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DRAFT RED HERRING PROSPECTUS
April 13, 2022
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

KAYNES TECHNOLOGY INDIA LIMITED

CORPORATE IDENTITY NUMBER: U29128KA2008PLC045825

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysore – 570016, Karnataka, India	Srividhya Narayanan, Company Secretary and Compliance Officer	Tel: +91 82125 82595 Email: kaynestechcs@kaynestechnology.net	www.kaynestechnology.co.in

OUR PROMOTERS: RAMESH KUNHIKANNAN, SAVITHA RAMESH AND RK FAMILY TRUST

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and an Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 6,500 million	Up to 7,200,000 Equity Shares aggregating up to ₹ [●] million	Initial public offer of up to [●] Equity Shares of face value of ₹ 10 each ("**Equity Shares**") aggregating up to ₹ [●] million ("**Offer**")	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors, Retail Individual Investors and Employees, see "*Offer Structure*" on page 381.

OFFER FOR SALE

NAME OF SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED	AVERAGE COST OF ACQUISITION (IN ₹) *
Ramesh Kunhikannan	Promoter Selling Shareholder	Up to 3,700,000 Equity Shares	1.85
Freny Firoze Irani	Investor Selling Shareholder	Up to 3,500,000 Equity Shares	49.46

**As certified by K.P.Rao & Co, Chartered Accountants, by way of their certificate dated April 13, 2022.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price and the Cap Price (as determined by our Company and Selling Shareholder in consultation with the BRLMs) and the Offer Price (as determined by our Company in consultation with the BRLMs), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in "*Basis for Offer Price*" on page 115, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 29.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or the other Selling Shareholders, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Name and logo of Book Running Lead Manager	Contact Person	Email and Telephone
DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)	Chandresh Sharma/ Nidhi Gupta	Tel: +91 22 4202 2500 E-mail: kaynes.ipo@damcapital.in
IIFL Securities Limited	Manish Jain/ Shirish Chikalge	Tel: +91 22 4646 4600 Email: kaynes.ipo@iiflcap.com

REGISTRAR TO THE OFFER

Name of Registrar	Contact Person	Email and Telephone
Link Intime India Private Limited	Shanti Gopalkrishnan	Tel: +91 22 4918 6200 E-mail: kaynes.ipo@linkintime.co.in

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD	[●]*	**BID/OFFER OPENS ON**	[●]	**BID/OFFER CLOSES ON**	[●]**

** Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

*** Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

DRAFT RED HERRING PROSPECTUS
April 13, 2022
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

KAYNES TECHNOLOGY INDIA LIMITED

Kaynes Technology India Limited ("**Company**" or "**Issuer**") was incorporated on March 28, 2008 at Mysore, Karnataka as a private limited company under the Companies Act, 1956, with the name 'Kaynes Technology India Private Limited' pursuant to a certificate of incorporation granted by the Registrar of the Companies, Karnataka at Bangalore ("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 the 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 details of change in the name of our Company and address of registered office of our Company, see "*History and Certain Corporate Matters*" on page 205.

Registered and Corporate Office: 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysore – 570016, Karnataka, India; **Tel**: + 91 8212 582595
Contact Person: Srividhya Narayanan, Company Secretary and Compliance Officer**; Tel**: +91 8212 582595
E-mail: kaynestechcs@kaynestechnology.net; **Website**: www.kaynestechnology.co.in; **Corporate Identity Number**: U29128KA2008PLC045825

OUR PROMOTERS: RAMESH KUNHIKANNAN, SAVITHA RAMESH AND RK FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 6,500 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 7,200,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING UP TO 3,700,000 EQUITY SHARES BY RAMESH KUNHIKANNAN AGGREGATING UP TO ₹ [●] MILLION ("PROMOTER SELLING SHAREHOLDER") AND UP TO 3,500,000 EQUITY SHARES BY FRENY FIROZE IRANI AGGREGATING UP TO ₹ [●] MILLION ("INVESTOR SELLING SHAREHOLDER" AND TOGETHER WITH PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 15 MILLION (CONSTITUTING UP TO [●]% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [●] % AND [●]%, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES, INCLUDING CONVERTIBLE SECURITIES WHICH WILL BE CONVERTIBLE INTO EQUITY SHARES ("SPECIFIED SECURITIES"), THROUGH A RIGHTS ISSUE, PRIVATE PLACEMENT, PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹ 1,300 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"). IN THE EVENT CONVERTIBLE SECURITIES ARE ISSUED IN THE PRE-IPO PLACEMENT, SUCH SECURITIES SHALL BE CONVERTED INTO EQUITY SHARES PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMs AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND MYSORE EDITION OF THE KANNADA DAILY NEWSPAPER [●] (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

This is an Offer in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs** and such portion, the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"), in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (excluding the Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000, in accordance with the SEBI ICDR Regulations and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "*Offer Procedure*" on page 385.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price and the Cap Price (as determined by our Company and Selling Shareholder in consultation with the BRLMs) and the Offer Price (as determined by our Company in consultation with the BRLMs), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in "*Basis for Offer Price*" on page 115, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI"**), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 29.

OUR COMPANY'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders accepts responsibility for, and confirms, that the statements made or confirmed by him in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to him and the Equity Shares offered by him under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated **[●]** and **[●]**, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be **[●]**. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 447.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*) One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India **Telephone**: +91 22 4202 2500 **E - mail**: kaynes.ipo@damcapital.in **Investor Grievance ID**: complaint@damcapital.in **Website**: www.damcapital.in **Contact Person**: Chandresh Sharma/ Nidhi Gupta **SEBI Registration Number**: MB/INM000011336	**IIFL Securities Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India **Telephone**: +91 22 4646 4600 **E-mail**: kaynes.ipo@iiflcap.com **Investor Grievance ID**: ig.ib@iiflcap.com **Website**: www.iiflcap.com **Contact Person**: Manish Jain/ Shirish Chikalge **SEBI Registration Number**: INM000010940	**Link Intime India Private Limited** C-101, 247 Park, 1st Floor L.B.S. Marg, Vikhroli West Mumbai 400 083, Maharashtra, India **Tel:** +91 22 4918 6200 **E-mail:** kaynes.ipo@linkintime.co.in **Investor Grievance e-mail:** kaynes.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●]*
BID/OFFER CLOSES ON	[●]**

* *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
** *Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Industry Overview", Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Information", "Basis for Offer Price", "Outstanding Litigation and Other Material Developments", "Restriction on Foreign Ownership of Indian Securities" and "Description of Equity Shares and Terms of Articles of Association", on pages 126, 196, 118, 242, 115, 356, 405 and 406, respectively, will have the meaning ascribed to such terms in those respective sections.

Company and Selling Shareholders Related Terms

Term	Description
"our Company", "the Company" or "the Issuer"	Kaynes Technology India Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysore – 570016, Karnataka, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries on consolidated basis
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended
"Audit Committee"	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 224
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time or any duly constituted committee thereof
"CCPS"	Compulsory convertible preference shares
"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
"Chairman" or "Chairperson"	The Chairman of our Company, being Savitha Ramesh. For details, see "*Our Management*" on page 217
"Chief Financial Officer"	The chief financial officer of our Company, being Jairam Paravastu Sampath. For details, see "*Our Management*" on page 217
"Company Secretary and Compliance Officer"	Company secretary and compliance officer of our Company, being Srividhya Narayanan. For details, see "*Our Management*" on page 231
"Corporate Social Responsibility Committee"	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 228
"Director(s)"	Director(s) on the Board of our Company, as appointed from time to time
"Equity Shares"	Equity shares of our Company of face value of ₹ 10 each
"ESOP Scheme"	Kaynes ESOP 2022
"Executive Directors"	Executive director(s) of our Company. For further details of the Executive Directors, see "*Our Management*" on page 217
"Frost & Sullivan"	Frost & Sullivan (India) Private Limited
"F&S Report"	Report titled "*Assessment of Electronics System Design & Manufacturing, Skill Development (ESDM) In India*" dated April 13, 2022 prepared and issued by Frost & Sullivan and commissioned by us exclusively for this Offer
"Group Companies"	Our group companies of our Company, identified in terms of SEBI ICDR Regulations and as disclosed in the section "*Our Group Companies*" on page 238

Term	Description
"Independent Director"	A non-executive, independent Director on our Board appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see "*Our Management*" on page 217
"Individual Promoters"	Ramesh Kunhikannan and Savitha Ramesh
"Investor Selling Shareholder"	Freny Firoze Irani
"IPO Committee"	The IPO committee of our Board formed pursuant to a resolution passed by the Board dated April 4, 2022
"Kaynes Technology GMBH"	Kaynes Technology Europe GMBH
"KESPL"	Kaynes Embedded Systems Private Limited
"KIDM"	Kaynes International Design & Manufacturing Private Limited
"KMP" or "Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as disclosed in "*Our Management*" on page 231
"KTPL"	Kemsys Technologies Private Limited
"Managing Director"	The managing director of our Company, being Ramesh Kunhikannan. For details, see "*Our Management*" on page 217
"Materiality Policy"	The materiality policy of our Company adopted pursuant to a resolution of our Board dated February 21, 2022, for identification of the material (a) outstanding litigation proceedings; (b) group companies; and (c) outstanding dues to creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus and any addendum
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended
"NCD"	Non-convertible debentures issued by our Company, from time to time
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "*Our Management*" on page 227
"Non – executive Director(s)"	A Director, not being an Executive Director as described in "*Our Management*" on page 217
"Project Report" or "DPR"	The detailed project report dated April 11, 2022, prepared for PCB, Electronics System & Design Services Space for our Company and issued by Resurgent India Limited, an independent consultant.
"Promoters"	Promoters of our Company namely, Ramesh Kunhikannan, Savitha Ramesh and RK Family Trust. For further details, see "*Our Promoters and Promoter Group*" on page 233
"Promoter Selling Shareholder"	Promoter selling shareholder namely Ramesh Kunhikannan
"Promoter Group"	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page 233
"Registered and Corporate Office"	The registered and corporate office of our Company situated at 23-25, Belagola, Food Industrial Estate, Metagalli P.O., Mysore – 570016, Karnataka, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Karnataka at Bangalore
"Restated Consolidated Financial Statements"	The restated consolidated financial statements of the Company and its subsidiaries comprising the restated consolidated statement of assets and liabilities as at the nine month period ended December 31, 2021 and financial year ended March 31, 2021, March 31, 2020 and March 31, 2019, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the nine month period ended December 31, 2021, and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary of significant accounting policies and explanatory notes and notes to restated consolidated financial statements prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended
"Selling Shareholders"	Collectively, the Promoter Selling Shareholder and Investor Selling Shareholder

Term	Description
"SHA 1"	Share subscription cum shareholders' agreement dated October 22, 2021 between the Company, Ramesh Kunhikannan, Savitha Ramesh, Freny Firoze Irani and Ganesh Cherapuram Balasubramanian
"SHA 2"	Share subscription cum shareholders' agreement dated December 24, 2021 between the Company, Ramesh Kunhikannan, Savitha Ramesh, and Bharadwaj Turlapati
"Shareholder(s)"	The holders of the Equity Shares from time to time
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations, as described in "*Our Management*" on page 228
"Statutory Auditor"	The statutory auditor of our Company, being K. P. Rao & Co, Chartered Accountants
"Subsidiary(ies)"	Subsidiaries of our Company as identified under the provisions of the Companies Act, 2013 namely: 1. Kemsys Technologies Private Limited 2. Kaynes Embedded Systems Private Limited 3. Kaynes International Design & Manufacturing Private Limited 4. Kaynes Technology Europe GMBH 5. Kaynes Electronics Manufacturing Private Limited
"Whole-time Director(s)"	Whole-time directors of our Company namely Savitha Ramesh and Jairam Paravastu Sampath

Offer Related Terms

Term	Description
"Abridged Prospectus"	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
"Acknowledgement Slip"	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allotment", "Allot" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
"Allotment Advice"	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted
"Anchor Investor"	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company, in consultation with the BRLMs
"Anchor Investor Application Form"	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Anchor Investor Bidding Date"	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
"Anchor Investor Offer Price"	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs
"Anchor Investor Pay – in Date"	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations

Term	Description
"Applications Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
"ASBA Account"	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a RIB linked to a UPI ID, which will be blocked in relation to a Bid by a RIB Bidding through the UPI Mechanism
"ASBA Bidders"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Banker(s) to the Offer"	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 385
"Bid"	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of an Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
"Bidder"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor
"Bid Amount"	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.
"Bidding Centres"	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
"Bid/Offer Closing Date"	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and Mysore edition of the Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations. Our Company in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate

Term	Description
	Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
"Bid/Offer Opening Date"	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being [●], which shall also be published in all [●] editions of English national daily newspaper [●], all [●] editions of Hindi national daily newspaper [●] and Mysore edition of Kannada daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation
"Bid/Offer Period"	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely DAM Capital Advisors Limited and IIFL Securities Limited
"Broker Centre(s)"	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
"Cap Price"	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price.
"Cash Escrow and Sponsor Bank Agreement"	The agreement to be entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Banker(s) to the Offer, inter alia, the for appointment of the Sponsor Bank(s) in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
"Circular on Streamlining of Public Issues"/ "UPI Circular"	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021./2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
"Client ID"	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time
"Cut-off Price"	The Offer Price, as finalised by our Company, in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
"DAM Capital"	DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)

Term	Description
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable
"Designated CDP Locations"	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated Date"	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the offer
"Designated Intermediaries"	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
"Designated RTA Locations"	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
"Designated Stock Exchange"	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated April 13, 2022, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer, and includes any addenda or corrigenda thereto
Eligible Employee	All or any of the following (i) a permanent employee of our Company and/ or Subsidiaries working in India or out of India; or (ii) a director of our Company and/ or Subsidiaries, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company or any of our Subsidiaries or be our Director(s), as the case may be until the submission of the Bid cum Application Form, but excludes: (a) an employee who is the Promoter or belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of outstanding Equity Shares of our Company; and (c) an independent director. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion will be available for allocation and Allotment, proportionately to Eligible Employees Bidding in the Employee Reservation Portion who have Bid in excess of ₹200,000, subject to maximum value of Allotment to such Eligible Employee not exceeding ₹500,000.
"Eligible FPIs"	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the

