated Consolidated Statement of Profit and Loss.

Subsequent measurement
For purposes of subsequent measurement financial assets are classified in two broad categories:
Amortised cost;
Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

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

a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b)the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at FVOCI: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Other Comprehensive Income.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2.11 Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

a. the group has transferred substantially all the risks and rewards of the asset, or

b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.12 Impairment of financial assets
The Group assesses impairment based on expected credit losses (ECL) model to the following:
(i) Financial assets measured at amortised cost;
(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI);
Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For investments in subsidiary companies, the company does not provide for impairment losses till indicators of impairment are confirmed.

2.13 Financial liabilities:
Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

2.14 Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.15 Property, plant and equipment and intangible assets
Capital work in progress includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.
Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

2.16 Depreciation and amortisation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management in line with schedule II of the Companies Act, 2013 except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years based on the independent technical evaluation carried out by the internal technical team which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013. Building in leasehold land will be depreciated over the remaining useful life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

Asset Category	Management estimate of useful life & Useful life as per Schedule II
Land	Unlimited
Buildings	30
Plant & Equipment	15
Furniture & Fittings	10
Office Equipments	5
Electrical Fittings	10
Computers	3
Vehicles	8
Airconditioners	5
Leasehold Improvement	3
Software	5
Technical know-how	5

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life of the product. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end.

2.17 Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

2.18 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.19 Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:
a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares, work-in-progress and finished goods is determined on a weighted average basis.

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

2.20 Leases

The Group has lease contracts for office spaces. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
The Group applies a single recognition and measurement approach for all leases, except for shortterm leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As lessee
i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made
at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.11) Impairment of non-financial assets.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an indeor a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.21 Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

2.22 Taxes on Income

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 ("the IT Act") is recognised as current tax in the statement of Profit and Loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.23 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet.

2.24 Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent Asset

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

2.25 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Group by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The conversion rate considered for computing dilutive potential equity shares is based on the terms and basis of the instrument as agreed under the shareholders agreement signed between the parties.

2.26 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

2.27 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.28 Change in accounting policies

There have been no changes in the accounting policies of the Company during the last three financial years, except for with respect to Ind AS 116, which was effective for accounting periods beginning on or after April 1, 2019.

Ind AS 116

On March 30, 2019, the Ministry of Company Affairs ("MCA") notified that Ind AS 116 would be effective for accounting periods beginning on or after April 01, 2019. We adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. We have used simplified transition approach under Ind AS 116, under which the difference between right-to-use asset and lease liabilities is adjusted against retained earnings as on the date of transition. For the purpose of Restated Financial Information, the proforma transition date has been considered as April 01, 2019, resulting in net impact of Rs. 1.81 million (net of deferred tax asset) in the restated 'Other equity' and 'Total comprehensive income'. The net effect of the above mentioned restatement adjustment in the 'other equity', 'right-of-use asset' and 'lease liabilities' balance as at March 31, 2019, have not been considered in the respective opening balances as at April 01, 2019. For further information, see "Restated Financial Information – Note 41: Restatement adjustments".

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

3(a) PROPERTY PLANT AND EQUIPMENT

		Particulars	Tangible Assets										Sub Total (A)	Intangible Assets		Sub Total (B)	Grand Total (A)+(B)
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement		Software	Technical know-how		
Gross Block		**As at April 01, 2019**	**18.85**	**89.39**	**478.50**	**35.66**	**13.79**	**13.62**	**25.19**	**51.52**	**9.28**	**12.47**	**748.27**	**17.85**	**41.44**	**59.29**	**807.56**
	2019-20	Additions during the year	12.98	11.95	61.27	7.01	1.98	3.37	1.48	6.45	0.54	2.66	**109.69**	-	8.81	8.81	**118.50**
		Adjustments	(6.96)	6.96	(6.00)	-	-	-	-	-	-	-	**(6.00)**	-	-	-	**(6.00)**
		Adjustment for grant received [4]	-	-	(0.40)	-	-	-	-	-	-	-	**(0.40)**	-	-	-	**(0.40)**
		Deletions during the year	-	-	-	-	-	-	-	(1.49)	-	-	**(1.49)**	-	(2.54)	(2.54)	**(4.03)**
		As at March 31, 2020	**24.87**	**108.30**	**533.37**	**42.67**	**15.77**	**16.99**	**26.67**	**56.48**	**9.82**	**15.13**	**850.07**	**17.85**	**47.71**	**65.56**	**915.63**
	2020-21	Additions during the year	-	62.33	48.51	3.47	1.35	1.64	2.12	6.58	0.91	1.90	**128.81**	0.41	97.09	97.50	**226.31**
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	**-**	-	-	-	**-**
		Capitalised	-	-	-	-	-	-	-	-	-	-	**-**	-	-	-	**-**
		As at March 31, 2021	**24.87**	**170.63**	**581.88**	**46.14**	**17.12**	**18.63**	**28.79**	**63.06**	**10.73**	**17.03**	**978.88**	**18.26**	**144.80**	**163.06**	**1,141.94**

		Particulars	Tangible Assets										Sub Total (A)	Intangible Assets		Sub Total (B)	Grand Total (A)+(B)
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement		Software	Technical know-how		
Accumulated Depreciation		**As at April 01, 2019**	**-**	**13.81**	**180.94**	**20.53**	**10.73**	**10.08**	**20.81**	**22.76**	**6.49**	**8.83**	**294.98**	**8.10**	**1.66**	**9.76**	**304.74**
	2019-20	Charge for the year	-	2.65	34.62	3.29	1.81	0.73	2.63	5.42	1.03	2.18	54.36	2.85	7.79	10.65	65.01
		Deletions during the year/ written off	-	-	-	-	-	-	-	(1.49)	-	-	(1.49)	-	-	-	(1.49)
		As at March 31, 2020	**-**	**16.46**	**215.56**	**23.82**	**12.54**	**10.81**	**23.44**	**26.69**	**7.52**	**11.01**	**347.85**	**10.95**	**9.45**	**20.41**	**368.26**
	2020-21	Charge for the year	-	3.47	38.79	3.58	1.17	1.03	2.67	6.24	0.84	2.59	60.38	2.94	12.76	15.70	76.08
		Deletions during the year/ written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		As at March 31, 2021	**-**	**19.93**	**254.35**	**27.40**	**13.71**	**11.84**	**26.11**	**32.93**	**8.36**	**13.60**	**408.23**	**13.89**	**22.21**	**36.11**	**444.34**
Net Block		**Net Block**															
		As at March 31, 2021	**24.87**	**150.70**	**327.53**	**18.74**	**3.41**	**6.79**	**2.68**	**30.13**	**2.37**	**3.43**	**570.65**	**4.37**	**122.59**	**126.95**	**697.60**
		As at March 31, 2020	**24.87**	**91.84**	**317.81**	**18.85**	**3.23**	**6.18**	**3.23**	**29.79**	**2.30**	**4.12**	**502.22**	**6.90**	**38.26**	**45.15**	**547.37**

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

3(a) Capitalised Expenditure
Borrowing cost:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance brought down	3.86	-
Interest expenses	9.91	3.86
Sub-Total	**13.77**	**3.86**
Less: Allocated to property, plant and equipment	(12.39)	-
Balance carried over (included in capital work in progress)	**1.38**	**3.86**

3(b) Capital Work in Progress

Particulars	Tangible Assets under Construction or Installation	Total
As at April 01, 2019	21.96	21.96
Additions/Adjustment	23.94	23.94
Capitalization of Interest	3.86	3.86
As at March 31, 2020	**49.75**	**49.75**
Additions/Adjustment	9.95	9.95
Capitalization of Interest	6.28	6.28
Capitalized in 2020-21	(55.93)	(55.93)
As at March 31, 2021	**10.06**	**10.06**

Capital work in progress ageing schedule
As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	10.06	-	-	-	10.06
Total	**10.06**	**-**	**-**	**-**	**10.06**

As at March 31, 2020

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	27.80	21.96	-	-	49.75
Total	**27.80**	**21.96**	**-**	**-**	**49.75**

* No projects are temporarily suspended as at March 31,2021 and March 31,2020

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

3(c) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at April 01, 2019	-	-	-
Charge for the year/Adjustment	8.37	61.33	69.70
Capitalization of Interest	-	-	-
As at March 31, 2020	**8.37**	**61.33**	**69.70**
Additions/Adjustment	7.33	132.61	139.94
Capitalization of Interest	-	3.63	3.63
Capitalized in 2020-21	-	(97.09)	(97.09)
As at March 31, 2021	**15.70**	**100.48**	**116.18**

Intangible Assets under Development Ageing Schedule

As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	91.65	24.53	-	-	116.18
Total	**91.65**	**24.53**	**-**	**-**	**116.18**

As at March 31, 2020

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	45.17	10.82	8.28	5.42	69.70
Total	**45.17**	**10.82**	**8.28**	**5.42**	**69.70**

* No projects are temporarily suspended as at March 31,2021 and March 31,2020

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company** **also indicate if in dispute
PPE	Land	1.18	P.K. Bansal	NA	April 12, 2012	To be registered

3(d) Right of Use Assets

(INR in millions)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	86.40	68.65
Additions during the year	16.87	36.55
Deletions during the year	-	-
Depreciation during the year	(24.69)	(18.80)
Closing Balance	**78.58**	**86.40**

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

NON-CURRENT ASSETS	As at March 31, 2021	As at March 31, 2020
FINANCIAL ASSET		
4 Non-Current Financial Assets - Investments		
Unquoted		
Investments - Non-Trade		
Investments in Equity instruments	10.83	10.83
Investments in Others	6.06	5.14
Total	**16.89**	**15.97**

4.1 Detail of Non-Current Investments

Financial assets measured at FVTOCI		
(i) Investment in equity instruments - Equity Shares		
Winfoware Technologies Limited	10.80	10.80
Mysore ESDM Cluster	0.03	0.03
	10.83	**10.83**
(ii)Financial assets measured at FVTPL		
Investments in Mutual Funds (Quoted)	6.06	5.14
	6.06	**5.14**

4.2 Additional disclosure

Aggregate carrying value of unquoted investments	10.83	10.83
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of quoted investments	6.06	5.14
Aggregate amount of Cost of quoted investments	4.73	4.73

Investments in equity instruments- Others

a) Investment in Winfoware Technologies Limited 14,87,120 equity shares (March 31, 2020: 14,87,120 equity shares) face value of Rs.5/- each purchased at a premium, constitutes 18.98 % of the capital of that company.

b) Investment in Mysore ESDM Cluster (Company constituted under section 8 of the Companies Act 2013), 26,37,500 equity shares of Re. 1/- each (March 31, 2020: 25,000 equity shares) constitutes 11.00 % of the capital of that company.