Term	Description
	Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
"Eligible NRIs"	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
"Employee Reservation Portion"	The portion of the Offer being up to [●] Equity Shares aggregating up to ₹ 15 million, available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer equity share capital of our Company.
"Escrow Account(s)"	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
"Escrow Collection Bank(s)"	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●]
"First Bidder"	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
"Floor Price"	The lower end of the Price Band, i.e. ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted
"Fresh Issue"	The fresh issue component of the Offer comprising an issuance of up to [•] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 6,500 million by our Company
"General Information Document" or "GID"	The general information document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
"Gross Proceeds"	The Offer proceeds from the Fresh Issue
"IIFL"	IIFL Securities Limited
"June 2021 Circular"	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021
"March 2021 Circular"	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021
"Mobile App"	The mobile applications which may be used by RIBs to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
"Monitoring Agency"	[●]
"Monitoring Agency Agreement"	Agreement to be entered into between our Company and the Monitoring Agency
"Mutual Fund"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"Mutual Fund Portion"	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Net Offer"	The Offer less the Employee Reservation Portion
"Net Proceeds"	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 94
"Net QIB Portion"	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Investors" or "NII(s)" or "Non-Institutional Bidders" or "NIB(s)"	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
"Non-Institutional Portion"	The portion of the Net Offer being not less than 15% of the Net Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA

Term	Description
"Offer"	The initial public offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh issue of up to [●] Equity Shares aggregating up to ₹ 6,500 million by our Company and an Offer for Sale of up to 7,200,000 Equity Shares aggregating up to [●] million, by the Selling Shareholders. The Offer comprises the Net Offer and Employee Reservation Portion
"Offer Agreement"	The agreement dated April 13, 2022 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
"OFS" or "Offer for Sale"	The Offer for Sale of up to 7,200,000 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹ [●] million
"Offer Price"	₹ [●] per Equity Share, being the final price within the Price Band, at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus.
"Offer Proceeds"	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholder. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 94
"Offered Shares"	Up to 7,200,000 Equity Shares aggregating up to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer for Sale
"Price Band"	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLMs, and will be advertised in [●] editions of an English national daily newspaper [●], [●] editions of a Hindi national daily newspaper [●] and Mysore edition of a Kannada daily newspaper [●] (each of which are widely circulated English, Hindi and Kannada daily newspapers, respectively, Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
"Pricing Date"	The date on which our Company, in consultation with the BRLMs, will finalise the Offer Price
"Prospectus"	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
"Public Offer Account Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
"Public Offer Account(s)"	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
"QIB Portion"	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus, including any corrigenda or addenda thereto, to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity

Term	Description
	Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
"Refund Account(s)"	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
"Refund Bank(s)"	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
"Registered Broker"	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
"Registrar Agreement"	The agreement dated April 13, 2022 entered amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars
"Registrar" or "Registrar to the Offer"	Link Intime India Private Limited
"Resident Indian"	A person resident in India, as defined under FEMA
"Retail Individual Bidders" or "RIB(s)" or "Retail Individual Investors" or "RII(s)"	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer
"Retail Portion"	The portion of the Net Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
"Revision Form"	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the

Term	Description
	SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
"Specified Locations"	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
"Share Escrow Agent"	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
"Share Escrow Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow and credit of such Equity Shares to the demat account of the Allottees.
"Sponsor Bank(s)"	The Banker(s) to the Offer registered with SEBI which are appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●], [●], and [●].
"Stock Exchanges"	Collectively, BSE Limited and National Stock Exchange of India Limited
"Syndicate Agreement"	Agreement to be entered into among our Company, the Selling Shareholders, the BRLMs, Registrar and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
"Syndicate Members"	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, [●]
"Syndicate" or "members of the Syndicate"	Together, the BRLMs and the Syndicate Members
"Systemically Important Non-Banking Financial Company" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Underwriters"	[●]
"Underwriting Agreement"	The agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company on or after the Pricing Date, but prior to filing of the Prospectus
"UPI"	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
"UPI Circulars"	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
"UPI ID"	ID created on UPI for single-window mobile payment system developed by the NPCI
"UPI Mandate Request"	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by the SCSBs on the website of SEBI and by way of an SMS directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank(s) to authorise blocking of funds in the relevant ASBA Account through the UPI linked mobile application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
"UPI Mechanism"	The Bidding mechanism that may be used by a RIB to make a Bid in the Offer in accordance with the UPI Circulars
"UPI PIN"	Password to authenticate UPI transaction
"Wilful Defaulter or Fraudulent Borrower"	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Working Day"	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges,

Term	Description
	"Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in Mumbai India, as per the circulars issued by SEBI.

Technical/Industry Related Terms/Abbreviations

Term	Description
"AFTC"	Audio Frequency Track Circuits
"AI"	Artificial Intelligence
"AOI"	Automated Optical Inspection
"BGA"	Ball Grid Array
"BLDC"	Brushless Direct Current
"BOM"	Bill of Material
"CEMILAC"	Certification of Military Airworthiness and Certification
"DFA"	Design for Assembly
"DFM"	Design for Manufacturing
"DFS"	Design for Service
"DFT"	Design For Testability
"EDFC"	Eastern Dedicated Freight Corridor
"EMC"	Electronics Manufacturing Clusters
"EMS"	Electronic Manufacturing Services
"ERP"	Enterprise Resource Planning
"ESDM"	Electronics System Design and Manufacturing
"HMI"	Human Machine Interfaces
"IC"	Integrated Circuit
"ICT"	In-Circuit Tester
"IIoT"	Industrial Internet of Things
"IoT"	Internet of Things
"ISO"	International Organization for Standardization
"ISRO"	Indian Space Research Organisation
"IT"	Information Technology
"ITES"	Information Technology Enabled Services
"JTAG"	Joint Test Action Group
"LGA"	Land Grid Array
"LTB"	Last Time Buy
"MACE"	Maruti Center for Excellence
"MSME"	Micro, Small and Medium Enterprises
"M2M"	Machine-to-machine
"NADCAP"	National Aerospace and Defense Contractors Accreditation Program
"NMZ"	National Manufacturing Zones
"NPE"	National Policy on Electronics
"ODM"	Original Design Manufacturer
"OEM"	Original Equipment Manufacturer
"OEM – Box Build"	OEM – Turnkey Solutions – Box Build
"OEM – Turnkey Solutions"	OEM – Turnkey Solutions – PCBAs
"OHSAS"	Occupational Health and Safety Assessment Series
"PIS"	Passenger Information Systems
"PCB"	Printed Circuit Boards
"PCBA"	Printed Circuit Board Assembly
"PDLC"	Polymer-Dispersed Liquid Crystals
"PLI"	Production Linked Incentive
"QFN"	Quad Flat No-Leads
"QFP"	Quad Flat Package
"RF"	Radio Frequency
"RoHS"	Restriction of Hazardous Substances
"SMT"	Surface Mount Technology
"THD"	Through-hole Devices

“VLSI”	Very Large-Scale Integration
“WAN”	Wireless Area Network

Conventional and General Terms or Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees
“AIFs”	Alternative investment funds as defined in and registered under the AIF Regulations
“AS”	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
“BSE”	BSE Limited
“BTI Regulations”	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
“CAGR”	Compounded Annual Growth Rate
“Calendar Year” or “year”	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
“Category I AIF”	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
“Category II AIF”	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
“Category I FPIs”	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
“Category II FPIs”	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
“Category III AIF”	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
“CCI”	Competition Commission of India
“CDSL”	Central Depository Services (India) Limited
“CIT(A)”	Commissioner of Income Tax (Appeal)
“Companies Act, 1956”	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder
“Companies Act” / “Companies Act, 2013”	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended and to the extent currently in force
“COVID – 19”	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
“Cr.P.C.”	Code of Criminal Procedure, 1973
“CSR”	Corporate social responsibility
“Demat”	Dematerialised
“Depositories Act”	Depositories Act, 1996
“Depository” or “Depositories”	NSDL and CDSL
“DIN”	Director Identification Number
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
“DP ID”	Depository Participant’s Identification Number
“EPS”	Earnings per share
“FDI”	Foreign direct investment
“FDI Policy”	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
“FEMA”	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
“Financial Year”, “Fiscal”, “FY” or “F.Y.”	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
“FIR”	First information report
“FPI(s)”	Foreign Portfolio Investor, as defined under the FPI Regulations
“FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“Fugitive Economic Offender”	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
“FVCI”	Foreign venture capital investors, registered with SEBI and as defined under the FVCI Regulations

Term	Description
"FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
"GDP"	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
"GST"	Goods and services tax
"HUF"	Hindu undivided family
"IAS Rules"	Companies (Indian Accounting Standards) Rules, 2015, as amended
"ICAI"	The Institute of Chartered Accountants of India
"ICSI"	The Institute of Company Secretaries of India
"ICWAI"	The Institute of Cost & Works Accountants of India
"ICDS"	Income Computation and Disclosure Standards
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board
"India"	Republic of India
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules
"India AS 24"	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 read with IAS Rules
"IGAAP" or "Indian GAAP"	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
"IPC"	The Indian Penal Code, 1860
"IPR"	Intellectual property rights
"IPO"	Initial public offer
"IST"	Indian standard time
"IT Act"	The Income Tax Act, 1961
"IT"	Information technology
"ITO"	Income tax officer
"MAT"	Minimum alternate tax
"MCA"	Ministry of Corporate Affairs, Government of India
"Mn" or "mn"	Million
"N.A."	Not applicable
"NACH"	National Automated Clearing House
"NAV"	Net asset value
"NBFC"	Non-Banking Financial Company
"NEFT"	National electronic fund transfer
"NPCI"	National Payments Corporation of India
"NRE Account"	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NRI" or "Non-Resident Indian"	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
"NRO Account"	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NSDL"	National Securities Depository Limited
"NSE"	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
"P/E Ratio"	Price/earnings ratio
"PAN"	Permanent account number allotted under the Income Tax Act, 1961
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"RTGS"	Real time gross settlement
"SCRA"	Securities Contracts (Regulation) Act, 1956

Term	Description
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act
"SEBI Act"	Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"SEBI Listing Regulations" or "Listing Regulation'	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999
"SEBI SBEB Regulations 2021"	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
"SEBI VCF Regulations"	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
"STT"	Securities Transaction Tax
"State Government"	Government of a State of India
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
"U.S.A"/ "U.S."/ "United States"	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
"USD" or "US$"	United States Dollars
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States of America
"U.S. Securities Act"	United States Securities Act of 1933, as amended
"VAT"	Value added tax
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possession and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and all references to the "US", "U.S." "USA" or "United States" are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time.

Financial Data

Unless stated otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Statements. For further information, see "*Financial Information*" beginning on page 242. In this Draft Red Herring Prospectus, figures for the nine months period ended December 31, 2021, Fiscals 2021, 2020 and 2019 have been presented.

The Restated Consolidated Financial Statements of the Company and its Subsidiaries comprising the restated consolidated statement of assets and liabilities as at the nine month period ended December 31, 2021 and year ended March 31, 2021, March 31, 2020 and March 31, 2019, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the nine month period ended December 31, 2021, and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary of significant accounting policies and explanatory notes and notes to restated consolidated financial statements prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended.

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 29, 161 and 315, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Statements.

The degree to which the financial information included in this Draft Red Herring Prospectus 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 SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial information with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*." on page 61. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP measures and certain other statistical information relating to our operations and financial measures relating to our financial performance such as EBITDA, Return on Capital Employed, Return on Equity, PAT margin, total borrowings and debt to equity ratio, Net Worth and Return on Net Worth and net asset value per equity share ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / 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, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company's operating performance. See "*Risk Factors – We have in this Draft Red Herring Prospectus 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*." on page 48.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" or "U.S. Dollar" are to United States Dollar, the official currency of the United States of America;
- 'Euro' are to Europe, the official currency of the European Union;
- "GBP" or "Pound" or "£" are to British Pound, the official currency of the United Kingdom;
- "JPY" are to Japanese Yen, the official currency of Japan;

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

Currency	As at			
	December 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
1 USD	74.30	73.5	75.39	69.17*
1 Euro	84.05	86.10	83.05	77.70
1 GBP	100.30	100.95	93.08	90.48
1 JPY	64.54	66.36	69.65	62.52

Source: www.rbi.org.in and www.fbil.org.in
** In the event that March 31 of any of the respective years or such other date on which information is to be disclosed is a public holiday, the previous calendar day not being a public holiday has been considered.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various government & industry publication and sources. Further, the information has also been derived from the report titled "*Assessment Of Electronics System Design & Manufacturing, Skill Development (ESDM) In India"* dated April 13, 2022 (the "F&S Report") prepared and issued by Frost & Sullivan (India) Private Limited ("F&S") appointed by us on November 16, 2021, and exclusively commissioned by and paid for by us in connection with the Offer. Further it is clarified that Frost & Sullivan is not related to our Company, our Promoters, members of the Promoter Groups or our Directors. For risks in relation to commissioned reports, see "*Risk Factors – Industry information included in this Draft Red Herring Prospectus 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 50. Company Commissioned F&S Report shall also available on the website of our Company at https://kaynestechnology.co.in/investors.

The extent to which the market and industry data used in this Draft Red Herring Prospectus 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. 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 and assumptions that may prove to be incorrect.

Accordingly, no investment decision should be made solely on the basis of such information, although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 29.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 115 includes information relating to our listed peer group companies. Accordingly, no investment decision should be made solely on the basis of such information.

Disclaimer of Frost & Sullivan

This Draft Red Herring Prospectus contains certain data and statistics from the F&S Report, which is subject to the following disclaimer:

"Assessment of Electronics System Design & Manufacturing, Skill Development (ESDM) in India" has been prepared for 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

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "are likely", "will likely", "likely to", "may", "seek to", "shall", "objective", "plan", "project", "propose", "will", "will continue", "will pursue", "will achieve", "can", "could", "goal", "should" or 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. The Company has included certain forward-looking statements in this Draft Red Herring Prospectus to describe, among other items, its business strategies, the potential effect or outcome of certain risks which cannot be quantified, and certain significant factors that may have an impact on the operations or financial condition of the Company which are in compliance with paragraphs (10)(B)(2), (11)(I)(C)(ii) and (5)(D)(1) of Part A of Schedule VI of the SEBI ICDR Regulations.

All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which we have businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our business is dependent on the sale of products of our customers and 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 do not have firm commitment agreements with all of our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected.
- 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 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.
- Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 126, 161 and 315, respectively, of this Draft Red Herring Prospectus have been obtained from the report titled "*Assessment Of Electronics System Design & Manufacturing, Skill Development (ESDM) In India"* dated April 13, 2022 by Frost & Sullivan, which has been commissioned and paid for by our Company, exclusively for the offer.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29, 161 and 315, 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, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on the belief and assumptions of the management of our Company, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Promoters, our Directors, the Selling Shareholders, the BRLMs, the Syndicate Members nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company shall ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, the Selling Shareholders shall ensure that investors in India are informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholders in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Financial Information", "Outstanding Litigation and Other Material Developments" ,"Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 29, 94, 161, 126, 79, 64, 242, 356, 385 and 406, respectively.

<table>
<tr><td>Summary of the primary business of the Company</td><td>We are a leading end-to-end and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of electronics system design and manufacturing services (Source: F&S Report). We have over three decades of experience in providing conceptual design, process engineering, integrated manufacturing and life-cycle support for major players in the automotive, industrial, aerospace and defence, outer-space, nuclear, medical, railways, Internet of Things, Information Technology and other segments. Our advanced manufacturing infrastructure enables us to undertake a high mix and high value addition of products across industry verticals with the ability to produce such products at variable or flexible volumes.</td></tr>
<tr><td>Summary of the Industry</td><td>The global electronics system design and manufacturing services market ("ESDM") was estimated at USD 804 billion in 2020 and is expected to reach USD 1,002 billion in 2025 at a growth rate of 4.5%. The global ESDM market witnessed a period of steady growth till 2018, riding on the wave of increased outsourcing activities from original equipment manufacturers ("OEM") and increasing electronics content. India contributes to approximately 1.8% of the global ESDM market in 2020. However, there is a strong push from the Government to make India an ideal location for electronics manufacturing in the region. (Source: F&S Report)</td></tr>
<tr><td>Name of Promoters</td><td>Ramesh Kunhikannan, Savitha Ramesh and RK Family Trust. For further details, see "Our Promoters and Promoter Group" on page 233.</td></tr>
<tr><td>Offer size</td><td>The following table summarizes the details of the Offer size:
<table>
<tr><td>Offer(1)(2)#</td><td>Up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million</td></tr>
<tr><td>of which:</td><td></td></tr>
<tr><td>(i) Fresh Issue(1)</td><td>Up to [●] Equity Shares aggregating up to ₹ 6,500 million</td></tr>
<tr><td>(ii) Offer for Sale(2)</td><td>Up to 7,200,000 Equity Shares aggregating up to ₹ [●] million</td></tr>
<tr><td>Employee Reservation Portion(3)</td><td>Up to [●] Equity Shares aggregating up to ₹ 15 million</td></tr>
<tr><td>Net Offer(4)</td><td>Up to [●] Equity Shares aggregating up to ₹ [●] million</td></tr>
</table>
Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including convertible securities which will be convertible into Equity Shares ("Specified Securities"), through a rights issue, private placement, preferential offer or any other method as may be permitted under Applicable Law to any person(s), aggregating up to ₹ 1,300 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). if the Pre-IPO Placement is completed, the fresh issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"). In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into Equity Shares prior to filing of the Red Herring Prospectus with the RoC.

(1) The Offer has been authorised by our Board pursuant to resolution passed on March 31, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to a resolution passed on April 1, 2022.
(2) Each of the Selling Shareholders has specifically confirmed that its respective portion of the Offered Shares are eligible to be part of the Offer for Sale in accordance with the Regulation 8 of the SEBI ICDR Regulations. For details on the authorisation of each of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 362.
(3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion, shall be added to the Net Offer.
(4) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion</td></tr>
</table>

	shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see "Offer Procedure" on page 385 The Offer and Net Offer shall constitute [●] % and [●]%, respectively of the post Offer paid up Equity Share capital of our Company. *For further details, see "Offer Structure" and "The Offer" beginning on pages 381* and *64 respectively.*
Objects of the Offer	The objects for which the Net Proceeds shall be utilised are as follows:

Particulars	Amount (in ₹ million)(2)
Repayment/ prepayment, in full or part, of certain borrowings availed by our Company	1,300.00
Funding capital expenditure towards expansion of our existing manufacturing facility at Mysore, Karnataka, and near our existing manufacturing facility at Manesar, Haryana	989.30
Investment in our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, for setting up a new facility at Chamarajanagar, Karnataka	1,493.00
Funding working capital requirements of our Company	1,147.40
General corporate purposes(1)	**[●]**
Net Proceeds	**[●]**

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

(2) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

For further details see "*Objects of the Offer*" on page 94.

Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Selling Shareholders as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer shareholding of our Promoters as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Name	Pre-Offer equity share capital (Pre-CCPS Conversion)		Pre-Offer equity share capital (Post-CCPS Conversion)#	
	No. of pre-Offer Equity Shares held	Percentage of the pre-Offer paid-up Equity Share Capital (%)	No. of pre-Offer Equity Shares held	Percentage of the pre-Offer paid-up Equity Share Capital (%)
Promoters				
Ramesh Kunhikannan	40,779,920	88.35	40,779,920	87.14
Savitha Ramesh	19,800	0.04	19,800	0.04
RK Family Trust	100	Negligible	100	Negligible
Total (A)	**40,799,820**	**88.39**	**40,799,820**	**87.18**

 # Assuming conversion of all outstanding CCPS into 641,490 Equity Shares

The members of the Promoter Group (other than our Promoters) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:

Name	Pre-Offer equity share capital (Pre-CCPS Conversion)		Pre-Offer equity share capital (Post-CCPS Conversion)#	
	No. of pre- Offer Equity Shares held	Percentage of the pre-Offer Equity Share Capital (%)	No. of pre- Offer Equity Shares held	Percentage of the pre-Offer Equity Share Capital (%)
Selling Shareholders				
Ramesh Kunhikannan	40,779,920	88.35	40,779,920	87.14
Freny Firoze Irani	4,889,256	10.59	5,315,316	11.36
Total	**45,669,176**	**98.94**	**46,095,236**	**98.50**

250,000 CCPS Series B held by Freny Firoze Irani shall be converted upto a maximum of 426,060 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5 (2) of the SEBI ICDR Regulations.

 # Assuming conversion of all outstanding CCPS into 641,490 Equity Shares

For further details, see "*Capital Structure – Share Capital History of our Company*" on page 80.

Summary of Selected Financial Information

The summary of our selected financial information as per the Restated Consolidated Financial Statements is set forth below:

(₹ in million, except per share data)

Particulars	As at and for the nine months ended December 31, 2021#	As at March 31,		
		2021	2020	2019
(A) Equity share capital	76.93	68.00	68.00	68.00
(B) Total Equity	1,834.58	1,395.63	1,032.47	934.05
(C) Net asset value per Equity Share*	35.33	29.57	23.47	20.74
(D) Total Borrowings	1,675.66	1,394.67	1,438.27	1,556.38
(E) Total Income	4,719.29	4,246.63	3,701.66	3,665.97
(F) Profit for the period	218.23	97.33	93.55	97.28
(G) Earnings per share				
- Basic**	5.19	2.28	2.32	2.38
- Diluted***	4.66	2.15	2.32	2.38

** Net asset value per share = Restated Net worth attributable to the equity shareholders of the Company at the end of the year or period / Number of equity shares outstanding (considering conversion of CCPS and Bonus issue) at the end of the year/period but before the date of filing of this Draft Red Herring Prospectus.*

***Basic EPS means Restated Consolidated Net Profit after tax, for the year/period attributable to equity shareholders (considering and Bonus Issue) divided by weighted average number of Equity Shares outstanding during the year/ period (considering and Bonus Issue)*

****Diluted EPS Restated consolidated Net Profit after tax for the year / period attributable to equity shareholders (considering conversion of CCPS and Bonus Issue) divided by weighted average number of diluted equity shares and potential equity shares outstanding during the year / period attributable to equity shareholders (considering conversion of CCPS and Bonus Issue)*

 # Not annualized

For details, see "*Financial Information*" on page 242.

Auditor's qualifications which have not been given effect to in the Restated Consolidated Financial Statements

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Statements.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoters, Subsidiaries, and Directors, as disclosed in "*Outstanding Litigation and Other Material Developments*" on page 356, in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

(in ₹ million, unless otherwise specified)

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Number of Material Civil Litigations	Aggregate amount involved (₹ million)*
Company						
Against our Company	Nil	26	1	Nil	Nil	105.37
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors (Other than Promoters)						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiary	Nil	2	Nil	Nil	Nil	0.58
Group Companies						
Pending litigation which has a material impact on our Company	Nil	Nil	Nil	Nil	Nil	Nil

** To the extent quantifiable*

Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" on page 29.

Summary table of contingent liabilities

The following is a summary table of the contingent liabilities of our Company:

(₹ in million)

Particulars	As on December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
A. Claims against the company not acknowledged as debt				
Disputed Income Tax Demand (1)	1.74	1.74	1.74	-
Disputed Income Tax Demand - CPC Demand (2)	6.05	7.56	7.56	-
Disputed Income Tax Demand - CPC Demand (3)	3.32	12.98	5.48	1.96
Disputed Income Tax Demand - CPC Demand (4)	4.00	4.48	-	-
Disputed Sales tax Demands (5)	56.92	-	154.86	-
B. Bank Guarantees for contractual performance	28.54	19.69	15.87	32.36
C. Letter of Credit issued by bank	10.47	5.95	13.48	-
D. Bond Executed for Customs/Central Excise. (covered by Bank guarantee to the extent of ₹ 5.5 Millions)	250.00	248.21	288.21	235.00
E. On account of Bills Discounted with Banks setted off against Trade Receivable	430.97	171.48	-	-
F. Corporate Guarantee to Subsidiary Company	44.00	24.00	20.00	-
G. Other sums for which company is contingently liable	11.24	11.24	-	-

Commitments				
• Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	21.39	33.03	30.19	51.03
• Cumulative dividend on Preference shares	0.15	0.11	-	-
• 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	-	-	-

Notes:

1. *CPC demand of ₹ 1,737,670/- against the disallowance made by ITO against under 35(2AB) for assessment year 2016-2017 and thereby reducing the MAT credit availed by the company which was disputed in appeal before CIT(A). The matter has been resolved in Fiscal 2022.*
2. *Income tax authorities disallowed research and development expenditure and raised a demand for non submission of certificate from DSIR, Delhi. We have requested for extension of time and are 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 as 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 Fiscal 2010 to Fiscal 2022 and imposed interest and penalty. Demand appearing in the TDS Portal amounts to INR 4.00 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 ₹ 56.90 Million covering a period commencing from Fiscal 2013 to Fiscal 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 details relating to contingent liabilities of our Company, see "*Financial Statements-Annexure VI- Note 29-Contingent Liabilities and Commitments*" on page 287.

Summary of related party transactions

Summary of the related party transactions derived from the Restated Consolidated Financial Statements, is as follows:

(₹ in million)

Nature of the related party	Nine months period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Transactions eliminated during the period ended December 31, 2021 and years ended March 31, 2021, March 31, 2020 and March 31, 2019				
Kaynes International Design & Manufacturing Private Limited				
Received towards marketing, distribution, administration, management & other support services	-	45.49	24.88	-
Sale of material	5.56	10.86	68.22	-
Purchases	2.62	-	-	-
Kemsys Technologies Private Limited				
Loans and advances given to	48.23	64.68	-	10.74
Loans and advances repaid by	24.52	10.90	-	10.74
Services received from	3.73	5.50	-	0.01
Interest on loan advances	8.50	5.93	3.14	3.03
Purchases	0.03	0.69	2.17	3.58
Sale of material	8.89	10.66	6.94	5.23
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	9.24	17.11	13.13	(13.38)

Transactions with Related Parties other than subsidiaries & Associates				
Kaynes Interconnection Systems India Private Limited				
Sale of material	9.33	16.26	4.15	2.44
Services Received	0.07	3.53	0.14	0.03
Purchase of Material	18.89	16.51	10.21	8.17
Kaynes Technology Inc.				
Services Rendered	16.30	11.84	-	-
Kemsys Technologies Inc.				
Services	-	0.25	-	-
Transactions with KMPs				
(i) Purchase of property				
Savitha Ramesh	-	-	13.63	-
(ii) Remuneration and commission				
Ramesh Kunhikannan	8.64	14.55	6.82	14.32
Savitha Ramesh	7.04	14.55	6.82	14.32
Jairam Paravasthu Sampath	3.60	4.38	4.80	7.15
Satheesh Kumar Gopa Kumar	2.00	1.68	-	-
Premita Ramesh	2.20	1.60	1.95	2.40
Govind Shasiprasad Menokee	3.30	3.20	3.00	-
Sai Kamalesh	-	1.67	4.10	4.10
Manoj Rajnarain Pandey	6.60	8.61	-	-
Venkata Ramana Mannapragada	0.87	-	-	-
Srividhya Narayanan	0.47	0.70	0.70	0.70
Rajesh Sharma	1.35	-	-	-
Reimbursement of expenses				
Sai Kamalesh	-	0.26	0.09	0.29
Manoj Rajnarain Pandey	0.10	0.09	-	-
Venkata Ramana Mannapragada	0.00	-	-	-
Rajesh Sharma	0.04	-	-	-
Narayanan Srividhya	0.00	-	-	-
(iii) Transaction in current account (net)				
Ramesh Kunhikannan	-	3.56	(3.37)	0.20
Savitha Ramesh	0.01	4.18	(6.24)	0.34
Premita Ramesh	(1.13)	-	-	-
Jairam Paravasthu Sampath	(1.29)	-	-	-
Govind Shasiprasad Menokee	0.08	-	-	-

For further details of the related party transactions, as per the requirements under Ind AS 24 'Related Party Disclosures', see "*Related Party Transactions*" on page 314.