Investments in Mutual Funds

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Total NAV	Units	Total NAV
Canara Robeco Capital Protection Oriented Growth Fund	4,00,000.00	4.98	4,00,000.00	4.48
Canara Robeco Emerging Equities - Growth Fund	2,273.13	0.29	2,273.13	0.17
Canara Robeco Emerging Equities - Growth Fund	315.66	0.04	315.66	0.02
Canara Robeco Equity Hybrid Fund - Growth Fund	976.67	0.21	976.67	0.14
Canara Robeco Equity Hybrid Fund - Growth Fund	135.30	0.03	135.30	0.02
Canara Robeco Infrastructure - Growth Fund	1,711.00	0.10	1,711.00	0.06
Canara Robeco Blue Chip Equity Fund	6,474.13	0.23	6,474.13	0.14
Canara Robeco Large Capital Fund - Growth Fund	1,320.41	0.05	1,320.41	0.03
Canara Robeco Consumer Trends Fund - Regular Growth	1,083.76	0.06	1,083.76	0.04
Canara Robeco Flexi Cap Fund - Regular Growth	404.53	0.07	404.53	0.05
		6.06		**5.14**

5 FINANCIAL ASSET NON-CURRENT	As at March 31, 2021	As at March 31, 2020
5(a) Loans and deposits, carried at amortized cost		
Unsecured considered good (Unless Otherwise stated)		
Rental Deposits	17.42	16.77
Loans to related party	7.76	-
Utility Deposits	3.17	3.17
EMD Deposits	3.13	6.20
	31.48	**26.14**

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

5(b) Other non current financial assets (At Amortised Cost)

Unsecured considered good (Unless Otherwise stated)		
Advances recoverable in cash, kind or to value to be received	13.00	12.96
	13.00	**12.96**

6 OTHER NON-CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Capital Advances	5.53	35.22
Balance with government authorities	0.35	3.97
Deposits against performance guarantee	5.48	1.97
Prepaid Rent	3.15	3.74
	14.51	**44.90**

CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
7 Inventories (at cost or net realisable value whichever is lower)*		
Raw materials	1,208.90	1,055.37
Work-in-progress	212.73	203.63
Finished Goods	141.90	189.22
Goods-in-transit	35.96	31.68
Consumables, stores and spares	39.16	31.20
	1,638.65	**1,511.10**

*The inventory of the company has been pledged with banks for availing working capital and other facilities

8 Current Financial Assets

8(a) Trade receivables

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good(Unless otherwise stated)	1,217.48	936.49
Unsecured, Considered Doubtful	67.76	41.47
Less - expected credit loss allowance	(67.76)	(41.47)
	1,217.48	**936.49**

Movement in the expected credit loss allowance of trade receivables are as follows:		
Balance at the Beginning of the year / period	41.47	30.14
Add: Provided during the year / period	26.29	11.33
Balance at the end of the year / period	**67.76**	**41.47**

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

Undisputed Trade receivables – considered good	**As at March 31, 2021**	**As at March 31, 2020**
Less than 6 months	1,098.74	835.36
6 months - 1 year	20.84	38.54
1 -2 years	34.74	30.01
2 -3 years	33.14	17.04
More than 3 years	97.78	57.01
Total	**1,285.24**	**977.96**

Note:
a. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.
b.The trade receivables of the company has been pledged with banks for availing working capital and other facilities.
c. No trade receivables are disputed as at March 31, 2021 and March 31, 2020.

8(b) Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balance with banks		
- In Current accounts	30.19	4.51
- In EEFC accounts	0.18	0.15
Cash on hand	0.13	2.77
	30.50	**7.43**

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

8(c)	**Other Bank Balances**		
	Cash Credit	0.01	0.01
	Deposits with original maturity for less than 12 months	87.80	77.76
	Margin Money and Other Deposits	24.24	37.59
		112.05	**115.37**

*Deposits held with banks for issue of bank guarantees, letters of credit and guarantees to customs authorities.

		As at March 31, 2021	As at March 31, 2020
8(d)	**Loans and deposits, carried at amortized cost**		
	Unsecured, Considered Good(Unless otherwise stated)		
	Loans to related party	15.89	42.03
	Loans to employees	2.31	9.15
	Total	**18.20**	**51.18**

		As at March 31, 2021	As at March 31, 2020
8(e)	**Other current financial assets (At Amortised Cost)**		
	Unsecured, Considered Good(Unless otherwise stated)		
	Interest accrued	2.02	3.20
	Grant Receivable	-	3.59
		2.02	**6.79**

9 OTHER CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances for supply of goods	87.04	191.08
Prepaid Expenses	15.15	32.11
Balance with Government Authority	66.97	52.98
Contract Asset- Unbilled revenue	3.89	-
	173.05	**276.17**

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

10 A. Share Capital

10(a) Equity Share Capital

i)Authorised

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at April 01, 2019	**70,00,000**	**70.00**
Increase during the year	-	-
Balance as at March 31, 2020	**70,00,000**	**70.00**
Increase during the year	10,00,000	10.00
Balance as at March 31, 2021	**80,00,000**	**80.00**

Pursuant to a resolution of Board of Directors dated April 08, 2022 and the shareholders meeting dated April 08, 2022, the Authorized Share Capital of the Company has been increased from Rs. 630 millions consisting of 6,30,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 700 millions consisting of 7,00,00,000 Equity Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at April 01, 2019	**67,99,992**	**68.00**
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Balance as at March 31, 2020	**67,99,992**	**68.00**
Add: Shares issued during the year	10	0.00
Add: Bonus shares issued during the year	-	-
Balance as at March 31, 2021	**68,00,002**	**68.00**

iii) Terms/rights attached to equity shares

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

iv) Shareholders holding more than 5 percent of Equity Shares

Name of Share holder	As at Mar 31, 2021	As at Mar 31, 2020
Mr. Ramesh Kunhikannan	67,96,670	67,96,670
% of Share holding	99.95%	99.95%

Note: For the period of five years immediately preceding March 31, 2021

(i) No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash.

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

Equity share of Rs. 10/- each	No. of shares	Amount (Rs.)
(i) Financial Year Ended March 31, 2018		
The Company has issued 16,99,992 fully paid equity shares of Rs.10 each during that year as bonus shares based on approval accorded by the shareholders at the EGM held on September 14, 2017. One Bonus share of Rs.10 each was allotted for every three equity share held in the company.	16,99,992	1,69,99,920

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

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

v) Shareholding of Promoters

Promoter Name	As at March 31, 2021	As at March 31, 2020
Mr. Ramesh Kunhikannan		

- No. of Shares held	67,96,670	67,96,670
- Percentage of holding	99.95%	99.95%
- Changes during the year	-	-
Mrs. Savitha Ramesh		
- No. of Shares held	3,300	3,300
- Percentage of holding	0.05%	0.05%
- Changes during the year	0.00%	-

10(b) Instruments entirely equity in nature

Compulsorily Convertible Preference Share Capital

i)Authorised

Particulars	No of Shares	Amount
Balance as at April 01, 2019	**-**	**-**
Increase during the year	-	-
Balance as at March 31, 2020	**-**	**-**
Increase during the year	**20,00,000**	**20.00**
Balance as at March 31, 2021	**20,00,000**	**20.00**

Pursuant to a resolution of the Board of Directors dated June 05, 2020 and the shareholders meeting dated June 05, 2020, the Authorized Share Capital of the Company has been reclassified to Rs. 10 millions consisting of 10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) and a resolution of Board of Directors dated October 11, 2020 and the shareholders meeting dated October 11, 2020, the Authorized Share Capital of the Company has been increased from Rs. 10 millions consisting of 10,00,000 Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs.20 millions consisting of 20,00,000 Preference Shares of Rs. 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	No of Shares	Amount
Balance as at April 01, 2019	**-**	**-**
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
Balance as at March 31, 2020	**-**	**-**
Add: Shares issued during the year	10,79,990	10.80
Add: Bonus shares issued during the year	**-**	**-**
Less: Share bought back during the year	**-**	**-**
Balance as at March 31, 2021	**10,79,990**	**10.80**

Terms/rights attached to Preference shares:

During the previous year ended March 31, 2021, the Company has issued

(i) 4,79,990 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 240 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 0.01% per annum on June 24, 2020.

(ii) 6,00,000 5% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of Rs. 10 each at a premium of Rs. 240 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 5% per annum on November 19, 2020.

The issue of preference shares was based on the valuation report issued by a Registered Valuer.

The compulsorily convertible preference shares are convertible into such number of equity shares of Rs. 10 each as laid down in the Articles of Association ("the AOA") (as amended) of the Company and the shareholders agreement.

The conversion shall take place upon the occurrence of any of the events as mentioned in the Shareholders' agreement:

The equity shares allotted on conversion shall rank pari- passu with the outstanding equity shares.

The Preference Shareholders shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters.

In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding and are also eligible to participate in surplus funds.