Details of all financing arrangements whereby the Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity	Our Promoters, members of our Promoter Group, our Directors, and their relatives (as defined in Companies Act, 2013) have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

<table>
<tr><td>during the period of six months immediately preceding the date of this Draft Red Herring Prospectus</td><td></td></tr>
<tr><td>Details of price at which the Equity Shares were acquired by each of our Promoters, Promoter Group, the Selling Shareholders and Shareholders entitled with right to nominate directors or any other rights, in the last three years immediately preceding the date of this Draft Red Herring Prospectus</td><td>
Except as disclosed below, no Equity Shares have been acquired by our Promoters, Promoter Group, the Selling Shareholders and Shareholders entitled with right to nominate directors or any other rights, in the last three years immediately preceding the date of this Draft Red Herring Prospectus:
<table>
<tr><th>Sr. No.</th><th>Date of acquisition</th><th>Name of the acquirer</th><th>Acquisition cost per Equity Shares^</th><th>Number of shares acquired</th></tr>
<tr><td>1.</td><td>June 24, 2020</td><td>Freny Firoze Irani</td><td>249.99</td><td>10</td></tr>
<tr><td>2.</td><td>October 22, 2021</td><td>Ganesh Cherapuram Balasubramanian</td><td>600.00</td><td>10</td></tr>
<tr><td>3.</td><td>December 25, 2021</td><td>Bharadwaj Turlapati</td><td>600.00</td><td>10</td></tr>
<tr><td>4.</td><td>December 25, 2021</td><td>Freny Firoze Irani(3)</td><td>NA</td><td>55,605</td></tr>
<tr><td>5.</td><td>December 25, 2021</td><td>Freny Firoze Irani(3)</td><td>NA</td><td>69,508</td></tr>
<tr><td>6.</td><td>December 27, 2021</td><td>Freny Firoze Irani(1)</td><td>360.99</td><td>332,415</td></tr>
<tr><td>7.</td><td>December 27, 2021</td><td>Freny Firoze Irani(1)</td><td>344.47</td><td>435,451</td></tr>
<tr><td>8.</td><td>February 25, 2022</td><td>Freny Firoze Irani(3)</td><td>NA</td><td>4,074,380</td></tr>
<tr><td>9.</td><td>February 25, 2022</td><td>Ganesh Cherapuram Balasubramanian(3)</td><td>NA</td><td>50</td></tr>
<tr><td>10.</td><td>February 25, 2022</td><td>Bharadwaj Turlapati(3)</td><td>NA</td><td>50</td></tr>
<tr><td>11.</td><td>February 25, 2022</td><td>Ramesh Kunhikannan(3)</td><td>NA</td><td>3,39,83,350</td></tr>
<tr><td>12.</td><td>February 25, 2022</td><td>Savitha Ramesh(3)</td><td>NA</td><td>16,500</td></tr>
<tr><td>13.</td><td>February 25, 2022</td><td>RK Family Trust(3)</td><td>NA</td><td>100</td></tr>
</table>
^ As per the certificate dated April 13, 2022, issued by K.P. Rao & Co, Chartered Accountants
Notes:
1. Conversion price of preference shares into Equity Shares is considered as purchase or acquisition of shares.
2. Transfer of shares by Promoter, Selling shareholders and other shareholders with special rights to other is not considered.
3. Bonus equity shares are considered as acquisition and mentioned as NA above.
</td></tr>
<tr><td>Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year</td><td>
The weighted average price at which the Equity Shares were acquired by our Promoters and Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus is:
<table>
<tr><th>Name of the Promoter(s)</th><th>Number of Equity Shares acquired one year preceding the date of this Draft Red Herring Prospectus</th><th>Weighted average price per Equity Share^ (in ₹)</th></tr>
<tr><td>Ramesh Kunhikannan*</td><td>33,983,350</td><td>Nil(1)</td></tr>
<tr><td>Savitha Ramesh</td><td>16,500</td><td>Nil(2)</td></tr>
<tr><td>RK Family Trust</td><td>100</td><td>Nil(3)</td></tr>
<tr><td colspan="3">Investor Selling Shareholder</td></tr>
<tr><td>Freny Firoze Irani</td><td>4,199,493</td><td>Nil(4)</td></tr>
</table>
* Also Promoter Selling Shareholder.
^ As per the certificate dated April 13, 2022, issued by K.P. Rao & Co, Chartered Accountants.
(1) 33,983,350 were allotted to Ramesh Kunhikannan pursuant to bonus issue in the ratio 5:1
(2) 16,500 Equity Shares were allotted to Savitha Ramesh pursuant to bonus issue in the Ratio 5:1.
(3) 100 Equity Shares were transferred to RK Family Trust from Ramesh Kunhikannan as a gift
(4) Out of 4,199,493 Equity Shares allotted to Freny Firoze Irani:
(i) 55,605 Equity Shares were allotted pursuant to bonus issue in the ratio 11,121 Equity Shares for every 95,998 CCPS held
(ii) 69,508 Equity Shares were allotted pursuant to bonus issue in the ratio 17,377 Equity Shares for every 150,000 CCPS held
(iii) 4,074,380 Equity Shares were allotted pursuant to bonus issue in the ratio of 5:1
Notes:
</td></tr>
</table>

1. The date of issuance of preference shares is considered as the date of acquisition for the resulting equity shares on its conversion, for ascertaining the period of holding.
2. Transfer of shares from Promoters and Selling Shareholders to others is not considered.
3. Bonus equity shares are considered as acquisition

Average cost of acquisition of shares of our Promoters and the Selling Shareholders

The average cost of acquisition of Equity Shares held by our Promoters is as follows:

Name of the Promoter(s)	Number of Equity Shares Held	Percentage of shareholding (%)	Average cost of acquisition per Equity Share (in ₹)*
Ramesh Kunhikannan	40,779,920	88.35	1.85
Savitha Ramesh	19,800	0.04	0.25
RK Family Trust	100	Negligible	-

* *As per the certificate issued by K.P. Rao & Co, Chartered Accountants dated April 13, 2022*

The average cost of acquisition of Equity Shares held by the Selling Shareholders is as follows:

Name of Selling Shareholder(s)	Number of Equity Shares Held	Percentage of shareholding (%)	Average cost of acquisition per share (in ₹)*
Ramesh Kunhikannan	40,779,920	88.35	1.85
Freny Firoze Irani	4,889,256	10.59	49.46

* *As per the certificate issued by K.P. Rao & Co, Chartered Accountants dated April 13, 2022*

Any issuance of Equity Shares in the last one year for consideration other than cash

Our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash.

However, our Company has allotted Equity Shares under bonus issues. For details, see "*Capital Structure – History of Equity Share capital*" on page 80.

Any split/consolidation of Equity Shares in the last one year

Our Company has not undertaken any split/consolidation of its Equity Shares in the last one year from the date of this Draft Red Herring Prospectus.

Size of the pre-IPO placement and allottees, upon completion of the placement

Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including convertible securities which will be convertible into Equity Shares ("Specified Securities"), through a rights issue, private placement, preferential offer or any other method as may be permitted under Applicable Law to any person(s), aggregating up to ₹ 1,300 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). If the Pre-IPO Placement is completed, the fresh issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"). In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into Equity Shares prior to filing of the Red Herring Prospectus with the RoC.

In relation to the Pre-IPO Placement, our Company shall inform to the proposed allottees in the Pre-IPO Placement that the Offer may or may not be successful and the Equity Shares may or may not get listed

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Draft Red Herring Prospectus, our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws.

SECTION II – RISK FACTORS

*An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India and other jurisdictions we operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the novel coronavirus ("**COVID-19**") pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 161, 126, 315 and 242, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.*

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

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 19 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 29, 242 and 315, 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, 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 industry publications, in particular, the report titled "Assessment of Electronics System Design & Manufacturing, Skill Development (ESDM) In India" dated April 13, 2022 (the "**F&S Report**"), prepared and issued by Frost & Sullivan (India) Private Limited appointed on November 16, 2021, and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company at https://kaynestechnology.co.in/investors. 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. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 17.*

Internal Risk Factors

1. Our business is dependent on the sale of products of our customers and 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 three decades of business operations, established long-term relationships with our customers across industries. We have a diversified customer base and we served 313 customers in 20 countries across four continents in the nine months December 31, 2021. 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. Certain of our customers include companies such as Agappe Diagnostics Limited, Canyon Aero (*formerly* Cobham Aerospace Communications), Frauscher Sensor Technology India Private Limited, Hitachi Rail STS India Private Limited, India Japan Lighting Private Limited, Siemens Rail Automation Private Limited, Iskraemeco India Private Limited and Tonbo Imaging India Private Limited.

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.

Customers	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	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	526.15	14.45%	455.87	12.38%	498.69	11.86%	511.67	10.94%
Top 5	1,701.97	46.73%	1,441.67	39.15%	1,349.41	32.08%	1,784.56	38.15%
Top 10	2,141.12	58.78%	1,974.20	53.61%	1,936.20	46.03%	2,428.47	51.92%

Of the customers contributing 80.00% of our revenue from operations in the nine months ended December 31, 2021, over 44.83% of our customers (by value) have been associated with us for over seven years and accounted for 38.40%, 33.02%, 34.86% and 33.32%, respectively, of our revenue from operations in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021. For further information, see "*Our Business - Customers*" on page 187.

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.

2. We do not have firm commitment agreements with all of our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected.

We do not have firm commitment long-term supply agreements with all 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. 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.

3. 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 entire spectrum of electronics system design and manufacturing ("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						Nine months ended December 31, 2021	
	2019		2020		2021			
	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	1,283.65	35.24%	942.07	25.58%	1,276.25	30.34%	1,360.10	29.08%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	1,905.00	52.30%	2,290.02	62.19%	2,509.07	59.65%	2,962.75	63.34%
ODM	141.62	3.89%	76.18	2.07%	184.21	4.38%	174.93	3.74%
Product Engineering and IoT solutions	312.04	8.57%	374.11	10.16%	236.74	5.63%	179.97	3.84%
Total	**3,642.31**	**100.00%**	**3,682.38**	**100.00%**	**4,206.27**	**100.00%**	**4,677.75**	**100.00%**

For further information on our business verticals, see "*Our Business – Business Operations – Business Verticals*" on page 175.

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.

4. 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 currently operate eight manufacturing facilities located at Parwanoo, Himachal Pradesh; Dehradun, Uttarakhand; Manesar, Haryana; Mysore, Karnataka; Bengaluru, Karnataka; and Chennai, Tamil Nadu. For further information, see "*Our Business – Manufacturing Facilities*" on page 183. 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 infectious disease 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. Also see " – *The current and continuing impact of the COVID-19 pandemic on our business and operations, including its impact on the ability or desire of customers to outsource manufacturing of their products, may have an adverse effect on our business, results of operations, financial condition and cash flows.*" on page 34.

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.

5. Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.

In order to support our growth strategy across India, we intend to set up an additional manufacturing facility at Chamarajnagar, Karnataka and undertake significant expansion at our current facility at Mysore, Karnataka and near our existing facility at Manesar, Haryana. For further information, see "*Our Business – Strategies – Expand manufacturing capacity at our existing facilities and set-up additional strategically located facilities*" on page 173.

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 2019, 2020 and 2021 and in the nine months ended December 31, 2021. For further information, see "*Our Business – Manufacturing Facilities*" on page 183. 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.

6. 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 180. 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.

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.

7. 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 10 global accreditations, making us the most certified ESDM company in India (*Source: F&S Report*). 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 infrastructure and railway signalling, IATF 16949 for printed circuit board assembly, cable harness and box build, and ISO:13485 for medical devices/systems. We have also obtained ANSI ESD S20.20, IEC 61340-5-1 and SA 8000 certifications. We are the first company in the ESDM industry to be NADCAP accredited for aerospace products and are among the few Indian companies to maintain this accreditation (*Source: F&S Report*). For further information in relation to our quality certification, see "*Our Business - Quality Control, Testing and Certifications*" on page 186. 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.

8. ***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 Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, was ₹ 2,463.15 million, ₹ 2,603.38 million, ₹ 2,822.99 million and ₹ 3,306.01 million, respectively, and constituted 69.77%, 72.54%, 68.22% and 74.80%, 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 319.

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 in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021 are set out below:

Region	**Fiscal 2019**		**Fiscal 2020**		**Fiscal 2021**		**Nine months ended December 31, 2021**	
	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	1,010.26	36.65%	1,151.36	42.15%	1,076.41	35.52%	1,325.08	34.54%
Import	1,746.09	63.35%	1,579.93	57.85%	1,954.10	64.48%	2,511.41	65.46%
Total	**2,756.35**	**100.00%**	**2,731.29**	**100.00%**	**3,030.51**	**100.00%**	**3,836.49**	**100.00%**

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. Due to shortage of labour, local restrictions impacting the transport and logistics arising due to COVID-19 has contributed to a bottleneck in supply for the semiconductor industry which is expected to continue in near future. 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 Draft Red Herring Prospectus, 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.

9. ***The current and continuing impact of the COVID-19 pandemic on our business and operations, including its impact on the ability or desire of customers to outsource manufacturing of their products, may have an adverse effect on our business, results of operations, financial condition and cash flows.***

The outbreak of the COVID-19 pandemic and its continuing impact, as well as government measures to reduce the spread of COVID-19 pandemic, have had a substantial impact on our operations. The impact of the pandemic on our business, operations and financial performance have included and may continue to include the following:

- Temporary shutdown of our manufacturing facilities in Parwanoo, Himachal Pradesh; Dehradun, Uttarakhand; Manesar, Haryana; Mysore, 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.

- Compliance with evolving government regulations, including with respect to social distancing measures and sanitization practices. Although we are currently in compliance with such guidelines, any failure in the future to fully comply or adhere to the measures and guidelines or any other similar regulations could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business.

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 has increased substantially thereby increasing our transportation cost and affecting our margins. Our transportation expenses increased from ₹ 75.68 million in Fiscal 2020 to ₹ 79.26 million in Fiscal 2021 and was ₹ 95.55 million in the nine months ended December 31, 2021. Our trade payables increased from ₹ 920.81 million in Fiscal 2020 to ₹ 954.32 million in Fiscal 2021 and were ₹ 1,302.10 million in the nine months ended December 31, 2021. Further, our trade receivables increased from ₹ 936.49 million, as of March 31, 2020 to ₹ 1,217.48 million as of March 31, 2021 and were ₹ 1,563.74 million, as of December 31, 2021. 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.

Additionally, there can be no assurance that we will be able to successfully achieve our expansion strategies in the event of subsequent waves of the pandemic in India that lead to additional restrictive measures or hamper overall economic recovery. In the event subsequent waves worsen or is not controlled in a timely manner, we may not be able to (i) manage our operations at its full capacity; and (ii) successfully implement our growth strategy. Further, while a majority of the eligible population under India's vaccine scheme has received at least a single dose of the COVID-19 vaccine with more than half of the eligible population now fully vaccinated, the likelihood of subsequent waves of the COVID-19 pandemic in India remains high especially against any new variants of COVID-19, for example, B.1.1.529 (Omicron) variant. Even though we have taken various initiatives to raise awareness for COVID as well as implemented social distancing and hygiene measures in our manufacturing facilities, we cannot assure you that in the event of another COVID-19 wave additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of COVID-19. The impact of the ongoing pandemic cannot be ascertained at this time, and while we cannot currently estimate the duration or future impact of the COVID-19 pandemic on our business or on the Indian or global economy, there is a likelihood that the effects could continue. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

In addition, if our Key Managerial Personnel or a significant percentage of our workforce is unable to work due to COVID-19 illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 pandemic, our operations may be negatively impacted. An outbreak or perceived outbreak of the COVID-19 pandemic connected to one or more of our manufacturing facilities could also cause negative publicity directed at any of our distributors and cause customers to avoid our products, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects. Also see "*Financial Statements*" on page 242.

10. 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. In Fiscal 2019, 2020 and 2021, and in the nine months ended December 31, 2021, we wrote-off nil, ₹ 3.29 million, ₹ 12.10 million, and nil 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.

11. 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.

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. In Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, such interest payments were ₹ 0.49 million, ₹ 1.12 million, ₹ 2.92 million, and ₹ 2.35 million, respectively representing 0.01%, 0.03%, 0.07% and 0.05% of our revenue from operations, respectively.

12. 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.

13. 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 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.

14. 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 manufacturing 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 184. 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.

15. 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. We have also sought extension of time from regulatory and statutory authorities in the past, in relation to certain filings and compliances, and waiver of late submission fee for delayed filings. Further, certain corporate records of our Company are not traceable. 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 Companies Act 2013 and 1956, as applicable

- Our Company has filed a compounding application along with the applicable fee before Regional Director ("**RD**"), South East Region, Hyderabad dated April 13, 2022 in relation to non- compliance of Section 63 of the Companies Act, 2013 as amended, read with rules made thereunder. Our Company had allotted 1,699,992 Equity Shares on September 21, 2017 pursuant to bonus issue while being in default of the payment of statutory dues of the employees, inter-alia contribution to provident fund, gratuity and bonus, which is specified to be one of the eligibility criteria under Section 63(2)(d) of the Companies Act, 2013 in relation to issuance of bonus shares. The compounding application is pending before the RD.
- Our Company has not filed CHG-1 for creation of charge, in relation to the loan taken from Sundaram Finance Limited and has delayed in filing of CHG-4 for satisfaction of charge in relation to the loan taken from Canara Bank and Karnataka State Financial Corporation. This has since been compounded.
- Form 2 filed with RoC in relation to allotment of Equity Shares on May 31, 2008 (i) was erroneously recorded August 31, 2008, as the date of allotment of Equity Shares, and (ii) has erroneously mentioned 'Cash' as the form of consideration instead of 'other than cash'. Though the resolutions filed were appropriately recorded.
- Form 2 filed with RoC in relation to allotment of Equity Shares on March 12, 2011 in one place, had erroneously recorded as 150,000 Equity Shares instead of 1,500,000 Equity Shares, though the post-allotment capital was correctly recorded.
- In relation to allotment of Equity Shares on September 21, 2017, the Company had inadvertently omitted to include the record date i.e., August 24, 2017 in the resolution passed by the Board of Directors for the allotment. Our Company had filed a compounding application before the RD, South East Region, Hyderabad on October 31, 2019, for violation committed under section 148(6) read with rule 6 of Companies (Cost Records and Audit) Rules, 2014. Our Company has failed to file the cost audit report with the Central Government in form CRA 4 for the financial year 2015-2016 and 2016-2017. Subsequently, we paid the compounding fees of ₹ 0.24 million pursuant to the order issued by RD dated November 24, 2020.

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.

K. Gaurav Kumar & Associates, independent practicing company secretaries have also conducted searches for these records with the RoC and at the Registered and Corporate Office of our Company, respectively, and issued certificate dated April 9, 2022.

16. Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus 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 Draft Red Herring Prospectus 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 Draft Red Herring Prospectus. For further information, see "*Our Business – Aggregate Installed Capacity and Capacity Utilization*" on page 184.

17. 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. Our EBITDA has grown from ₹ 350.48 million in Fiscal 2019 to ₹ 413.33 million in Fiscal 2020 and was ₹ 408.91 million in Fiscal 2021. Our EBITDA was ₹ 536.54 million in the nine months ended December 31, 2021, while our profit after tax was ₹ 97.28 million in Fiscal 2019, ₹ 93.55 million in Fiscal 2020, ₹ 97.33 million in Fiscal 2021, and profit after tax was ₹ 218.23 million in the nine months ended December 31, 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.

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 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 infectious diseases, such as the COVID-19 pandemic, 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. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

18. We are exposed to counterparty credit risk and 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. As of March 31, 2019, 2020 and 2021 and as of December 31, 2021, our trade receivables were ₹ 1,229.61 million, ₹ 936.49 million, ₹ 1,217.48 million and ₹ 1,563.74 million, respectively. 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. 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, see "*Financial Statements – Annexure IV – Restated Consolidated Statement of Cash Flows*" on page 253.

19. 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. However, 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.

20. 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. 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 our Company will be able to successfully compete within this increasingly competitive industry.

21. 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; 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. 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.

22. We have had negative net operating cash flows in the past and may continue to have negative cash flows in the future. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated.

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Nine months ended December 31, 2021
	(₹ million)			
Net cash from / (used in) operating activities	(75.81)	452.47	277.30	(17.68)
Net cash used in investing activities	(408.84)	(99.26)	(240.84)	(174.76)
Net cash from/ (used in) financing activities	486.01	(354.13)	(13.39)	324.06

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 344.

23. 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. As of March 31, 2019, 2020 and 2021, and as of December 31, 2021, the aggregate coverage of the insurance policies obtained by us was ₹ 1,998.60 million, ₹ 2,153.60 million ₹ 2,622.79 million and ₹ 3,123.20 million, which constituted 101.70%, 90.33%, 101.09% and 97.49% of our total assets, respectively. 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 192. 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.

24. Improper storage, processing and handling of materials and products may cause damage to our inventory leading to 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, manufacturing processes 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. In the event such damage or contamination is detected at the manufacturing facility 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. In the past, although we have not faced any damage or contamination, however, 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.

25. 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.

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 disputed matters pending before appropriate authorities. Such disputed 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 the Fiscal 2020 and Fiscal 2021. While these dues were subsequently paid, there can be no assurance that we will not delay in payment of such statutory dues in the future.

26. 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.

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. As of December 31, 2021, we have 1,613 permanent employees and 65 persons employed as contract employees. For further information, see "*Our Business – Human Resources*" on page 193. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, 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. 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.

27. 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.

28. 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. 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.

29. 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.

30. 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 "*Offer Document Summary – Summary of related party transactions*" and "*Financial Statements – Annexure VI – Note 30 – Related Party Disclosures*" on pages 25 and 287 respectively. 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 are not prejudicial to the interests of the Company and 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 transactions and all related party transactions that we may enter into post-listing, will be subject to Board or Shareholder approval, as necessary under the Companies Act and the Listing Regulations, in the interest of the Company and its minority Shareholders and in compliance with the SEBI Listing Regulations. In Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, the aggregate amount of such related party transactions was ₹ 58.28 million, ₹ (63.02) million, ₹ 1.09 million, and ₹ 19.89 million respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021 was 1.60%, (1.71)%, 0.03% and 0.43%, 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.

31. 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 December 31, 2021, we had total borrowings (consisting of non-current borrowings and current borrowings) of ₹ 1,675.66 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, and (e) merger, de-merger, amalgamation, acquisition, buy -back, re-organization and/or disposition of assets of the Company and (f) effecting lock-in of any Equity Shares held by the shareholders (including Promoters) of the Company. While we have received all relevant consents required for the purposes of this Offer and have complied with these covenants, 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. While we have not defaulted on any covenants in financing agreements in the past, we cannot assure you that this will continue to be the case in the future.

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 a default against us 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. For further information on our borrowings, see "*Financial Indebtedness*" on page 353.

32. 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. In Fiscal 2019, 2020 and 2021, and in the nine months ended December 31, 2021, the power and fuel costs was ₹ 30.25 million, ₹ 28.10 million, ₹ 30.03 million and ₹ 28.86 million, for each respective period accounted for 0.83%, 0.76%, 0.71% and 0.62% of our total 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.

33. 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 outstanding legal and regulatory proceedings involving our Company, Subsidiaries, Promoters and Directors which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The summary of such outstanding material legal and regulatory proceedings and its aggregate amount involved as on the date of this Draft Red Herring Prospectus is set out below:

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Number of Material Civil Litigations	Aggregate amount involved (₹ million)*
Company						
Against our Company	Nil	26	1	Nil	Nil	105.37
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Directors (Other than Promoters)						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiary	Nil	2	Nil	Nil	Nil	0.58
Group Companies						
Pending litigation which has a material impact on our Company	Nil	Nil	Nil	Nil	Nil	Nil

** To the extent quantifiable*

As on the date of the Draft Red Herring Prospectus, there are no litigations involving our Group Companies which has a material impact on our Company.

We cannot assure you that any of these matters 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 "*Outstanding Litigation and Material Developments*" on page 356.

34. 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 the nine months ended December 31, 2021, exports to regions outside India accounted for 21.53% of our revenue from operations based on the Restated Consolidated Financial Statements. 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 December 31, 2021, 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 in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021 contributed to ₹ 574.52 million, ₹ 755.24 million, ₹ 1,078.48 million and ₹ 1,007.11 million, and accounted for 15.77%, 20.51%, 25.64% and 21.53% of our total revenue from operations, respectively.

35. 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 December 31, 2021, we have 1,613 permanent employees. In Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, the attrition rate of our permanent employees was 15.35%, 16.98%, 18.05% and 24.78%, 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.

36. 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 December 31, 2021, we serve customers across 20 countries and we had a sales and business development team of 34 employees that allow us to generate business across such geographies. As of March 31, 2019, 2020, 2021 and as of December 31, 2021, we had exports to 15, 17, 18 and 19 countries, respectively. A portion of our revenue is generated from export of our products to North America and Europe. In Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, our revenue from operations from exports were ₹ 574.52 million, ₹ 755.24 million, ₹ 1,078.48 million and ₹ 1,007.11 million, respectively, and accounted for 15.77%, 20.51%, 25.64% and 21.53% of our revenue from operations, respectively. For further information, see "*Our Business - Exports*" on page 190.

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 infectious disease 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.

37. We have certain contingent liabilities, which, if they materialize, may affect our results of operations, financial condition and cash flows.

As of December 31, 2021, our contingent liabilities that have not been accounted for in the Restated Consolidated Financial Statements, were as follows:

Particulars	Amount (million)
Contingent liability towards pending litigations related to disputed dues of:	
Claims against the company not acknowledged as debt	
- Disputed income tax demand(1)	1.74
- Disputed income tax demand(2)	6.05
- Disputed income tax demand(3)	3.32
- Disputed income tax demand(4)	4.00
- Disputed indirect taxes demand(5)	56.92
Bank guarantees for contractual performance	28.54
Letter of credit issued by bank	10.47
Bond Executed for Customs/Central Excise (covered by bank guarantee to the extent of ₹ 5.50 million)	250.00
On account of Bills Discounted with Banks set off against Trade Receivable	430.97
Corporate Guarantee to Subsidiary Company	44.00
Other sums for which company is contingently liable	11.24
Total	**847.25**

Notes

(1) CPC demand of ₹ 1,737,670.00 against the disallowance made by ITO against under 35(2AB) for A.Y. 2016-2017 and thereby reducing the MAT credit availed by the company which was disputed in appeal before CIT(A) and the matter is resolved in Fiscal 2022.

(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 and ESI. Filed appeal against the order and submitted the relevant documentation. Assessing officer is in the process of reviewing supporting documents 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 Fiscal 2010 to Fiscal 2022 and imposed interest and penalty. Demand appearing in the TDS Portal amounts to ₹ 4,000,000. 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 ₹ 56.90 million covering a period commencing from Fiscal 2013 to Fiscal 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.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see "*Financial Statements – Annexure VI – Note 29 – Contingent Liabilities and Commitments*" on page 287.

38. 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.

39. We are reliant on the demand from various industries such as automotive, railways, industrial, medical, information technology, Internet of Things, aerospace and defense. 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. Any such downturn in demand of our products could have an adverse effect on our business, results of operations and financial condition.

40. 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. For further information on applicable regulations and approvals relating to our business and operations, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 196 and 359, respectively of this Draft Red Herring Prospectus, including for details of any applications made for material approvals that have expired and have not yet been renewed.

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. For further information on approvals applied for by us but not received, see "*Government and Other Approvals*" on pages 359. 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.

41. 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 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. 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.

42. Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future consistent with our past practices, or at all. For further information pertaining to dividend declared by our Company in the past, see "*Dividend Policy*" on page 241 of this Draft Red Herring Prospectus.

43. We have in this Draft Red Herring Prospectus 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 Draft Red Herring Prospectus. 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 Draft Red Herring Prospectus.

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 321.

44. We intend to use a portion of the Net Proceeds of the Fresh Issue to expand the capacity of our existing manufacturing facilities. Also, management has discretion in how it may use a portion of the Net Proceeds of the Fresh Issue. Any variation in the utilization of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

We intend to use a portion of the Net Proceeds of the Fresh Issue to expand the capacity utilization of our existing manufacturing facilities.

A portion of the use of the Net Proceeds of the Fresh Issue of Equity Shares in the Offer is at the discretion of the management of our Company. As described in the section titled "*Objects of the Offer*" on page 94, we intend to use the Net Proceeds for various purposes, including but not limited to, (i) funding capital expenditure towards expansion of our existing manufacturing facility at Mysore, Karnataka, and near our existing manufacturing facility at Manesar, Haryana, and (ii) investment in our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, for setting up a new facility at Chamarajanagar, Karnataka . We have estimated the total cost of such capital expenditure to be ₹ 2,482.30 million.

Our Company may have to revise its management estimates from time to time on account of various factors, including factors beyond its control such as market conditions, competition, cost of commodities and interest, and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section, may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds would require Shareholders' approval and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects of the Offer, at such price, and in such manner, in accordance with our Articles of Association, Companies Act and the SEBI ICDR Regulations. Further, none of the objects of this Offer, for which the Net Proceeds will be utilized, have been appraised by any bank or financial institution.

45. We intend to utilise the Net Proceeds for funding our capital expenditure requirements and we are yet to place orders for such capital expenditure requirements. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices, which could adversely affect our expansion plans.

We propose to utilize ₹ 2,482.30 million of our Net Proceeds towards (i) expansion of our existing facility at Mysore, Karnataka, and near our existing facility at Manesar, Haryana, and (ii) investment in our wholly-owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, for setting up a new facility at Chamarajanagar, Karnataka. For further information, see "*Objects of the Offer*" on page 94. We have not entered into any definitive agreements with any of the vendors, and have relied on the quotations received from vendors. Further, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations, that there will not be cost escalations and that we would be able to procure such equipment in a timely manner, or that we will complete our expansion works within the estimated timelines, and if not, obtain extensions for the quotations at reasonable cost to us, if at all. There is no assurance that we would be able to source such upgradation in a timely manner or at commercially acceptable prices, which could adversely affect our expansion plans and consequently, our business and results of operations.

46. We intend to utilise a portion of the Net Proceeds towards funding the capital expenditure of our Subsidiary, Kaynes Electronics Manufacturing Private Limited ("KEMPL") and we cannot assure you that we will be able to derive the benefits from the proposed object.

Our Company proposes to utilise ₹ 1,493.00 million towards funding the capital expenditure of our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited ("**KEMPL**"), in order to set up a new manufacturing facility at Chamarajanagar, Karnataka. The proposed investment by our Company will be undertaken to set -up a new manufacturing facility for carrying out Electronic Manufacturing Services.

The land on which the new facility will be set up is located at Plot no. 27 at Badanguppe Kellamballi Industrial Area in SY No. 388, 387, 118, 241 & 517 of Kellamballi Village, Kasaba hobli, Chamarajanagar Taluka, Chamarajanagar district - 571313, Karnataka, India with a total built-up area measuring 200,000 sq ft. This property has been allotted to our Company by Karnataka Industrial Area Development Board ("**KIADB**") which was funded through our internal accruals, and will be leased to KEMPL for setting up the new facility. For further information, see "*Objects of the Offer*" on page 104.