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

Note on CCPS Conversion
Conversion Option as at March 31, 2021:
CCPS shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:

a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the company pursuant to an IPO;
b.Expiry of 120 months from the Execution Date ("Investment period") or
c. Any time prior to the expiry of the Investment period at the option of the Investor

CCPS Series A shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:

a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the company pursuant to an IPO;
b.Expiry of 120 months from June 18, 2020 being the Execution Date of Original SSHA ("Investment period") or
c. Any time prior to the expiry of the Investment period at the option of the Investor

iv) Shareholders holding more than 5 percent of Preference Shares

Name of Share holder	As at Mar 31, 2021	As at Mar 31, 2020
Mrs. Freny Firoze Irani		
- No. of shares held	10,79,990	-
- % of share holding	100.00%	-

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

11	**OTHER EQUITY**	**As at March 31, 2021**	**As at March 31, 2020**
	Securities premium (refer note i)	266.71	7.51
	General Reserve (refer note ii)	110.88	61.69
	Surplus in the profit and loss statement (refer note iii)	897.00	803.35
	Debenture redemption reserve (refer note iv)	19.12	68.31
	Foreign currency translation reserve (refer note v)	2.36	1.09
	Other Comprehensive income (refer note vi)	11.71	17.03
		1,307.78	**958.98**

i)	**Securities Premium**	**As at March 31, 2021**	**As at March 31, 2020**
	At beginning of the year	7.51	7.51
	Changes during the year	259.20	-
	As at end of the year	**266.71**	**7.51**

ii)	**General Reserve**	**As at March 31, 2021**	**As at March 31, 2020**
	At beginning of the year	**61.69**	**50.00**
	Add: Transfer from Debenture redemption reserve	49.19	11.69
	As at end of the year	**110.88**	**61.69**

iii)	**Surplus in the profit and loss statement**	**As at March 31, 2021**	**As at March 31, 2020**
	At beginning of the year	**803.35**	**709.76**
	Add: Profit for the year	93.78	94.75
	Less Effect of adoption of Ind AS 116 Leases	-	(1.81)
	Fair Value adjustment of Investment	-	(0.98)
	Other Adjustments	(0.13)	1.63
	As at end of the year	**897.00**	**803.35**

iv)	**Debenture Redemption Reserve**	**As at March 31, 2021**	**As at March 31, 2020**
	At beginning of the year	**68.31**	**80.00**
	Less : Transferred to General Reserve on utilisation for redemption of debentures	(49.19)	(11.69)
	As at end of the year	**19.12**	**68.31**

v)	**Foreign currency translation reserve**	**As at March 31, 2021**	**As at March 31, 2020**
	At beginning of the year	**1.09**	**1.13**
	Translation as per Non Integral Foreign Operations	1.27	(0.04)
	As at end of the year	**2.36**	**1.09**

vi)	**Remeasurement of defined benefit obligations**	**As at March 31, 2021**	**As at March 31, 2020**
	At beginning of the year	**17.03**	**11.03**
	Add: Changes during the year	(5.32)	6.00
	As at end of the year	**11.71**	**17.03**

Note

1. Securities premium account is used to record the premium received on issue of share. It is utilised in accordance with the provisions of the Companies Act, 2013.

2. General reserve is the free reserve created out of the retained earnings of the group. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

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

3.The debenture redemption reserve is created as per Section 71 of the Companies Act-2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014.

4. The adequacy of Debenture Redemption Reserve has been reduced from 25% to 10% as per notification dated August 16, 2019. However the company has adopted the same during the current period and transferred the differential amount to General reserves.

		As at March 31, 2021	As at March 31, 2020
12	**Non Controlling Interest**	9.05	5.49
		9.05	**5.49**

NON-CURRENT LIABILITIES

		As at March 31, 2021	As at March 31, 2020
13	**FINANCIAL LIABILITIES**		
	Borrowings		
	Term loans from banks & financial institutions		
	- Secured	215.51	15.48
	- Unsecured	-	5.53
	Non-Convertible Debenture		
	- Secured	76.50	123.25
	- Unsecured	-	150.00
	Vehicle loan - Secured	22.10	8.44
	Less: Current maturities of Long term borrowings		
	Term loans from banks & financial institutions		
	- Secured	(90.64)	(7.55)
	- Unsecured	-	(5.53)
	Non-Convertible Debenture		
	- Secured	(46.75)	(46.75)
	- Unsecured	-	(150.00)
	Vehicle loan - Secured	(5.86)	5.09
		170.86	**97.96**

Term Loans from Banks
Term Loans have been availed from various banks. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the company has given collateral security of Factory Land and Building situated at Belagalo (Food) Industrial Area, Mysuru Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 60 months .

Term Loans from Financial Institutions-Secured
Term Loans have been availed from various financial institutions. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the company has hypothecated plant and machinery and personal property as well as an insurance policy of the Director of the Company. Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 60 months.

Term Loans from Financial Institutions-Unsecured
The Company has availed an unsecured term loan from a financial institution. The loan was closed in March 2019.

Non-Convertible Debentures- Secured
NCDS have been secured by specific plant and machinery and specific receivables. These are guaranteed by personal guarantee of promoter director of the company. 33% shares of the company held by one of the promoter/director has been pledged. These

Non-Convertible Debentures-Unsecured
Unsecured NCDS were issued in 2017 and closed during the financial year 2020-21

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

Vehicle Loans
Vehicle loan from banks are repayable in 48 to 72 monthly instalments along with the interest.

A break-up of the above loans is tabulated below:

Loan Type	Loan Name	Repayment Terms	Amount outstanding As at March 31, 2021	Amount outstanding As at March 31, 2020
Term Loans from banks - Secured	Saraswat Bank	Repayable in 12 months in 6 equal monthly instalments after a moratorium of 6 months from date of disbursement.	12.32	-
Term loans from Bank - Secured	Canara Bank	Repayable in 24 months in 18 equal monthly instalments after a moratorium of 6 months from date of disbursement.	32.99	-
	Canara Bank - GECL - 3	Repayable in 72 months in 48 equal monthly instalments after a moratorium of 24 months from date of disbursement.	-	-
	Canara Bank	Repayable in 60 months in 48 equal monthly instalments after a moratorium of 12 months from date of disbursement.	152.45	-
	State Bank of India		-	-
	State Bank of India		-	-
	State Bank of India	Repayable in 48 monthly instalments from the date of loan.	4.00	-
Term loans - From Financial Institutions - Secured	Sundaram Finance Machinery Loan -1	Repayable in 47 monthly instalments from the date of loan.	0.78	1.69
	Sundaram Finance Machinery Loan - 2	Repayable in 48 monthly instalments from the date of loan.	12.98	13.79
	Sundaram Finance Machinery Loan - 3		-	-
	Sundaram Finance Machinery Loan - 4		-	-
	Sundaram Finance Machinery Loan - 5		-	-
	Sundaram Finance Machinery Loan - 6		-	-
	Hero Fincorp		-	5.53

Loan Type	Loan Name	Repayment Terms	Amount outstanding As at March 31, 2021	Amount outstanding As at March 31, 2020
Non-Convertible Debenture - Secured	IL & FS - 15% Secured Non-Convertible Debentures	Repayable in 16 quarterly instalments with the first repayment starting from June 30,	76.50	123.25
Non-Convertible Debentures - Unsecured	Anicut 18% Unsecured Non-Convertible Debentures	30 Months from the deemed date of Allotment.	-	150.00
Vehicle Loan - From Bank - Secured	HDFC Bank - Zest	Repayable in 60 monthly instalments from date of Loan.	-	0.02
	Jeep Loan		0.32	0.40
	Hdfc Car Loan - Tata Nexon		0.61	0.70
	Hdfc Car Loan - Jeep Compas		1.50	1.72
	Hdfc Car Loan - Innova		1.43	1.64
	Hdfc Car Loan - Benz		5.13	5.91
	Hdfc Car Loan - Verna		0.70	0.80
	SBI Loan - Mini Cooper		2.25	2.29

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

	Saraswat Car Loan-Seltos		1.07	1.12
	Saraswat Car Loan-Nex		1.03	1.09
	Saraswat Car Loan - Bmw		4.13	-
	Saraswat Car Loan - Ertiga		0.99	-
	Saraswat Car Loan - Santro		0.62	-
	Sarawat Car Loan - Jeep Compass		-	-
	Saraswat Bus Loan - SML ISUZU		-	-
	Saraswat Car Loan - Tata Harrier		-	-
	Canara Car Loan-Skoda Octavia	Repayable in 72 monthly instalments from date of loan.	1.99	2.16
Vehicle Loan - From Others	Bajaj Finance Ltd-Bike	Repayable in 24 monthly instalments from date of loan.	0.33	0.77

14 DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liability		
Property plant and equipment: timing differences on account of depreciation allowance.	72.39	95.12
Actuarial Gain/Loss	1.71	3.07
Employee loan		
Fair Valuation of Mutual Funds	0.72	0.49
Gross deferred tax liability	**74.82**	**98.68**
Deferred Tax Asset		
Security Deposits	(0.07)	(0.05)
Actuarial Gain/Loss	-	-
Effect of foreign exchange difference	(0.66)	(0.22)
Provision for ECL	(7.04)	(4.68)
Leases	(3.52)	(2.55)
Expenses: timing differences on expenses allowable on payment basis.	(11.12)	(12.11)
Gross deferred tax asset	**(22.41)**	**(19.62)**
Net deferred tax liability	**52.41**	**79.06**

15 LONG TERM PROVISIONS

	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	26.56	22.73
Provision for compensated absences	5.45	4.41
	32.01	**27.14**

CURRENT LIABILITIES
16 FINANCIAL LIABILITIES

16 (a) Current borrowings (At Amortised Cost)

	As at March 31, 2021	As at March 31, 2020
Credit Balance - Cash credit from banks (Secured)	912.21	961.48
Loans from Others (Unsecured)	18.72	14.20
Rupee demand loan (Secured)	29.62	29.60
Foreign Currency Packing Credit (Secured)	-	20.00
Rupee Packing Credit (Secured)	120.01	100.12
Current maturities of Long term borrowings		
- Term loans from banks & financial institutions		
- Secured	90.64	7.55
- Unsecured	-	5.53
- Non-Convertible Debenture_Secured	46.75	46.75
- Non-Convertible Debenture_Unsecured	-	150.00
- Vehicle loan	5.86	5.09
Total	**1,223.81**	**1,340.31**

Cash credit/Packing Credit from banks (Secured)
Secured Cash credit and Packing credit from Banks are secured against the hypothecation of stock of raw materials, work-in-progress, finished goods, book debts outstanding and common collateral security of factory land and building, canteen building and plant and machinery. Canara Bank which has approved a cash credit, packing credit and bill discounting facility to the extent of Rs 56 Crores holds a paripassu charge along with Saraswat Co-operative Bank Limited and State Bank of India. Further these loans have been guaranteed by the personal guarantee of two promoter directors of the company and further secured by pledge of 30% shares of the company held by one of the promoter director.

Loans from Others (Unsecured)
Short term loans from shareholders are repayable in monthly instalments during the next year.

Rupee Demand Loan
Rupee demand loan amounting to Rs 3.0 crores from Oxyzo Financial Services Private Limited is secured by Unconditional and irrevocable bank guarantee amounting to Rs 3.0 Crores.