We have procured a detailed project report dated April 11, 2022, prepared for PCB, Electronics System & Design Services Space for our Company and issued by Resurgent India Limited, an independent consultant ("**DPR**"), for the proposed object of the Offer, which is based on certain estimates and assumptions. Our Company has also relied on management estimates. These estimates are dependent on current conditions and are subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies and the passage of time. We cannot assure that we will be able to derive the benefits from the proposed object, or derive the synergies of the proposed project with existing business and operations of the Company. Our management will have broad discretion to use the Net Proceeds and the Company will be relying on the judgment of our management regarding the application of these Net Proceeds. Subject to applicable laws, we may have to revise our funding requirements, including increasing or decreasing expenditure for expansion programme on account of a variety of factors. Our capital expenditure plans are subject to a number of variables, some of which may be beyond our control, including the changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges.

We cannot assure you that we will be able to obtain the approvals from the regulatory authorities in a timely manner or at all and any delays in getting the required approvals could give rise to cost overruns and delays in our implementation schedules. Further, there could be delays in setting up proposed facility through KEMPL, as a result of, among other things, contractors' failing to perform, unforeseen engineering problems, disputes with workers, or force majeure events or other factors beyond control of the Company, any of which could give rise to cost overruns and delays in our implementation schedule. If the proposed project is subject to time and/or cost overruns, it could have an adverse effect on our business, results of operations, financial condition and growth prospects. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For further information, see "*Objects of the Offer - Details of the Objects of the Fresh Issue*" on page 96.

47. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Frost & Sullivan (India) Private Limited exclusively commissioned and paid for by us for such purpose.

We have used the report titled "*Assessment Of Electronics System Design & Manufacturing, Skill Development (ESDM) In India*" dated April 13, 2022 ("F&S Report") by Frost & Sullivan (India) Private Limited appointed on November 16, 2021, for purposes of inclusion of such information in this Draft Red Herring Prospectus, and exclusively commissioned by our Company for purposes of inclusion of such information in the offer documents at an agreed fees to be paid by our Company. Given the scope and extent of the F&S Report, disclosures are limited to certain excerpts and the F&S Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. 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. The report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. Further, there is no assurance that such information are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Also see, "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 17.

48. 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.

49. 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 Draft Red Herring Prospectus, our Promoters collectively held 88.39% of the share capital of our Company on a fully-diluted basis. For further information of their shareholding pre and post-offer, see "*Capital Structure - History of the share capital held by our Promoters and Selling Shareholders*" on page 83. After the completion of the Offer, 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 also may 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 stockholders. 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 in relation to the interests of our Promoters in the Company, see *"Our Promoter and Promoter Group"* on pages 234. Post listing, our Promoters will continue to exercise significant influence over us through their shareholding after the Offer. In accordance with applicable laws and regulations, our Promoters will have the ability to exercise, directly or indirectly, a significant influence over our business.

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

Our Promoters, certain of our Directors and Key Managerial Personnel, 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 "*Offer Document Summary – Summary of Related Party Transactions*" on page 25. We cannot assure you that our Promoters, Directors and Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As Shareholders of our Company, our Promoters, Directors or Key Managerial Personnel, may take or block actions with respect to our business which may conflict with the interests of the minority shareholders of our Company.

51. 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 December 31, 2021, we have been granted two trademark registrations. For further information, see "*Government and Other Approvals – Intellectual Property Rights*" on page 361. 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.

52. We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale. Other than the listing fees (which shall be borne by our Company), the Offer related expenses shall be shared amongst our Company and the Selling Shareholders in the proportion with the amount pertaining to Fresh Issue and Offer for Sale in the Offer. In case our Company withdraws the Offer in the future, the said expenses shall be shared between the Selling Shareholders and our Company in proportion with the respective amount proposed to be raised.

53. 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 ten 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 194.

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 Draft Red Herring Prospectus. 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 the 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.

54. 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 Draft Red Herring Prospectus, 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.

55. Our Promoter has pledged certain of his Equity Shares and entered into agreement for the pledge of shares with certain lenders. Any exercise of such pledge by the lender or enforcement of such pledge could dilute the shareholding of these Promoters, which may adversely affect our business and future prospects.

As on the date of this Draft Red Herring Prospectus 2,239,250 and 680,000 Equity Shares held by Ramesh Kunhikannan, our Promoter, are pledged in favour of Vistra ITCL (India) Limited and Saraswat Co-operative Bank Limited, respectively pursuant to sanction letter dated July 12, 2018 and February 17, 2022, respectively, to secure the borrowing obligations of our Company with the respective lender. Owing to the dematerialization process, our Company has taken steps to re-pledge 1,019,999 Equity Shares in the dematerialized form and undertakes to complete it before the RHP. As on the date of this Draft Red Herring Prospectus, none of our lenders have invoked any pledge on our Equity Shares in the past. The total pledged Equity Shares shall constitute 8.53 % of the pre-offer capital prior to CCPS Conversion and 8.42 % of the pre-offer capital post CCPS Conversion of the shareholding of Ramesh Kunhikannan, our Promoter and the Company confirms that 20% of the post-Offer Equity Share capital of our Company shall be available for the promoter contribution post completion of the pledge.

Any default under the agreements pursuant to which these Equity Shares have been pledged will entitle the pledgee to enforce the pledge over these Equity Shares. Till the date of the Draft Red Herring Prospectus, none of our lenders have invoked any pledged Equity Shares of our Company in the past. Further, any default under the loan agreements following the creation of a pledge on the Equity Shares of our Company may result in, inter alia, reduction on the aggregate shareholding of our Promoter, the lender taking ownership of the pledged shares, selling the pledged shares to any third party purchaser, and attending and exercising voting rights in respect of the pledged shares on any matter at any meeting of the members of our Company. For further information in respect of encumbrances created on the Promoters' shareholding, see "*Capital Structure – Build-up of the shareholding of our Promoters in our Company*" on page 83.

56. 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.

57. We have issued Equity Shares during the preceding 12 months at prices that may be lower than the Offer Price.

We have, in the 12 months preceding the filing of this Draft Red Herring Prospectus, issued Equity Shares at prices that may be lower than the Offer Price. The price at which Equity Shares have been issued by our Company in the preceding 12 months is not indicative of the price at which they will be issued or traded. See "*Capital Structure – Notes to Capital Structure - Issue of Shares at a price lower than the Offer Price in preceding one year from date of the Draft Red Herring Prospectus*" on page 83. The price at which our Company has issued the Equity Shares in the past is not indicative of the price at which they will be issued or traded.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Nature of allotment
October 22, 2021	10	10	600	Cash	Private Placement
December 25, 2021	10	10	600	Cash	Private Placement
December 27, 2021	332,415	10	Not Applicable	Cash (₹ 250 paid at the time of CCPS subscription	Allotment pursuant to conversion of 479,990 CCPS
December 27, 2021	435,451	10	Not Applicable	Cash (₹ 250 paid at the time of CCPS Series A subscription	Allotment pursuant to conversion of 600,000 CCPS Series A

58. 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 December 31, 2021, such loans availed by our Company amounted to ₹ 50.13 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.

59. 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.

60. 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 Statements*" and "- *Certain of our manufacturing facilities, design facility, service centres and offices are located on leased premises."* on pages 287 and 52, respectively.

61. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.

Our total revenue from operations and profit after tax (i) for Fiscal 2021 was ₹ 4,206.27 million and ₹ 97.33 million, respectively; and (ii) for the nine months ended December 31, 2021 was ₹ 4,677.75 million and ₹ 218.23 million, and the market capitalization to revenue (Fiscal 2021) multiple is [●] times and price to earnings ratio (based on Fiscal 2021 profit after tax for the year) is [●] at the upper end of the Price Band. The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through a book-building process, and certain quantitative and qualitative factors as set out in the section titled "*Basis for Offer Price*" on page 115 and the Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and international markets, regulatory amendments, strategic alliances, COVID-19 related or similar situations, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

62. 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

63. 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.

64. 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. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. 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.

65. 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.

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

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the component industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of price points of various input costs and thereby increase our operational cost.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions)

Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975.

Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. With the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

The Government of India announced the union budget for Fiscal 2023, following which the Finance Bill, 2022 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill received the assent from the President of India on March 30, 2022, and became the Finance Act, 2022 ("**Finance Act**"). There is no certainty on the impact of Finance Act on tax laws or other regulations, which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. Once these codes are in force, we may be required to incur additional expenditure to ensure compliance with them. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

67. Financial 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, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability 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 vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. 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. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

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. 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 stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

68. 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 Offer

69. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. A majority of our assets, our Key Managerial Personnel and officers 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. India is not party to any international 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 Indian Code of Civil Procedure, 1908. 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, 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, there is no assurance 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 amount may also be subject to income tax in accordance with applicable law.

70. The trading volume and market price of the Equity Shares may be volatile following the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- 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 performance, 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 by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

71. 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, 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. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

72. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 115 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

73. 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 in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Further, the Finance Act, 2020 ("Finance Act 2020"), passed by the Parliament of India, stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends.

Additionally, the Finance Act does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

More recently, with the Finance Bill scheduled to be passed in the ongoing budget session of the Parliament, we cannot predict whether any amendments made pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

There is no certainty on the impact of Financial Bill once passed on tax laws or other regulations, which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

74. There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer.

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the stock exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

75. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

76. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

77. 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 the 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.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities 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 any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

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 "*Restrictions on Foreign Ownership of Indian Securities*" on page 405.

78. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Consolidated Financial Statements for Fiscal 2019, 2020 and 2021 and the nine months ended December 31, 2021, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

79. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for the Offer Price*" on page 115 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further information, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 368. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

80. Qualified Institutional Buyers and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Bidders can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

81. 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.

82. A third-party could be prevented from acquiring control of us post this Offer, 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 Offer. 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.

83. 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.

84. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. "Foreign Account Tax Compliance Act" (or "FATCA") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term “foreign passthru payment” is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered “foreign passthru payments”. The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address “foreign passthru payments” and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as “foreign passthru payments”. Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

SECTION III – INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Equity Shares Offered	
Offer(1)	Up to [●] Equity Shares, aggregating up to ₹ [●] million
The Offer comprises of:	
Fresh Issue (1) (7)	Up to [●] Equity Shares, aggregating up to ₹ 6,500 million
Offer for Sale (2)	Up to 7,200,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders
Of which	
Offer for Sale by Promoter Selling Shareholder	Up to 3,700,000 Equity Shares, aggregating up to ₹ [●] million
Offer for Sale by Investor Selling Shareholder	Up to 3,500,000 Equity Shares, aggregating up to ₹ [●] million
Consisting of	
Employee Reservation Portion(4)(8)	Up to [●] Equity Shares aggregating up to ₹ 15 million
The Net Offer consists of:	
QIB Portion(3)(4)	Not more than [●] Equity Shares aggregating up to ₹ [●] million
of which:	
- Anchor Investor Portion(3)	Up to [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
a) Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares
b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion(5)(6)	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Retail Portion (6)	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus and prior to conversion of CCPS*)	46,158,006 Equity Shares
Maximum Equity Shares outstanding prior to the Offer (post conversion of CCPS Series B and CCPS Series C)*	46,799,496 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	Our Company will not receive any proceeds from the Offer for Sale. See "*Objects of the Offer*" on page 94 for information about the use of the proceeds from the Fresh Issue.

* *The outstanding CCPS Series B and CCPS Series C will be converted up to a maximum of 641,490 Equity Shares prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(1) *The Offer has been authorised by our Board of Directors pursuant to resolution dated March 31, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to the resolutions passed at their meetings each dated April 1, 2022. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated April 8, 2022.*

(2) *Each of the Selling Shareholder, severally and not jointly, confirms that the respective portion of the Offered Shares have been held by them are accordingly eligible for being offered for sale in the Offer as required under Regulation 8 of the SEBI ICDR Regulations as stated below:*

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S. No.	*Name of the Selling Shareholder*	*Date of consent letter*	*Number of Offered Shares*
1.	*Ramesh Kunhikannan*	*April 7, 2022*	*Up to 3,700,000*
2.	*Freny Firoze Irani*	*April 7, 2022*	*Up to 3,500,000*
Total			*Up to 7,200,000*

For more details, see "Other Regulatory and Statutory disclosures – Authority for the Offer" beginning on page 362.

(3) *Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 385.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to Applicable Law. The unsubscribed portion, if any, in the Employee Reservation*

Portion (after such allocation up to ₹500,000), shall be added to the Net Offer. Under subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category, except Employee Reservation Portion or combination of categories at the discretion of the Company, the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 100% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by Selling Shareholders. For details, see "Offer Structure" on page 381.

(5) *Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion.*

(6) *Allocation to Bidders in all categories, except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion, of any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than ₹ 200,000, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 385.*

(7) *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including convertible securities which will be convertible into Equity Shares ("Specified Securities"), through a rights issue, private placement, preferential offer or any other method as may be permitted under Applicable Law to any person(s), aggregating up to ₹ 1,300 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). if the Pre-IPO Placement is completed, the fresh issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"). In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into Equity Shares prior to filing of the Red Herring Prospectus with the RoC.*

(8) *Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Offer.*

For details, including in relation to grounds for rejection of Bids, see "*Offer Structure* "and "*Offer Procedure*" on pages 381 and 385, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 375.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 242 and 315, respectively.