The Break up of above loans is tabulated below

Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			As at March 31, 2021	As at March 31, 2020
Cash credit from banks (secured)	SBI Parwanoo	Repayable on Demand	-	-
	Canara Bank		367.13	370.97
	Saraswat Bank		373.47	423.74
	HDFC Bank		-	-
	Indusind Bank		-	-
	State Bank of India		171.61	166.77
Term Loans from others - Unsecured	Loans from Others	12 or 10 months differs by Party	18.72	18.42
Working Capital Loan	HDFC Bank	Repayable within 180 days from the date of disbursement	-	-
Rupee demand loan - Secured	Oxyzo Financial Services Private Limited	Repayable on Demand	29.62	29.60
Rupee Packing Credit - Secured	Canara Bank - FBE		-	-
	Canara Bank - Packing Credit FBE		100.02	100.12
	State of India - EPC		19.99	20.00

16 (b) Trade payables (At Amortised Cost)

	As at March 31, 2021	As at March 31, 2020
Dues to micro enterprises and small enterprises (refer note 46)	66.34	52.90
Dues to other than micro enterprises and small enterprises	887.98	867.91
Total trade payables	**954.32**	**920.81**

Ageing Schedule

As at March 31, 2021 — **Outstanding following for periods from due date of payment**

Particulars	Less than 1 year	More than 3 years	Total
MSME	64.63	0.15	66.34
Others	856.69	5.07	887.98

As at March 31, 2020 — **Outstanding following for periods from due date of payment**

Particulars	Less than 1 year	More than 3 years	Total
MSME	51.88	0.22	52.90
Others	852.18	3.39	867.91

No trade payables are disputed as at March 31, 2021 and March 31, 2020.

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

16 (c)	Other current financial liabilities carried at amortized cost	As at March 31, 2021	As at March 31, 2020
	Employee benefits payable*	52.15	42.20
	Interest accrued and due on borrowings	1.78	1.68
	Payables - Capital Goods	11.97	16.01
		65.90	**59.89**

*Refer Related party disclosure for details on dues to employees

17	CURRENT TAX LIABILITIES (NET)	As at March 31, 2021	As at March 31, 2020
	Provision for income taxes (net of advance income taxes)	17.41	16.96
	Less: MAT Credit	(0.96)	(9.11)
		16.45	**7.85**

18	OTHER CURRENT LIABILITIES	As at March 31, 2021	As at March 31, 2020
	Advance from customers	87.34	16.58
	Statutory dues and related liabilities	50.49	31.14
	Other payables	47.99	71.64
		185.82	**119.36**

19	SHORT-TERM PROVISIONS	As at March 31, 2021	As at March 31, 2020
	Provision for employee benefits		
	Provision for Gratuity	6.19	2.21
	Provision for Compensated absence	0.48	0.35
	Other Provisions	-	-
		6.67	**2.56**

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

20 REVENUE FROM OPERATIONS	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Sale of Goods	3,983.64	3,367.80
Sale of services	222.63	314.58
	4,206.27	**3,682.38**
The Group derives revenue from the transfer of goods & services in the following geographical regions		
India	3,127.79	2,927.14
Outside India	1,078.48	755.24
	4,206.27	**3,682.38**
Timing of Revenue Recognition		
Goods transferred at a point in time	3,983.64	3,367.80
Service transferred at a point in time	222.63	314.58
	4,206.27	**3,682.38**

21 OTHER INCOME	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Interest Income		
Interest received on deposits with banks	6.71	7.63
Interest received on Advances with others	1.84	3.52
Interest on Income Tax refund	0.03	-
Interest on Security Deposit	1.12	0.75
Gain On Fair Valuation of Mutual Funds	0.92	0.07
Profit on sale of investment	-	1.02
Profit on sale of property, plant & equipment (net)	-	0.05
Liabilities no longer required, written back	2.85	0.49
Export Incentives	12.62	5.51
Other non-operating income	0.63	0.24
Exchange Differences (net)	13.64	-
	40.36	**19.28**

22 Cost of materials consumed	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Inventory at the beginning of the year	1,055.37	948.19
Add: Purchase	3,030.51	2,731.29
Less : Inventory at the end of the year	(1,208.90)	(1,055.37)
Less: R&D exp - considered separately	(53.99)	(20.73)
Cost of materials consumed	**2,822.99**	**2,603.38**

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

23 Changes in inventories of finished goods and traded goods

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year		
Finished goods		
Closing stock	141.90	189.22
Opening stock	189.22	62.66
Sub total (A)	47.32	(126.56)
Work-in-progress		
Closing stock	212.73	203.63
Opening stock	203.64	143.61
Sub total (B)	(9.09)	(60.02)
Total Changes in Inventories	**38.23**	**(186.58)**

24 EMPLOYEE BENEFITS EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and incentive	457.26	415.51
Contribution to provident fund	19.21	14.67
Gratuity contribution scheme (Refer note 36)	2.19	3.07
Staff welfare expenses	45.03	41.76
Less: Capitalized (R&D)	(64.70)	(50.70)
	458.99	**424.31**

25 FINANCE COSTS

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on borrowings	220.39	203.15
Interest to Vendors	6.94	2.08
Interest on others	8.03	19.40
Other borrowing costs	4.17	5.98
Interest on lease liabilities (Refer Note 34)	10.17	9.27
Less: Capitalized	(9.91)	(3.86)
	239.79	**236.02**

26 DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant & equipment (Refer Note 3(a))	60.37	54.35
Amortization of Intangible Assets (Refer Note 3(a))	15.70	10.64
Depreciation of Right To Use Assets (Refer Note 3(e))	24.69	18.80
	100.76	**83.79**

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

27 OTHER EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	5.32	9.02
Rates and taxes	12.10	24.93
Printing and stationery	4.64	4.38
Insurance	5.62	4.09
Discount Allowed	4.91	4.66
Donation	14.45	1.24
Power and fuel	30.03	28.10
Contract Labour	92.42	78.98
Consumption of stores and spares	93.40	79.58
Repairs and maintenance - Plant & Machinery	10.37	11.12
Repairs and maintenance - Buildings	3.52	2.30
Repairs and maintenance - Others	14.88	12.79
Security maintenance expenses	8.41	7.12
Research and Development Expenses	12.08	16.26
Legal and professional fees	19.27	17.73
Audit Fees	2.17	1.89
Commission Expenses	0.16	4.68
LD/Claim Settled	0.22	0.85
Bank charges	11.85	9.93
Communication expenses	5.85	7.36
Travelling and conveyance	14.85	29.60
Business Promotion	8.40	13.31
Freight and forwarding charges	75.67	22.44
CSR expenditure	2.92	3.11
Provision for ECL	26.29	11.33
Exchange Differences (Loss)	-	7.91
Loss on sale of tangible assets	-	8.54
Software Expense	-	2.64
Miscellaneous expenses	2.09	4.16
Less: Capitalized	(4.74)	(2.11)
	477.15	**427.94**

Research and Development Expenditure	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw Materials, Components and Consumables	53.99	20.73
Salaries and Wages	57.36	42.33
Professional Charges	3.86	0.30
Communication expenses	0.57	0.38
Travelling and Conveyance	0.31	1.42
	116.09	**65.16**
Less: Grant Received	-	(4.24)
Less: Capitalized	(104.01)	(44.66)
	12.08	**16.26**

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

28 Contingent Liabilities and Commitments

	Particulars	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)
	Contingent Liabilities:		
a)	**Claims against the company not acknowledged as debt**		
	Disputed Income Tax Demand [refer note 29.1]	1.74	1.74
	Disputed Income Tax Demand - CPC Demand [refer note 29.2]	7.56	7.56
	Disputed Income Tax Demand - CPC Demand [refer note 29.3]	12.98	5.48
	Disputed Income Tax Demand - CPC demand [refer note 29.4]	4.48	-
	Disputed Indirect taxes Demand (Refer note 29.5)	-	154.86
b)	Bank Guarantees for contractual performance	19.69	15.87
c)	Letter of Credit issued by bank	5.95	13.48
d)	Bond Executed for Customs/Central Excise. (Covered by Bank guarantee to the extent of Rs 8.16 Millions)	248.21	288.21
e)	On account of Bills Discounted with Banks set off against Trade Receivable	171.48	-
f)	Corporate Guarantee to Subsidiary Company	24.00	20.00
g)	Other sums for which company is contingently liable	11.24	-
	Commitments:		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances.	33.03	30.19
(ii)	Cumulative dividend on Preference shares	0.11	-
(iii)	Approval for Land Conversion from Lease to Sale of Plot no 20 & Plot no 119 from Karnataka Industrial Area Development Board (KIADB) is in progress. Estimated Conversion cost is considered as a Capital commitment remaining unexecuted	-	-

1 CPC demand of Rs. 17,37,670/- against the disallowance made by ITO against under 35(2AB) for A.Y. 2016-17 and thereby reducing the MAT credit availed by the company which was disputed in appeal before CIT(A) where the matter is pending.

2 CPC demand of Rs. 75,64,783/- against the disallowance of claim under 35(2AB) for A.Y. 2017-18.The holding company has paid Rs 15,13,957/- under protest and filed an appeal which is pending.

3 The disallowance on account of delay in payment of employer's contribution to EPF & ESI . Filed appeal against the order and submitted the relevant documentation. Assessing officer is in the process of reviewing supportings provided by us to substantiate our claim.

4 Commissioner of Income tax , Bangalore has issued a notice on Short deduction of TDS for various years commencing from FY 2009-10 to 2021-22 and imposed a Interest and penalty .Demand appearing in the TDS Portal amounts to INR 1.65 Million . We are in the process of adjusting the demand against the unconsumed challans available . We have already submitted a request to the commissioner for extension of time for reconciliation of TDS .

5 There are 16 cases relating to excise, VAT, Customs and CST amounting to INR 50.6 Million covering a period commencing from FY 2012-13 to 2018-19 pertaining to units located in various states in Karnataka, Uttarakand, Haryana, Tamilnadu and Maharashtra. Many of the cases required Information provided to the Concerned authorities and are in progress.

29 Related Party Disclosures

Disclosure in respect of material transactions with associated parties as required by IND AS 24 "Related Party Transactions".

[A.] Related Parties and their Relationship with the Company

Ref.	Description of relationship	Names of Related parties
[1.]	*Subsidiary Companies:*	Kaynes Embedded Systems Private Limited
		Kemsys Technologies Private Limited
		Kaynes Technology Europe Gmbh
		Kaynes International Design & Manufacturing Private Lim
		Kaynes Electronics Manufacturing Private Limited

[2.] ***Entity Controlled by Directors:***	Kaynes Interconnection Systems India Private Limited (unrelated w.e.f 10.07.2022)
	Kaynes Technology Inc.
	Kemsys Technologies Inc.
	Kaynes Circuits Private Limited
	Kaynes Electro-Plast Private Limited (Striked Off)
	Mysore ESDM Cluster
	Wendorhub Solutions Private Limited (Striked Off)
	Cheyyur Real Estates Private Limited
	Cheyyur Properties Private Limited
	Nambi Reality Private Limited
[3.] ***Entity where relative of Directors have substantial interest***	A ID Systems (India) Private Limited
[4.] ***Key Management Personnel:***	
Mr. Ramesh Kunhikannan	Managing Director
Ms. Savitha Ramesh	Whole Time Director
Mr. Jairam Paravasthu Sampath	Whole Time Director & Chief Financial Officer (w.e.f 08.04
Mr. Satheesh Kumar Gopa Kumar	Whole Time Director (From 03.03.2021 to 02.10.2021)
Mr. Sajan Anandaraman	Director in Subsidiary Company
Mr. Manoj Rajnarain Pandey	Managing Director in Subsidiary Company
Mr Rajesh Sharma	Chief Executive Officer
Mr Anup Kumar Bhat	Independent Director (w.e.f 12.01.2022)
Mr Vivekandh Ramaswamy	Independent Director (w.e.f 12.01.2022)
Mr Lakshmi Narayana Utheti	Independent Director (From 12.01.2022 to 01.02.2022)
Mr Seeplaputhur Ganapathiramaswamy Murali	Independent Director (w.e.f 21.02.2022)
Mr Alexander Koshy	Independent Director (w.e.f 21.02.2022)
Ms Poornima Ranganath	Independent Director (w.e.f 31.03.2022)
Mr Venkata Ramana Mannapragada	Chief Financial Officer (From 20.12.2021 to 08.04.2022)
Ms Narayanan Srividhya	Company Secretary
[5.] ***Relative of Key Management Personnel:***	
	Ms. Premita Ramesh
	Mr. Govind Shasiprasad Menokee

[B.] Transactions with KMPs

Transactions / Balances	For the year ended March 31, 2021	For the year ended March 31, 2020
[i] Purchase of Property		
Savitha Ramesh	-	13.63
[ii.] Remuneration, Commission and Sitting Fees:		
Mr. Ramesh Kunhikannan	14.55	6.82
Ms. Savitha Ramesh	14.55	6.82
Mr. Jairam Paravasthu Sampath	4.38	4.80
Mr. Satheesh Kumar Gopa Kumar	1.68	-
Ms. Premita Ramesh	1.60	1.95
Mr. Govind Shasiprasad Menokee	3.20	3.00

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

Mr. Sai Kamalesh	1.67	4.10
Mr. Manoj Rajnarain Pandey	8.61	-
Mr. Sajan Anandaraman	1.50	0.13
Mr Venkata Ramana Mannapragada	-	-
Ms Narayanan Srividhya	0.70	0.70
Mr Rajesh Sharma	-	-
Mr Anup Kumar Bhat	-	-
Mr Vivekandh Ramaswamy	-	-
Mr Seeplaputhur Ganapathiramaswamy Murali	-	-
Mr Alexander Koshy	-	-
Ms Poornima Ranganath	-	-
Reimbursement of expenses		
Mr. Sai Kamalesh	0.26	0.09
Mr. Manoj Rajnarain Pandey	0.09	-
Mr. Sajan Anandaraman	0.29	0.58
Mr Rajesh Sharma	-	-
[iii.] Transaction in current account (net)		
Mr. Ramesh Kunhikannan	3.56	(3.37)
Ms. Savitha Ramesh	4.18	(6.24)
Ms. Premita Ramesh		
Mr. Jairam Paravasthu Sampath		
Mr. Govind Shasiprasad Menokee		

[C.] Balances with KMPs and relatives of KMPs	**As at March 31, 2021**	**As at March 31, 2020**
[i.] Amount Receivable from/ Due to directors:		
Mr. Ramesh Kunhikannan (Dr. Balance)	7.12	10.69
Ms. Savitha Ramesh (Dr. Balance)	8.36	12.54
Mr. Jairam P Sampath (Dr. Balance)	(0.11)	0.00
Mr. Govind Shasiprasad Menokee (Dr. Balance)	-	-
Ms. Premita Ramesh (Dr. Balance)	-	-

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

[ii.] Salaries payable

Mr. Ramesh Kunhikannan	0.27	0.65
Ms. Savitha Ramesh	0.38	0.33
Mr. Jairam Paravasthu Sampath	0.29	0.34
Mr. Satheesh Kumar Gopa Kumar	0.36	-
Mr. Sajan Anandaraman	0.10	0.06
Mr. Manoj Rajnarain Pandey	0.50	-
Ms. Premita Ramesh	0.12	0.08
Mr. Govind Shasiprasad Menokee	0.22	0.24
Mr Rajesh Sharma	-	-
Mr Venkata Ramana Mannapragada	-	-
Ms Narayanan Srividhya	0.06	0.02

[iii.] Sitting Fees payable

Mr Seeplaputhur Ganapathiramaswamy Murali	-	-

[D.] Transactions with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Kaynes Interconnection Systems India Private Limited			
	Sale of material	16.26	4.15
	Services Received	3.53	0.14
	Purchase of Material	16.51	10.21
Kaynes Technology Inc.			
	Services Rendered	11.84	-
Kemsys Technologies Inc.			
	Services Rendered	0.25	-

[E.] Balances with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	As at March 31, 2021	As at March 31, 2020
Kaynes Interconnection Systems India Private Limited			
	Loans and Advances	4.04	16.43
	Trade Payables	0.26	0.26

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

Mysore ESDM Cluster			
	Investments / Loans and Advances	2.64	2.64
	Services Rendered Receivable	5.80	-
	Services Rendered Receivable	0.26	-

[F.] Disclosure as per Schedule VI (Para 11(1)(A)(i)(g) of ICDR Regulation
The following are the transactions eliminated during the years/period ended March 31, 2021 and March 31, 2020

Name of the related party	Nature of the transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Kaynes International Design & Manufacturing Private Limited	Received towards Marketing, Distribution, Administration, Management & Other Support Services	45.49	24.88
	Sale of material	10.86	68.22
	Purchases	-	-
Kemsys Technologies Private Limited	Loans and Advances given to	64.68	-
	Loans and Advances repaid by	10.90	-
	Services Received from	5.50	-
	Interest on loan advanced	5.93	3.14
	Purchases	0.69	2.17
	Sale of material	10.66	6.94
Kaynes Embedded Systems Private Limited	Loans and Advances given to	-	0.09
Kaynes Technology Europe GMBH	Loans and Advances repaid by	6.59	-
	Commission paid	17.11	13.13
Kaynes Electronics Manufacturing Private Limited	Investments	-	-
	Loans and Advances given to	-	-

[G.] The following are the details of the balances that were eliminated during the years/period ended March 31, 2021 and March 31, 2020

Name of the related party	Nature of the transaction	As at March 31, 2021	As at March 31, 2020
Kaynes International Design & Manufacturing Private Limited	Loans and Advances received	28.70	9.88
	Investments	1.50	1.50
Kemsys Technologies Private Limited	Loans and Advances	107.09	47.83
	Investments	5.00	5.00
	Trade payable	1.13	-
	Trade receivable	22.98	14.28
	Advances towards supply of materials	-	9.74

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

Kaynes Embedded Systems Private Limited	Loans and Advances given	-	3.79
	Investments	3.00	3.00
Kaynes Technology Europe GMBH	Loans and Advances given	-	6.59
	Investments	9.24	9.24
	Trade payable	-	1.14

30 Segment information

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified APAC, Europe, India, Middle East, UK, USA,Africa and Mexico as its reportable segment. However considering the volume of transactions with geographies outside India, the CODM evaluates the company's performance into broadly two categories- within India and outside India. Segment information based on this criteria is tabulated below.

As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by the Company for the geographical segments identified.

A) Revenue from Customers

Geographic Segment	For the year ended March 31, 2021	For the year ended March 31, 2020
Outside India	1,078.48	755.24
In India	3,127.79	2,927.14
	4,206.27	**3,682.38**

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

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

31 Earnings per share (EPS)

Particulars	As at March 31, 2021	As at March 31, 2020
Earnings		
Restated profit after tax for the year	97.33	93.55
Less: Profit attributable to the minority shareholders	(3.56)	1.20
Restated profit after tax for the year attributable to equity shareholders	**93.77**	**94.75**
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :		
Basic :		
Number of Shares outstanding at the beginning of the year / period	67,99,992	67,99,992
Add : Shares Issued during the year/period	10	-
Add : Shares Issued during the year/period on conversion of CCPS	-	-
Add : Bonus Shares Issued during the year/period *	1,25,113	-
Number of Shares outstanding at the end of the year / period	69,25,115	67,99,992
Add : Post Bonus issue #	3,47,50,688	3,39,99,960
Number of Shares outstanding at the end of the year / period (Post bonus issue #)	**4,15,50,690**	**4,07,99,952**
Weighted average number of equity shares For calculating Basic EPS	4,12,08,813	4,07,99,952
Restated profit after tax for the year attributable to equity shareholders	93.77	94.75
Basic EPS (Rs. per share)	**2.28**	**2.32**
Diluted :		
Number of shares considered as basic weighted average shares outstanding	4,12,08,813	4,07,99,952
Add: Effect of diluted equity shares relating to CCPS issued during the year	24,87,511	-
Number of shares considered as diluted weighted average shares outstanding	4,36,96,324	4,07,99,952
No. of equity shares on conversion of preference shares	-	-
Total shares outstanding including dilution	4,36,96,324	4,07,99,952
Diluted EPS (Rs. per share)	2.15	2.32
Restated Earnings per equity share (Face Value INR 10/- per share)		
- Basic	2.28	2.32
- Diluted	2.15	2.32

* The Company has issued bonus shares during the year ended March 31, 2022. In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

Pursuant to the resolutions passed on EGM on February 21, 2022, and Board of Directors on February 25, 2022, company had issued bonus shares in the ratio of Five Bonus shares of One Equity share held post the reporting date March 31, 2022. In line with the requirements of Para 64 of Ind AS 33, retrospective adjustments of the same has been considered in computation of the EPS and Diluted EPS.

32 Disclosure with respect to Ind AS 116 - Leases

The Group has entered into agreements for leasing on lease. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of INR 68.64 Millions and a lease liability of INR 71.4 Millions.

The following is the sumary of practical expedients elected on initial application:-

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied short term lease exemption with lease term that ends within 12 months at the date of initial apllication
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. The accounting for operating leases with the remaining lease term of less than 12 months as at April 01, 2019 as short term lease.