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Restated Consolidated Statement of Assets and Liabilities

(In ₹ million)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
A. ASSETS				
Non-Current Assets				
Property, plant and equipment	587.66	570.65	502.22	453.29
Intangible assets	101.06	126.94	45.14	49.52
Capital work-in-progress	26.45	10.06	49.75	21.96
Intangible under development	191.18	116.17	69.70	-
Rights-of-Use Assets	66.46	78.58	86.40	-
Goodwill	23.44	23.44	23.44	23.44
Financial assets				
(i) Investments	15.18	16.89	15.97	21.36
(ii) Loans and deposits	42.02	31.48	26.14	29.47
(iii) Other financial assets	27.79	13.00	12.96	9.15
Other non-current assets	54.28	14.51	44.90	22.11
Total non-current assets	**1,135.52**	**1,001.72**	**876.62**	**630.30**
Current Assets				
Inventories	2,171.25	1,638.65	1,511.10	1,217.82
Financial assets:				
i) Trade receivables	1,563.74	1,217.48	936.49	1,229.61
ii)Cash and cash equivalents	162.13	30.50	7.43	8.35
iii)Bank balances other than cash and cash equivalents	130.58	112.05	115.37	315.32
iv)Loans and deposits	33.90	18.20	51.18	63.76
v)Other financial assets	2.84	2.02	6.79	3.26
Other current assets	230.64	173.05	276.17	164.61
Total current assets	**4,295.08**	**3,191.95**	**2,904.53**	**3,002.73**
TOTAL ASSETS	**5,430.60**	**4,193.67**	**3,781.15**	**3,633.03**
B. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	76.93	68.00	68.00	68.00
Instruments entirely equity in nature	3.79	10.80	-	-
Other Equity	1,742.54	1,307.78	958.98	859.43
Non-controlling interest	11.32	9.05	5.49	6.62
Total equity	**1,834.58**	**1,395.63**	**1,032.47**	**934.05**
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
i) Borrowings	300.26	170.86	97.96	295.46
ii) Lease liabilities	56.61	64.36	90.17	-
Deferred Tax Liabilities (Net)	56.33	52.41	79.06	76.61
Long Term Provisions	51.50	32.01	27.14	23.41
Total non-current liabilities	**464.70**	**319.64**	**294.33**	**395.48**
Current Liabilities				
Financial Liabilities:				
i) Short-term borrowings	1,375.40	1,223.81	1,340.31	1,260.92
ii) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	69.45	66.34	52.90	6.67
- Total outstanding dues to other than micro enterprises and small enterprises	1,232.65	887.98	867.91	892.65
iii) Other financial liabilities	88.40	65.90	59.89	52.32
iv) Lease liabilities	22.31	25.43	3.57	-
Current tax liabilities (net)	86.18	16.45	7.85	7.32
Other current liabilities	247.44	185.82	119.36	77.23
Short-term provisions	9.49	6.67	2.56	6.39
Total Current Liabilities	**3,131.32**	**2,478.40**	**2,454.35**	**2,303.50**
Total Liabilities	**3,596.02**	**2,798.04**	**2,748.68**	**2,698.98**
Total Equity and Liabilities	**5,430.60**	**4,193.67**	**3,781.15**	**3,633.03**

Restated Consolidated Statement of Profit and Loss

(In ₹ million)

Particulars	Nine months period ended December 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Income				
Revenue from operations	4,677.75	4,206.27	3,682.38	3,642.31
Finance Income	8.14	10.62	11.97	11.41
Other Income	33.40	29.74	7.31	12.25
Total Income (A)	**4,719.29**	**4,246.63**	**3,701.66**	**3,665.97**
Expenses				
Cost of materials consumed	3,306.01	2,822.99	2,603.38	2,463.15
Changes in inventories of Finished goods and traded goods	(39.14)	38.23	(186.58)	(46.58)
Employee Benefit Expenses	452.66	458.99	424.31	434.03
Depreciation and amortization expense	94.35	100.76	83.79	51.31
Finance Cost	184.43	239.79	236.02	187.19
Other Expenses	421.68	477.15	427.94	441.23
Total Expenses (B)	**4,419.99**	**4,137.91**	**3,588.86**	**3,530.33**
Restated profit before tax (A-B)=C	**299.30**	**108.72**	**112.80**	**135.64**
Tax Expenses				
Income taxes - Current tax	75.33	36.23	19.55	30.27
- Earlier year tax adjustments	-	-	(0.47)	(0.73)
Deferred tax Charge/ (Credit)	5.74	(24.84)	0.17	8.82
Total tax expense (D)	**81.07**	**11.39**	**19.25**	**38.36**
Restated profit after tax (C - D)=E	**218.23**	**97.33**	**93.55**	**97.28**
Related other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Re-measurement gains/ (losses) on defined benefit plans	(8.79)	(5.41)	9.16	(0.39)
Exchange differences in translating financial statements of foreign operations	(0.95)	(1.70)	0.06	(0.94)
Income tax effect	2.45	1.79	(3.22)	0.37
Other comprehensive income for the period/year, net of tax (F)	**(7.29)**	**(5.32)**	**6.00**	**(0.96)**
Restated total comprehensive income for the period / year, net of tax (E+F)	**210.94**	**92.01**	**99.55**	**96.32**
Less: Share of Profit /(Loss) of minority interest	2.27	3.56	(1.20)	0.27
Total comprehensive income for the period/year, net of tax	**208.67**	**88.45**	**100.75**	**96.05**
Earnings per share (nominal value of Rs. 10 each)				
Basic*	5.19	2.28	2.32	2.38
Diluted	4.66	2.15	2.32	2.38

The above EPS computation is after considering bonus issue

Restated Consolidated Statement of Cash Flow

(In ₹ million)

Particulars	For the nine months period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Cash flow from operating activities				
Net profit before extraordinary items and tax	299.30	108.72	112.80	135.64
Adjustments for :				
Depreciation and Amortisation Expense	94.35	100.76	83.79	51.31
Provision for doubtful debts	-	-	-	-
Lease straight lining adjustment	-	-	-	-
Provision for Withholding tax receivable	-	-	-	-
Fair valuation impact of Security deposit	-	-	-	-
Unrealised foreign exchange gain (net)	0.79	(0.13)	1.63	-
Interest expense	184.43	239.79	236.02	187.19
Interest on Income tax	-	-	-	-
Interest income	(6.82)	(6.71)	(7.63)	(6.38)
Operating profit before working capital changes, extraordinary items	**572.05**	**442.43**	**426.61**	**367.76**
Adjustments for:				
(Increase)/ decrease in Inventories	(532.60)	(127.55)	(293.28)	(356.10)
(Increase)/Decrease in Trade receivables	(346.26)	(280.99)	293.12	129.20
(Increase)/Decrease in Loans and Advances and other assets	(145.94)	160.48	(120.26)	(76.88)
Increase/(Decrease) in Trade payable and other liabilities	421.03	102.03	164.93	(83.76)
Increase/(Decrease) in Provisions	22.31	8.98	(0.10)	8.70
Cash Generated (used in) / From Operations	**(9.41)**	**305.38**	**471.02**	**(11.08)**
Income tax Received / (Paid)	(8.27)	(28.08)	(18.55)	(64.73)
Net Cash from Operating Activities	**(17.68)**	**277.30**	**452.47**	**(75.81)**
Cash Flow from Investing Activities				
Purchase of fixed assets	(164.76)	(249.95)	(312.23)	(105.37)
Sale of fixed assets	-	-	-	-
Interest Received	6.82	6.71	7.63	6.38
Proceeds from Sale of investments / fixed deposits matured	(16.82)	2.40	205.34	(309.85)
Net cash generated from investing activities	**(174.76)**	**(240.84)**	**(99.26)**	**(408.84)**
Net Cash from/(used) in Financing Activities (C)				

Particulars	For the nine months period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Proceeds from issue of Share Capital :				
- Equity	0.00	0.00	-	-
- Preference	3.79	10.80	-	-
Share Premium received :				
- Equity	0.01	-	-	-
- Preference	223.70	259.20	-	-
Repayment of long term borrowings	129.40	72.90	(197.50)	109.82
Proceeds from short term borrowings	151.59	(116.50)	79.39	563.38
Interest expense	(184.43)	(239.79)	(236.02)	(187.19)
Net Cash from/(used) in Financing Activities	**324.06**	**(13.39)**	**(354.13)**	**486.01**
Net Increase in Cash and Cash Equivalents	**131.63**	**23.07**	**(0.92)**	**1.37**
Cash and cash equivalents as on April 1	30.50	7.43	8.35	6.98
Cash and cash equivalents at the end of period	**162.13**	**30.50**	**7.43**	**8.35**
Components of cash and cash equivalents				
Balance with scheduled banks on:				
- on Current Account	161.60	30.19	4.51	8.01
- on depsoit accounts	0.15	0.18	0.15	0.13
Cash on Card	-	-	-	-
Cash on Hand	0.38	0.13	2.77	0.21
Cash and cash equivalents at the end of period	**162.13**	**30.50**	**7.43**	**8.35**

GENERAL INFORMATION

Our Company was incorporated on March 28, 2008 at Mysore, Karnataka as a private limited company under the Companies Act, 1956, with the name 'Kaynes Technology India Private Limited' 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 the 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 relating to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 205.

Corporate Identity Number: U29128KA2008PLC045825

Company Registration Number: 045825

Registered and Corporate Office of our Company

Kaynes Technology India Limited
23-25, Belagola, Food Industrial Estate,
Metagalli P.O., Mysore – 570016,
Karnataka, India
Website: www.kaynestechnology.co.in

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Karnataka at Bangalore which is situated at the following address:

Registrar of Companies, Karnataka at Bangalore
Kendriya Sadan, 2nd Floor
E – Wing, Koramangala
Bangalore – 560 034
Karnataka, India

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board comprises of the following Directors:

Name	Designation	DIN	Address
Ramesh Kunhikannan	Managing Director	02063167	128/11, Rukmini, Emerald Enclave, Belavadi, Mandya – 571606, Karnataka, India
Savitha Ramesh	Chairperson and Whole-time Director	01756684	Rukmani, Emerald Enclave, Belavadi Post, Mandya -571606, Karnataka, India
Jairam Paravastu Sampath	Whole-time Director and Chief Financial Officer	08064368	103, Bougainvilla, Sankalp Central Park, Jawa Main Road, Old Jawa Factory, Yadavagiri, Mysuru- 570020, Karnataka, India
Anup Kumar Bhat	Independent Director	06470857	361, Rainbow Drive, Doddakennahalli, Sarjapur Road, Bengaluru Rural – 560035, Karnataka, India
Vivekanandah Ramasamy	Independent Director	06563820	Plot no 16 & 17, Maruthi Nagar, Krishnagiri Main Road Hosur, Krishnagiri – 635109, Tamil Nadu, India
Koshy Alexander	Independent Director	07896084	59, 2nd Main, Jaladarshini Bel Layout, New Bel Road, Bengaluru – 560094, Karnataka
Murali S G	Independent Director	00348902	No 8 Shruthi, 515 Housing Colony, Hal 3rd Stage, Bengaluru – 560075, Karnataka

Name	Designation	DIN	Address
Poornima Ranganath	Independent Director	00349450	No. 187, 37th Cross, 18th Main, 4th T Block, Jayanagar, Bangalore – 560 041, Karnataka, India

For further details of our Board of Directors, see "*Our Management*" beginning on page 217.

Company Secretary and Compliance Officer

Srividhya Narayanan is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Srividhya Narayanan
23-25, Belagola, Food Industrial Estate,
Metagalli P.O., Mysore - 570016,
Karnataka, India
Tel: +91 82125 82595
E-mail: kaynestechcs@kaynestechnology.net

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus will be uploaded on the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, as specified in Regulation 25(8) of the SEBI ICDR Regulations and in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and is being filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

A copy of the Red Herring Prospectus, along with the material contracts and documents will be required to be filed under Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at http://www.mca.gov.in.

Book Running Lead Managers

DAM Capital Advisors Limited
(*Formerly IDFC Securities Limited***)**
One BKC, Tower C, 15th Floor, Unit No. 1511,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051, Maharashtra, India
Tel: +91 22 4202 2500
E-mail: kaynes.ipo@damcapital.in
Investor Grievance E-mail: complaint@damcapital.in
Website: www.damcapital.in
Contact Person: Chandresh Sharma/ Nidhi Gupta
SEBI Registration No.: MB/INM000011336

IIFL Securities Limited
IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013
Maharashtra, India
Tel.: +91 22 4646 4600
E-mail: kaynes.ipo@iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Manish Jain/ Shirish Chikalge
SEBI Registration No.: INM000010940

Legal Counsel to the Company as to Indian Law

J. Sagar Associates
Sandstone Crest
Sushant Lok Phase 1
Gurgaon 122 009, India
Tel: +91 124 439 0600

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.
Tel: +91 22 2266 3353

International Legal Counsel to the Book Running Lead Managers

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321
Tel: +65 6538 0900

Statutory Auditor to our Company

K. P. Rao & Co
Chartered Accountants
2nd Floor, Poornima, 25, State Bank Road,
Bangalore - 560 001. Karnataka, lndia.
Tel: +91 80 2558 7385
Email: info@kprao.co.in
Contact Person: Mohan R Lavi, Partner
Peer Review Certificate Number: 012753
Firm Registration Number: 003135S

Changes in Statutory Auditors

Except as disclosed below, there has been no change in the Statutory Auditors of our Company during the last three years preceding the date of this DRHP:

Name	Date of Change	Reason for Change
Varma & Varma, Chartered Accountants 424, 4th 'C' Main, 6th Cross, OMBR Layout, Banaswadi, Bangalore - 560043 **Email:** bangalore@varmaandvarma.com **Firm Registration Number:** 004532S **Peer Review Certificate Number:** 011759	November 29, 2021	K.P. Rao & Co were appointed pursuant to M/s. Varma and Varma retiring as per Section 39 of the Companies Act, 2013, upon expiry of their term of 10 years.
K. P. Rao & Co, Chartered Accountant 2nd Floor, Poornima, 25, State Bank Road, Bangalore - 560 001. Karnataka, India **Tel:** +91 80 2558 7385 **Email:** info@kprao.co.in **Peer Review Certificate Number:** 012753 **Firm Registration Number:** 003135S		

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: kaynes.ipo@linkintime.co.in
Investor grievance e-mail: kaynes.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Bankers to the Offer

[●]

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

Saraswat Co-operative Bank Limited
2909, New Kantharaj URS Road,
Saraswathipuram, 1st Main, Mysore – 570009
Tel: 821 2544666/2542266
Email: gangadhar.jamadar@saraswatbank.com

Canara Bank
No. 442, 6th main Vijayanagar I stage,
Mysore – 570017, Karnataka
Tel: 0821 2528355
Email: cb4966@canarabank.com

HDFC Bank Limited
Salco Center, 8/24, Richmond Road,
Banaglore – 560025
Tel: 08066633042
Email: ranjeetkumar.mishra@hdfcbank.com

State Bank of India
SME Branch, Saraswathipuram, #7/3, M.R.N.
Signature, Vishwamanava Double Road
Saraswathipuram, Mysuru – 570 009
Tel: 0821-2417122, 24, 27
Email: sbi.04161@sbi.co.in

Syndicate Members

[●]

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with RoC. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer - Proposed schedule of implementation and deployment of Net Proceeds*" on page 95.