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

On adoption of Ind AS 116, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under previous GAAP. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

Information about Leases Assets for which the Group is a lessee is presented below

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	86.40	68.65
Additions	16.87	36.55
Deletions	-	-
Depreciation*	(24.69)	(18.80)
Balance as at end of the year	78.58	86.40

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Restated Consolidated Statement

The changes/movement in Lease Liabilities of the Group are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	93.74	71.40
Additions	16.87	36.55
Deletions	-	-
Payment of lease liabilities	(31.01)	(23.48)
Accreditation of interest	10.17	9.27
Balance as at end of the year	89.78	93.74
Current Liabilities	25.43	3.57
Non-Current Liabilities	64.36	90.17
Total cash outflow for leases	31.01	23.48

The table below provides details regarding amounts recognised in the Restated Consolidated Statement of Profit and Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expenses relating to short-term leases and/or leases of low-value items	4.12	8.16
Interest on lease liabilities	10.17	9.27
Depreciation expense	24.69	18.80
Total	38.98	36.22

Contractual maturities of Lease Liabilities on undiscounted basis

	As at March 31, 2021	As at March 31, 2020
Less than one year	34.54	31.02
One to five years	69.20	97.91
More than five years	12.07	18.53
	115.81	147.46

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

33 Taxes

(a) Income tax expense:

Components of Income Tax Expense

(i) Income tax recognised in Profit or Loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tax expense recognised in the Statement of Profit and Loss		
A. Net current tax expense	36.23	19.55
B. Deferred tax (credit)/charge	(24.84)	0.17
Net deferred tax	**(24.84)**	**0.17**
Total income tax expense recognised in statement of Profit & Loss	**11.39**	**19.72**

C. Tax recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Origination and reversal of temporary differences - OCI	1.79	(3.22)
Total	**1.79**	**(3.22)**

Current tax assets / liabilities (net)

	As at March 31, 2021	As at March 31, 2020
D. Advance tax (net of provision for tax)		
E. Provision for tax (net of advance payment of taxes)	16.45	7.85

Deferred tax assets / liabilities (net)	**As at March 31, 2021**	**As at March 31, 2020**
F.Deferred tax asset	22.41	19.62
G.Deferred tax liability	(74.82)	(98.68)
Deferred tax Liability (net)	**(52.41)**	**(79.06)**

H. Reconciliation of tax expense and the Accounting Profit

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit Before Tax	108.72	112.80
Enacted tax rate in India (B)	29.12%	21.55%
Expected tax expense using the Company's applicable rate	31.66	24.31
Deferred tax effect	(24.84)	0.17
Deferred tax effect on all amounts debited to other comprehensive income (OCI) in the statemer	1.79	(3.22)
Income tax expense recognised in statement of profit or loss	11.39	19.72

Note: The tax rate used for the period ended March 31, 2021 and March 31, 2020 reconciliations above is the corporate tax rate of 29.12% and 29.12% respectively, payable by corporate entities in India on book profits under Indian Income Tax Laws.

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

34 Employee benefit plans

[a.] Defined Contribution Plans

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employers' contribution to Provident Fund	5.15	2.80
Employers' contribution to Employee State Insurance	3.99	3.98
Employers' contribution to Employee's Pension Scheme 1995	8.58	6.36

[b.] Defined Benefit Plan

Gratuity -Funded obligation

The liability towards gratuity is provided for on the basis of independent actuarial valuation using projected unit credit method. The liability for gratuity is administered through Life Insurance Corporation of India (LIC).

Compensated Absences- Unfunded obligation

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

Gratuity -Funded obligation

i. Actuarial Assumptions

	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate (per annum)	7.00%	7.00%
Expected return on plan assets	7.00%	7.00%
Salary escalation rate*	5.00%	5.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

*The assumption of future salary escalation in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii. Reconciliation of Obligation

	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of obligation at the beginning of the year	**31.02**	**31.38**
Current Service Cost	6.01	5.03
Past Service cost	-	-
Interest Cost	2.17	2.20
Actuarial (gain)/ loss	5.95	(7.00)
Benefits Paid	(7.51)	(0.59)
Present value of obligation at the end of the year	**37.64**	**31.02**

iii. Reconciliation of fair value of plan assets

	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of plan assets at the beginning of the year	**7.51**	**7.60**
Actual return of plan assets	0.53	0.53
Actuarial gain/ (loss)	(0.05)	(0.02)
Contributions	5.59	-
Benefits paid	(7.51)	(0.59)
Fair value of plan assets at the end of the year	**6.07**	**7.51**

iv. Description of Plan Assets

	For the year ended March 31, 2021	For the year ended March 31, 2020
Insured Managed Funds(LIC India)	6.07	7.51

v. Net (Asset)/ Liability recognized in Restated consolidated statement of assets and liabilities

	For the year ended March 31, 2021	For the year ended March 31, 2020

Present value of obligation at the end of the year	37.64	31.02
Fair value of plan assets at the end of the year	6.07	7.51
Net (asset)/ liability recognised in Restated consolidated statement of assets and liabilities	31.57	23.50

vi) (Income)/ Expense recognized in Restated consolidated statement of profit and loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Service Cost	6.01	5.03
Interest Cost	2.17	2.20
Actuarial (gain)/ loss recognized for the period	-	-
Expected return on plan assets	(0.53)	(0.53)
(Income)/ Expenses recognized in Restated consolidated statement of profit and loss	7.66	6.69

vii) Sensitivity analysis of the defined benefit obligation:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	37.64	31.02
Impact due to increase of 1%	34.71	28.56
Impact due to decrease of 1%	41.08	33.88
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	37.64	31.02
Impact due to increase of 1%	41.12	33.80
Impact due to decrease of 1%	34.64	28.59
Impact of the change in Withdrawal Rate		
Present Value of Obligation at the end of the period	37.64	31.02
Impact due to increase of 1%	38.06	31.32
Impact due to decrease of 1%	37.12	30.65

Sensitivities due to mortality is insignificant & hence ignored.

viii) Maturity profile of defined benefit obligation:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Year 1	6.11	2.12
Year 2	1.66	1.30
Year 3	1.42	2.13
Year 4	1.61	1.64
Year 5	1.22	1.59
Years 6 to 10	25.62	22.25

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

viii) Other comprehensive (income) / expenses (Remeasurement)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(12.47)	(5.49)
Actuarial (gain)/loss - obligation	5.95	(7.00)
Actuarial (gain)/loss - plan assets	0.05	0.02
Total Actuarial (gain)/loss	6.00	(6.97)
Cumulative total actuarial (gain)/loss. C/F	(6.47)	(12.47)

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

Compensated Absences- Unfunded obligation

i. Actuarial Assumptions

	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate (per annum)	7.00%	7.00%
Expected return on plan assets	NA	NA
Salary escalation rate*	5.00%	5.00%

ii. Reconciliation of Obligation

	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of obligation at the beginning of the year	**4.54**	**5.01**
Current Service Cost	1.38	1.33
Interest Cost	0.32	0.35
Actuarial (gain)/ loss	(0.60)	(2.19)
Benefits Paid	-	-
Present value of obligation at the end of the year	**5.64**	**4.50**

v. Net (Asset)/ Liability recognized in Restated consolidated statement of assets and liabilities

	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of obligation at the end of the year	5.64	4.50
Fair value of plan assets at the end of the year	-	-
Net (asset)/ liability recognised in Restated consolidated statement of assets and liabilities	5.64	4.50

vi) (Income)/ Expense recognized in Restated consolidated statement of profit and loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Service Cost	1.38	1.37
Interest Cost	0.32	0.35
Actuarial (gain)/ loss recognized for the period	(0.60)	-
(Income)/ Expenses recognized in Restated consolidated statement of profit and loss	1.10	1.72

vii) Sensitivity analysis of the defined benefit obligation:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	5.64	4.50
Impact due to increase of 1%	5.09	4.08
Impact due to decrease of 1%	6.30	5.00
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	5.64	4.50
Impact due to increase of 1%	6.31	5.00
Impact due to decrease of 1%	5.08	4.07
Impact of the change in Withdrawal Rate		
Present Value of Obligation at the end of the period	5.64	4.50
Impact due to increase of 1%	5.76	4.58
Impact due to decrease of 1%	5.50	4.40

35 Financial risk management objectives and policies

The Group's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to financing for working capital requirements. The Group has trade and other receivables, loans and advances that arise directly from its operations.

The Group is accordingly exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group has no exposure to financial instruments with an interest rate risk as on March 31, 2021. For the financial years ended March 31, 2020, we have been informed that the Group had exposure to financial instruments with an exposure to an interest rate risk. The management is of the opinion that the impact of the interest rate risk on the financial statements for the years ended March 31, 2020 is not material and hence a sensitivity analysis has not been tabulated.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Foreign currency sensitivity

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at the end of the respective reporting periods. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		Foreign Currency	INR (Millions)	Foreign Currency	INR(Millions)
Financial assets					
Trade receivable	EURO	1.14	96.85	0.61	46.76
Trade receivable	GBP	0.54	53.60	0.36	30.93
Trade receivable	JPY	-	-	-	-
Trade receivable	CHF	2.23	162.45	0.19	14.80
Trade receivable	USD	0.14	10.88	1.50	103.73
Advance to suppliers	EURO	0.05	4.73	0.64	53.09
Advance to suppliers	GBP	0.14	14.25	0.09	7.52
Advance to suppliers	JPY	3.71	2.49	12.91	9.01
Advance to suppliers	USD	2.08	154.27	1.18	88.82
				-	
Financial Liabilities				-	
Trade payables	EURO	0.41	36.25	0.29	24.53
Trade payables	GBP	0.18	17.95	0.10	8.54
Trade payables	JPY	20.25	13.57	1.57	1.10
Trade payables	CHF	6.85	507.20	0.00	0.24
Trade payables	USD	0.00	0.16	5.30	397.98
Net Exposure in financial asset			(75.60)		(77.71)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

A. Trade Receivables
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.

The Group creates allowance for all unsecured receivables based on lifetime expected credit loss. The management makes estimates of the expected losses on receivables taking into account past history and their assumptions.

Details of allowances for expected credit losses are provided hereunder

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	41.47	30.14
Provisions created	26.29	11.33
Closing at the end of the year	**67.76**	**41.47**

B. Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk
Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2021:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,223.81	170.86	1,394.67
Trade Payables	954.32	-	954.32
Other financial liabilities	65.90	-	65.90
Lease liabilities	25.43	64.36	89.79
Total	**2,269.46**	**235.22**	**2,504.68**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,340.31	97.96	1,438.27
Trade Payables	920.81	-	920.81
Other financial liabilities	59.89	-	59.89
Lease liabilities	3.57	90.17	93.74
Total	**2,324.57**	**188.13**	**2,512.70**

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

36 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholders value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Gross debt	1,394.67	1,438.27
Less: Cash and Cash equivalents	(30.50)	(7.43)
Net debt	**1,364.17**	**1,430.84**
Equity	1,375.78	1,026.98
Total capital	**1,375.78**	**1,026.98**
Gearing ratio	**99.16%**	**139.33%**

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

37 Financial instruments: Fair values

Particulars	As at March 31, 2021				As at March 31, 2020			
	FVTPL	FVOCI	Amortised cost	Total Carrying amount	FVTPL	FVOCI	.mortised co	Total Carrying amount
Financial assets								
At Fair value								
Investments - Equity	-	10.83	-	10.83	-	10.83	-	10.83
Investments - Mutual Funds	6.06	-	-	6.06	5.14	-	-	5.14
At amortised cost:								
a) Trade receivables	-	-	1,217.48	1,217.48	-	-	936.49	936.49
b) Cash and cash equivalents	-	-	30.50	30.50	-	-	7.43	7.43
c) Bank balances other than cash and cash equivale	-	-	112.05	112.05	-	-	115.37	115.37
d) Loans and deposits	-	-	49.68	49.68	-	-	77.32	77.32
e) Other financial assets	-	-	15.02	15.02	-	-	19.75	19.75
Total Financial Assets	**6.06**	**10.83**	**1,424.73**	**1,441.62**	**5.14**	**10.83**	**1,156.36**	**1,172.33**
Financial liabilities								
At amortised cost:								
a) Borrowings (Long term)	-	-	170.86	170.86	-	-	97.96	97.96
b) Borrowings (Short term)	-	-	1,223.81	1,223.81	-	-	1,340.31	1,340.31
c) Trade payables	-	-	954.32	954.32	-	-	920.81	920.81
d) Other Financial Liabilities	-	-	65.90	65.90	-	-	59.89	59.89
e) Lease Liabilities			89.79	89.79			93.74	93.74
Total Financial Liabilities	**-**	**-**	**2,504.68**	**2,504.68**	**-**	**-**	**2,512.71**	**2,512.71**

The Group has assessed that trade receivables, cash and cash equivalents, bank balances, other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

38 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

ii. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2021	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2021	16.89	6.06	-	10.83

There are no transfers between levels 1 and 2 during the year.

iii. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2020	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2020	15.97	5.14	-	10.83

There are no transfers between levels 1 and 2 during the year.

39 First-time adoption of Ind AS

The restated consolidated statement of assets and liabilities of the Group as at March 31, 2021 and the restated consolidated statement of profit and loss, the restated consolidated statement to changes in equity and the restated consolidated statement of cash flows for the period ended March 31, 2021 and restated other financial information has been prepared under Indian Accounting Standards (Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

These restated Ind AS financial statements, for the year ended March 31, 2022, are the first financial statements prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "Previous GAAP").

A. Exemptions and Exceptions Availed

The accounting policies set out in Note 2 have been applied in preparing the Restated consolidated financial information. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Group has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date April 01, 2018. For the purpose of Restated consolidated financial information for the year ended March 31, 2021 and March 31, 2020 the Group has provided the depreciation based on the estimated useful life of respective years.

The Group has elected to measure intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

A.1.2 Business Combination

The Company has decided not to avail the optional exception to restate past business combinations as stated in Ind AS 103.

A.1.3 Fair value measurement of financial assets or financial liabilities at initial recognition

Ind AS 101 provides the option to apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group elected to apply the Ind AS 109 prospectively to financial assets and financial liabilities after its transition date.

A.1.4 Leases

The Group has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date when applying Ind AS 116 initially:

i) lease liability is recognised, for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

ii) a right of use assets is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of assets and liabilities immediately before the date of initial application.

The Group also applied the available practical expedients wherein it:
a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

b)Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

A.2 Ind AS mandatory exceptions

A.2.1 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

A.2.3 Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

Fair valuation of financial instruments carried at FVTPL
Determination of the discounted value for financial instruments carried are amortised cost.
Impairment of financial assets based on the expected credit loss model.

40 Recent Accounting pronouncements

The Ministry of Corporate Affairs(" MCA) notifies new standards or amendment to the existing standards under the Companies (Indian Accounting Standards) Rules as amended from time to time. All the amendments to Schedule III to the Companies Act, 2013 vide notification dated March 24,2021 for the FY commencing on or after April 01, 2021 is considered in preparation of Consolidated financial statements.

41 Additional information as required under schedule III of companies act, 2013 of entities consolidated as subsidiaries

Name of the entity in the Group	**As at March 31, 2021**		**As at March 31, 2020**	
	Net Assets, i.e. total assets minus total liabilities		**Net Assets, i.e. total assets minus total liabilities**	
	As % of consolidated net assets	**Amount in INR Millions**	**As % of consolidated net assets**	**Amount in INR Millions**
A.Parent company				
Kaynes Technology India Limited	100.43%	1,401.58	101.60%	1,048.97
B.Indian Subsidiaries				
Kaynes International Design and Manufacturing Private Limited	2.94%	40.98	0.76%	7.84
Kemsys Technologies Private Limited	(3.25%)	(45.38)	(2.50%)	(25.84)
Kanyes Embedded Systems Private Limited	-	-	-	-
Kaynes Electronics Manufacturing Private Limited	-	-	-	-
C. Foreign Subsidiary				
Kaynes Technology Europe GmbH	1.28%	17.88	1.08%	11.19
D.Consolidated adjustments	(1.39%)	(19.42)	(0.94%)	(9.66)
	100.00%	**1,395.63**	**100.00%**	**1,032.49**

Name of the entity in the Group	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Share in Profit/(Loss)		Share in Profit/(Loss)	
	As % of consolidated net assets	Amount in INR Millions	As % of consolidated net assets	Amount in INR Millions
A.Parent company				
Kaynes Technology India Limited	84.86%	82.60	121.26%	113.45
B.Indian Subsidiaries				
Kaynes International Design and Manufacturing Private Limited	34.04%	33.14	7.97%	7.45
Kemsys Technologies Private Limited	(20.07%)	(19.54)	0.25%	0.23
Kanyes Embedded Systems Private Limited	-	-	-	-
Kaynes Electronics Manufacturing Private Limited	-	-	-	-
C. Foreign Subsidiary				
Kaynes Technology Europe GmbH	5.20%	5.06	(0.80%)	(0.74)
D.Consolidated adjustments	(4.04%)	(3.93)	(28.69%)	(26.84)
	100.00%	**97.33**	**100.00%**	**93.55**

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

42 Ratios as per Schedule III Requirements

a) Current Ratio = Current Assets divided by Current Liabilities

	As at March 31, 2021	As at March 31, 2020
Current Assets	3,191.95	2,904.53
Current Liabilities	2,478.40	2,454.35
Ratio	**1.29**	**1.18**
% Change from previous year	8.83	

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

	As at March 31, 2021	As at March 31, 2020
Total Debt	1,394.67	1,438.27
Total Equity	1,395.63	1,032.47
Less : Non-controlling Interest	(9.05)	(5.49)
Less: Non free reserves	(21.48)	(69.40)
Equity attributable to the owners of the company	**1,365.10**	**957.58**
Ratio	**1.02**	**1.50**
% Change from previous year	(31.98)	

c) Debt Service Coverage Ratio = Earnings available for servicing debt divided by total interest and principal payments

	As at March 31, 2021	As at March 31, 2020
Restated profit before tax	108.72	112.80
Add: Depreciation	100.76	83.79
Add: Finance Cost	239.79	236.02
Adjusted Profit	**449.27**	**432.61**
Interest cost on borrowings	220.39	203.15
Principal repayments	236.55	228.03
Total of Interest and Principal repayments	**456.94**	**431.18**
DSCR	**0.98**	**1.00**
% Change from previous year	(2.00)	

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

	As at March 31, 2021	As at March 31, 2020
Restated profit after tax	97.33	93.55
Less : Share of Profit /(Loss) of minority interest	(3.56)	1.20
Restated Consolidated Net Profit after tax, for the year attributable to equity shareholders	**93.78**	**94.75**
Total Equity	1,395.63	1,032.47
Less : Non-controlling Interest	(9.05)	(5.49)
Less: Non free reserves	(21.48)	(69.40)
Equity attributable to the owners of the company	**1,365.10**	**957.58**
Average Shareholder's equity *	1,161.34	901.94
Ratio	**8.08**	**10.51**
% Change from previous year	(23.14)	

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

	As at March 31, 2021	As at March 31, 2020
Revenue from Operations	4,206.27	3,682.38
Average Trade Receivables *	1,076.99	1,083.05
Ratio	**3.91**	**3.40**
% Change from previous year	14.87	

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

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

	As at March 31, 2021	As at March 31, 2020
Credit Purchases	3,030.51	2,731.29
Average Trade payables *	937.57	910.07
Ratio	**3.23**	**3.00**
% Change from previous year	7.70	

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

	As at March 31, 2021	As at March 31, 2020
Revenue from Operations	4,206.27	3,682.38
Average Inventory *	1,574.88	1,364.46
Ratio	**2.67**	**2.70**
% Change from previous year	(1.03)	

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

	As at March 31, 2021	As at March 31, 2020
Revenue from Operations	4,206.27	3,682.38
Average working capital	581.87	574.71
Ratio	**7.23**	**6.41**
% Change from previous year	12.82	

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

	As at March 31, 2021	As at March 31, 2020
Restated profit after tax	97.33	93.55
Revenue from Operations	4,206.27	3,682.38
Ratio	**2.31**	**2.54**
% change from previous year	(8.92)	

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

	As at March 31, 2021	As at March 31, 2020
Restated profit before tax	108.72	112.80
Add: Finance Costs	239.79	236.02
EBIT	**348.51**	**348.82**
Tangible Net worth	1,192.70	980.59
Non Current Borrowings	170.86	97.96
Short Term Borrowings	1,223.81	1,340.31
Total	**2,587.37**	**2,418.86**
ROCE	**13.47**	**14.42**
% change from previous year	(6.60)	

(All amounts are in Indian Rupees unless otherwise stated)

43 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

A.1 Reconciliation of total equity between previous GAAP and Ind AS

	Notes to first time adoption	As at March 31, 2021	As at March 31, 2020
Total Equity (shareholders funds) as per previous GAAP		1,411.25	1,043.78
Adjustments:			
Security Deposits		(0.26)	(0.18)
Leases	B.1	(11.20)	(7.34)
Fair valuation of investment in mutual funds		2.32	1.40
Allowance for expected credit loss	B.2	(22.76)	(13.40)
Tax adjustments	B.4	8.20	3.73
Total Adjustments		(23.70)	(15.80)
Total Equity as per Restated Ind AS		1,387.55	1,027.98

A.2 Reconciliation of total comprehensive income between previous GAAP and Ind AS

	Notes to first time adoption	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit After Tax as per previous GAAP		97.47	112.80
Adjustments:			
Security Deposits		(0.08)	(0.12)
Leases	B.1	(3.86)	(4.59)
Fair valuation of investment in mutual funds		0.92	0.07
Allowance for expected credit loss	B.2	(9.35)	(6.48)
Tax adjustments	B.4	4.47	0.68
Net profit under Ind AS		89.57	102.36
Total Comprehensive Income for the Year			

A.3 Impact of Ind AS adoption on the Restated Summary Statement of Cash Flows

There were no material differences between the restated summary statement of cash flow and cash flow statement under previous GAAP.

B. Notes to First Time Adoption:

B.1 Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the consolidated statement of profit and loss. Under Ind AS 116, all arrangement that full under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Group has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

B.2 Allowance for expected credit loss

As per Ind AS 109 requirement, expected credit loss impact on Trade receivable has been worked out for the purpose of restated financial statement and shown as adjustments.

B.3 Defined benefit obligation

Both under Indian GAAP and Ind-AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are to be recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Whereas, the Company has recognised all the remeasurements to the Statement of profit and loss and decided to follow the same consistently.

B.4 Deferred tax assets (net)

Deferred tax adjustments has been made in accordance with Ind AS, under balancesheet approach for all the items which have differential book base from that of tax base and which temporarily gets reversed due to timing difference including adjustments arising from Ind AS transition.

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

44 Corporate social responsibility expenses:

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Amount required to be spent by the Group during the year	3.32	3.04
Amount of expenditure incurred.	2.92	3.11
Shortfall at the end of the year	0.40	-
Total of previous years shortfall.	0.40	-

The company's CSR Activities primarily involve promoting education, rendering help at the time of natural calamities and helping under privileged people.
The shortfall has arisen due to the lack of eligible projects due to the impact of the pandemic.

45 Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act):

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due to micro & small enterprises	63.41	51.78
Interest due on above	2.92	1.12
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the period	2.92	1.12
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

Note: The above information and that given in Note 16(b) 'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Group and has been relied upon by the auditors.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of Fund Raising Committee of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Mohan R Lavi
Partner
Membership No.029340

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Place: Bengaluru
Date: December 18, 2023

Adithya Jain S M
Company Secretary
Membership No. A49042

Place: Mysuru
Date: December 18, 2023

GENERAL INFORMATION

Our Company was incorporated as 'Kaynes Technology India Private Limited', a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the RoC on March 28, 2008 at Mysuru, Karnataka. Subsequently, the name of our Company was changed to 'Kaynes Technology India Limited' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on March 24, 2022 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on March 31, 2022. For further details, see, "*Organisational Structure of our Company*" on page 224.

1. The Equity Shares of our Company have been listed on BSE and NSE since November 22, 2023.

2. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on December 18, 2023, under Regulation 28(1) of the SEBI Listing Regulations.

3. Our Registered and Corporate Office is located at 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysuru – 570 016, Karnataka, India.

4. The CIN of our Company is L29128KA2008PLC045825.

5. The website of our Company is www.kaynestechnology.co.in.

6. The authorised equity share capital of our Company is ₹700,000,000 divided into 70,000,000 million Equity Shares of ₹10 each. The authorised preference share capital of our Company is ₹20,000,000 divided into 2,000,000 million Equity Shares of ₹10 each.

7. The Issue was authorised and approved by the Board pursuant to the resolution dated November 18, 2023 and by our Shareholders pursuant to the special resolution dated December 16, 2023.

8. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

9. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered Office as well as our Corporate Office.

10. Except as disclosed in this Preliminary Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

11. Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on page 111, there has been no material change in the financial position of our Company since September 30, 2023, the last date of the Unaudited Special Purpose Condensed Interim Consolidated Ind AS Financial Results prepared in accordance with applicable accounting standards included in this Preliminary Placement Document.

12. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 278.

13. The Issue will not result in a change in control of our Company.

14. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

15. The Floor Price is ₹ 2,449.96 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by the Statutory Auditors. Our Company may offer a discount

of not more than 5% on the Floor Price in accordance with the approval of our Board resolution dated November 18, 2023 and the shareholders of our Company accorded through a special resolution dated December 16, 2023 and Regulation 176(1) of the SEBI ICDR Regulations.

16. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.

17. S M Adithya Jain is the Company Secretary and Compliance Officer of our Company. His details are as follows:

S M Adithya Jain
23-25, Belagola, Food Industrial Estate
Metagalli P.O.
Mysuru – 570 016
Karnataka, India
Telephone: +91 82125 82595
E-mail: kaynestechcs@kaynestechnology.net

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLMs, to Eligible QIBs.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)(1)(2)(3)
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
6.	[●]	[●]
7.	[●]	[●]
8.	[●]	[●]
9.	[●]	[●]
10.	[●]	[●]

(1)Based on beneficiary position as on [●].
(2)Subject to receipt of funds and Allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.
(3)The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Jairam Paravastu Sampath
Whole-Time Director and Chief Financial Officer

Date: December 18, 2023
Place: Mysuru, Karnataka, India

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Jairam Paravastu Sampath
Whole-Time Director and Chief Financial Officer

I am authorized by the Board of Directors, *vide* resolution dated December 18, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Jairam Paravastu Sampath
Whole-Time Director and Chief Financial Officer

Date: December 18, 2023
Place: Mysuru, Karnataka, India

KAYNES TECHNOLOGY INDIA LIMITED

CIN: L29128KA2008PLC045825
Registered and Corporate Office
23-25, Belagola, Food Industrial Estate, Metagalli P.O.
Mysuru – 570 016, Karnataka, India
Tel: +91 82125 82595
Email: kaynestechcs@kaynestechnology.net
Website: www.kaynestechnology.co.in

Contact Person

S M Adithya Jain

Designation: Company Secretary and Compliance Officer
Address: Kaynes Technology India Limited, 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysuru – 570 016, Karnataka, India
Tel: +91 82125 82595
E-mail: kaynestechcs@kaynestechnology.net

BOOK RUNNING LEAD MANAGERS

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Maharashtra, India

Axis Capital Limited
1st Floor, Axis House, C-2 Wadia International Centre
Pandurang. Budhkar. Marg
Worli, Mumbai – 400 025
Maharashtra, India

IIFL Securities Limited
24th Floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (W)
Mumbai – 400013, Maharashtra, India

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11
Plot F, Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai 400 018
Maharashtra, India

MONITORING AGENCY

ICRA Limited
B-710, Statesman House
148, Barakhamba Road
New Delhi 110 001, India

STATUTORY AUDITORS OF OUR COMPANY

K. P. Rao & Co, Chartered Accountants
2nd Floor, Poornima, 25, State Bank Road
Bengaluru – 560 001, Karnataka, India

LEGAL COUNSEL TO THE COMPANY
As to Indian law

Khaitan & Co
One World Centre
10th & 13th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai – 400 013
Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Crawford Bayley & Co
State Bank Building, 4th floor
NGN Vaidya Marg, Fort
Mumbai – 400 023,
Maharashtra, India

As to United States federal securities law

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore – 049 1321

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

KAYNES TECHNOLOGY **KAYNES TECHNOLOGY INDIA LIMITED**	**APPLICATION FORM**
(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*) **Registered and Corporate Office**: 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysuru – 570 016, Karnataka, India; **Contact Person**: S M Adithya Jain, Company Secretary and Compliance Officer; **Tel**: +91 82125 82595; **E-mail**: kaynestechcs@kaynestechnology.net; **Website**: www.kaynestechnology.co.in; **CIN**: L29128KA2008PLC045825 **LEI NUMBER**: 335800BMPIF3PQ2IPI37 | **ISIN**: INE918Z01012	Name of Bidder: ___________________________________ Form No: ____ Date: ____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] MILLION UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY KAYNES TECHNOLOGY INDIA LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 2,449.96 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. In terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made; and (ii) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("U.S. QIBs"), pursuant to Section 4(a)(2) of the U.S. Securities Act. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs". For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" in the accompanying preliminary placement document dated December 18, 2023 (the "PPD"). See "*Transfer Restrictions and Purchaser Representations*" in the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
KAYNES TECHNOLOGY INDIA LIMITED
Registered and Corporate Office: 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysuru – 570 016, Karnataka, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others _______________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.
* *Sponsor and Manager should be Indian owned and controlled.*

indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company.	**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with DAM Capital Advisors Limited, Axis Capital Limited, IIFL Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited (the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Karnataka at Bengaluru (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "*Transfer Restrictions and Purchaser Representations*" of the PPD and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB and acquiring the Equity Shares pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, or (ii) located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" in the PPD.

BIDDER DETAILS (in Block Letters)	
NAME OF BIDDER*	

NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX. NO.**	
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs**

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3.00 P.M. (IST), [●], 2023,	
Name of the Account	**KAYNES TECHNOLOGY INDIA LTD – QIP ESCROW A/C**
Name of the Bank	**HDFC Bank Limited**
Address of the Branch of the Bank	**Nanik Motwane Marg Ground Floor, Manekji Wadia Building, Nanik Motwane Marg, Mumbai- 400 001**
Account Type	**Escrow Account**
Account Number	**57500001395457**
LEI Number of Bank	**335800ZQ6I4E2JXENC50**
IFSC	**HDFC0000060**
Tel No.	**+91 22-30752914 / 28 / 29**
E-mail	**siddharth.jadhav@hdfcbank.com**

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "**KAYNES TECHNOLOGY INDIA LTD – QIP ESCROW A/C**". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS		
Depository Name(Please ✓)	National Security Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16 digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**		

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:

Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)**	

- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
- ☐ Copy of notification as a public financial institution
- ☐ FIRC
- ☐ Copy of IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of power of attorney
- ☐ Other, please specify

*It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.