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 &

https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https:// www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) & https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35)and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated April 13, 2022 from K. P. Rao & Co, Chartered Accountants, Statutory Auditors of our Company, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated April 4, 2022 on our Restated Consolidated Financial Statements; and (ii) their report dated April 13, 2022 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated April 8, 2022 from K. L. Arun, Independent Chartered Engineer to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Independent Chartered Engineer, in respect of the reports and certificates dated April 8, 2022 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated April 4, 2022 from Resurgent India Limited, an independent consultant, issuing the detailed project report dated April 11, 2022, prepared for PCB, Electronics System & Design Services Space for our Company, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an 'expert' under Section 2(38) of Companies Act, 2013 in respect of the Project Report dated April 11, 2022. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent dated April 13, 2022 from ASA & Associates LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Independent Chartered Accountant, in respect of its reports and certificates and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act;

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	DAM Capital and IIFL	DAM Capital
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	DAM Capital and IIFL	DAM Capital
3.	Drafting and approval of all statutory advertisements	DAM Capital and IIFL	DAM Capital
4.	Drafting and approval of basis of allotment advertisement, all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI.	DAM Capital and IIFL	IIFL
5.	Appointment of Registrar and Ad agency	DAM Capital and IIFL	DAM Capital
6.	Appointment of all other intermediaries including Printer, Banker (s) to the Offer, Syndicate, Monitoring Agency, etc. (including coordination of all agreements)	DAM Capital and IIFL	IIFL
7.	Preparation of road show presentation and FAQs for the road show team	DAM Capital and IIFL	IIFL
8.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	DAM Capital and IIFL	IIFL
9.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	DAM Capital and IIFL	DAM Capital
10.	Conduct non-institutional marketing of the Offer	DAM Capital and IIFL	DAM Capital
11.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget	DAM Capital and IIFL	IIFL

Sr. No.	Activity	Responsibility	Co-ordination
	• Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material		
12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, 1% security deposit.	DAM Capital and IIFL	DAM Capital
13.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	DAM Capital and IIFL	IIFL
14.	Post-Offer activities – managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation, management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery and preparation of CAN for Anchor Investors, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf the Selling Shareholder, coordination for investor complaints related to the Offer, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	DAM Capital and IIFL	IIFL

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band will be decided by our Company and Selling Shareholders, in consultation with the BRLMs and Minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and Mysore edition of [●] (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date.

All bidders, except Anchor Investors, are mandatorily required to use ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Investors shall participate through the ASBA process by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 375 and 385, respectively.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to (i) final approval of RoC on Prospectus; and (ii) obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

Explanation of Book Building and Price Discovery Process

For an explanation of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 385.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, prior to the filing of the Prospectus with the RoC. Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered in the Offer.

The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(*This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)*

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made by the Underwriters to our Company), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board or duly constituted committee of our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(In ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL** (1)		
	70,000,000 Equity Shares of face value of ₹ 10 each	700,000,000	-
	2,000,000 CCPS of face value of ₹ 10 each	20,000,000	
	Total	**720,000,000**	
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER (PRIOR TO CONVERSION OF THE CCPS)**		
	46,158,006 Equity Shares of face value of ₹ 10 each	461,580,060	-
	CCPS of face value of ₹ 10 each comprising:		
	83,323 CCPS Series B of face value of ₹ 10 each (2)		-
	250,000 CCPS Series B of face value of ₹ 10 each (2)		
	45,823 CCPS Series C of face value of ₹ 10 each (2)	3,791,460	
	Total	**465,371,520**	
C.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER (UPON CONVERSION OF THE CCPS)**		
	Maximum up to 46,799,496 Equity Shares of face value of ₹ 10 each (2)	467,994,960	[●]
D.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares of face value ₹ 10 aggregating to up to ₹ [●] million** (3)	[●]	-
	Of which		
	Fresh Issue of up to [●] Equity Shares of face value ₹ 10 aggregating to up to ₹ 6,500 million** (3)	[●]	[●]
	Offer for Sale of up to 7,200,000 Equity Shares of face value ₹ 10 aggregating to up to ₹ [●] million (3) (4)	[●]	[●]
	Which includes		
	Employee Reservation Portion of up to [●] Equity Shares(5) aggregating to up to ₹ 15 million	[●]	[●]
	Net Offer to the public of up to [●] Equity Shares	[●]	[●]
E.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value ₹ 10 each*	[●]	-
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer *(as on the date of Draft Red Herring Prospectus)*	107,637,880	
	After the Offer	[●]	

** To be included upon finalization of Offer Price.*

*** Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including convertible securities which will be convertible into Equity Shares ("Specified Securities"), through a rights issue, private placement, preferential offer or any other method as may be permitted under Applicable Law to any person(s), aggregating up to ₹ 1,300 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). if the Pre-IPO Placement is completed, the fresh issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"). In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into Equity Shares prior to filing of the Red Herring Prospectus with the RoC.*

(1) *For details in relation to changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 206.*

(2) *250,000 CCPS Series B held by Freny Firoze Irani shall be converted upto a maximum of 426,060 Equity Shares, 83,323 CCPS Series B held by Ganesh Cherapuram Balasubramanian shall be converted upto a maximum of 142,020 Equity Shares and 45,823 CCPS Series C held by Bharadwaj Turlapati shall be converted upto a maximum of 73,410 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5 (2) of the SEBI ICDR Regulations.*

(3) *The Offer has been authorized by our Board pursuant to the resolution passed at the board meeting dated March 31, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated April 1, 2022.*

(4) *Each Selling Shareholder, severally and not jointly, confirms that their respective portion of the Offered Shares have been held by such Selling Shareholders for a period of at least one year prior to filing of this Draft Red Herring Prospectus and are eligible for the Offer for Sale in accordance with Regulation 8 of the SEBI ICDR Regulations.*

(5) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.*

Notes to the Capital Structure

1. Share Capital History of our Company.

a. History of Equity Share capital

The following table sets forth the history of the Equity Share capital of our Company*:*

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Name of allottees	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 20, 2008	10,000	10	10	Cash	Initial subscription to the MoA	Ramesh Kunhikannan was allotted 9,500 Equity Shares and Savitha Ramesh was allotted 500 Equity Shares	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	Ramesh Kunhikannan was allotted 990,000 Equity Shares	1,000,000	10,000,000
March 12, 2011	1,500,000	10	Not Applicable	Not Applicable	Bonus issue of Equity Shares in the ratio of three Equity Shares for every two Equity Shares held as on March 12, 2011	Ramesh Kunhikannan was allotted 1,499,250 Equity Shares and Savitha Ramesh was allotted 750 Equity Shares	2,500,000	25,000,000
September 1, 2012	2,450,000	10	Not Applicable	Not Applicable	Bonus issue of Equity Shares in the ratio of 0.98 Equity Shares for every 1 Equity Shares held as on July 2, 2012	Ramesh Kunhikannan was allotted 2,448,775 Equity Shares and Savitha Ramesh was allotted 1,225 Equity Shares	4,950,000	49,500,000
April 4, 2016	150,000	10	100	Cash	Rights issue	Ramesh Kunhikannan was allotted 150,000 Equity Shares	5,100,000	51,000,000
September 21, 2017	1,699,992	10	Not Applicable	Not Applicable	Bonus issue of Equity Shares in the ratio of one Equity Share for every three Equity Shares held as on August 24, 2017	Ramesh Kunhikannan was allotted 1,699,167 Equity Shares and Savitha Ramesh was allotted 825 Equity Shares	6,799,992	67,999,920
June 24, 2020	10	10	249.99	Cash	Private placement	Freny Firoze Irani was allotted 10 Equity Shares	6,800,002	68,000,020
October 22, 2021	10	10	600	Cash	Private placement	Ganesh Cherapuram Balasubramanian was allotted 10 Equity Shares	6,800,012	68,000,120

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Name of allottees	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
December 25, 2021	10	10	600	Cash	Private placement	Bharadwaj Turlapati was allotted 10 Equity Shares	6,800,022	68,000,220
December 25, 2021	55,605	10	Not Applicable	Not Applicable	Bonus issue of Equity Shares in the ratio of 11,121 Equity Shares for every 95,998 CCPS held on December 20, 2021	Freny Firoze Irani was allotted 55,605 Equity Shares	6,855,627	68,556,270
December 25, 2021	69,508	10	Not Applicable	Not Applicable	Bonus issue of Equity Shares in the ratio of 17,377 Equity Shares for every 150,000 CCPS Series A held on December 20, 2021	Freny Firoze Irani was allotted 69,508 Equity Shares	6,925,135	69,251,350
December 27, 2021	332,415*	10	Not Applicable	Cash (₹ 250 paid at the time of CCPS subscription	Allotment pursuant to conversion of 479,990 CCPS	Freny Firoze Irani was allotted 332,415 Equity Shares	7,257,550	72,575,500
December 27, 2021	435,451	10	Not Applicable	Cash (₹ 250 paid at the time of CCPS Series A subscription	Allotment pursuant to conversion of 600,000 CCPS Series A	Freny Firoze Irani was allotted 435,451 Equity Shares	7,693,001	76,930,010
February 25, 2022	38,465,005	10	Not Applicable	Not Applicable	Bonus issue of Equity Shares in the ratio of one Equity Shares for every five Equity Shares held on February 21, 2022	Refer footnote (1)	46,158,006	461,580,060
Total							**46,158,006**	**461,580,060**

** Out of total 332,415 Equity Shares issued by way of CCPS Conversion to Freny Firoze Irani, 39,057 Equity Shares were transferred to East FiftyFour Pte Limited and 39,056 Equity Shares were transferred to North TwentyThree Pte Limited on February 21, 2022.*

 # The Form 2 filed with the RoC in relation to this allotment has erroneously mentioned 'Cash' as the form of consideration.

(1) List of allottees who were allotted Equity Shares pursuant to the Bonus issue is as follows:

Sr. No.	*Name of the allottee*	*Number of Equity Shares allotted*
1.	*Ramesh Kunhikannan*	*33,983,350*
2.	*Freny Firoze Irani*	*4,074,380*
3.	*East FiftyFour Pte Limited*	*195,285*
4.	*North TwentyThree Pte Limited*	*195,280*
5.	*Savitha Ramesh*	*16,500*
6.	*Ganesh Cherapuram Balasubramanian*	*50*
7.	*Bharadwaj Turlapati*	*50*
8.	*Sunitha Shamsundar Bathija, representing Bathija Brothers*	*5*
9.	*Jayesh Kothari*	*5*
10.	*Bajaj Mukesh Kishorelal*	*5*
11.	*Lalit Kanunga HUF*	*5*
12.	*Ramesh Valecha HUF*	*5*
13.	*Geeth*	*5*
14.	*Priyesh Kumar representing Priyesh Enterprises*	*5*

15.	*Suresh Harilal representing Navkar Enterprises*	*5*
16.	*Rahul Kothari representing Kothari Finco*	*5*
17.	*Reena Kothari representing Soul Investments*	*5*
18.	*Chethan representing AJ Fincorp*	*5*
19.	*Dilip Kumar Sachdev, Shree Om Sai Associates*	*5*
20.	*Bathija Sanjay HUF*	*5*
21.	*P Manoharlal representing Manoharlal P CO*	*5*
22.	*A Chawla representing Amar Corporation*	*5*
23.	*Subash Lalchand Chhabria*	*5*
24.	*Girish Kumar representing Concard Partners*	*5*
25.	*Hitesh Kumar representing LM Credits*	*5*
26.	*Sangita Gopal Jadwani representing Shree Vinayaka Traders*	*5*
27.	*Renu M Makhija*	*5*
28.	*Sumen Valecha*	*5*
29.	*Ekkta Bathija*	*5*
	Total	***38,465,005***

b. History of Preference Share capital

The following table sets forth the history of the preference share capital of our Company*:*

Date of allotment	**Number of CCPS allotted/converted**	**Face value per CCPS (₹)**	**Issue price per CCPS (₹)**	**Nature of consideration**	**Nature of allotment**	**Name of allottees**	**Cumulative number of CCPS**	**Cumulative paid-up CCPS (₹)**
CCPS of face value ₹ 10 each								
June 24, 2020	479,990	10	250	Cash	Private Placement	Freny Firoze Irani was allotted 479,990 CCPS	479,990	4,799,900
December 27, 2021	(479,990)	10	Not Applicable	Cash (₹ 250 paid at the time of CCPS subscription	Conversion of CCPS to 479,990 Equity Shares	Freny Firoze Irani was allotted 479,990 CCPS and were converted into 332,415 Equity Shares	-	-
CCPS Series A of face value ₹ 10 each								
November 19, 2020	600,000	10	250	Cash	Private Placement	Freny Firoze Irani was allotted 600,000 CCPS Series A	600,000	6,000,000
December 27, 2021	(600,000)	10	Not Applicable	Cash (₹ 250 paid at the time of CCPS Series A subscription	Conversion of CCPS Series A to 600,000 Equity Shares	Freny Firoze Irani was allotted 600,000 CCPS Series A and were converted into 435,451 Equity Shares	-	-
CCPS Series B of face value ₹ 10 each								
October 22, 2021	83,323	10	600	Cash	Private placement	Ganesh Cherapuram Balasubramanian was allotted 83,323 CCPS Series B	83,323	833,230
November 1, 2021	250,000	10	600	Cash	Private placement	Freny Firoze Irani was	333,323	3,333,230

						allotted 250,000 CCPS Series B		
CCPS Series C of face value ₹ 10 each								
December 25, 2021	45,823	10	600	Cash	Private placement	Bharadwaj Turlapati was allotted 45,823 CCPS Series C	379,146	3,791,460
Total							**379,146#**	**3,791,460**

 # 250,000 CCPS Series B held by Freny Firoze Irani shall be converted into a maximum of up to 426,060 Equity Shares, 83,323 CCPS Series B held by Ganesh Cherapuram Balasubramanian shall be converted into a maximum of up to 142,020 Equity Shares and 45,823 CCPS Series C held by Bharadwaj Turlapati shall be converted into a maximum of up to 73,410 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5 (2) of the SEBI ICDR Regulations.

c. Shares issued for consideration other than cash or out of revaluation of reserves

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash since its incorporation.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of allotment	Name of allottees	Benefits accrued to our Company
May 31, 2008	990,000	10	61.02	Pursuant to the takeover of Kaynes Technology, a proprietary concern, by our Company	Ramesh Kunhikannan was allotted 990,000 Equity Shares	-

Further, our Company has not issued any Equity Shares out of revaluation of reserves.

d. Shares issued under any scheme of arrangement

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013, as applicable.

e. Issue of Shares at a price lower than the Offer Price in preceding one year from date of the Draft Red Herring Prospectus

Other than as disclosed in "- *History of Equity Share Capital our Company*" on page 80, our Company has not issued any Equity Shares or preference shares in the last one year preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Offer Price

f. History of the share capital held by our Promoters and Selling Shareholders

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate 40,799,820 Equity Shares, which constitutes 88.39% of the issued, subscribed and paid-up Equity Share capital of our Company, prior to conversion of CCPS and 87.18 % of the issued, subscribed and paid-up Equity Share capital of our Company post conversion of CCPS.

g. Build-up of the shareholding of our Promoters in our Company

The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital (Prior to conversion of CCPS)	% of pre-Offer capital (Post conversion of CCPS)	% of post-Offer capital
Ramesh Kunhikannan								
March 20, 2008	Initial subscription to the MoA	9,500	Cash	10	10	0.02	0.02	[●]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital (Prior to conversion of CCPS)	% of pre-Offer capital (Post conversion of CCPS)	% of post-Offer capital
May 31, 2008	Pursuant to the takeover of Kaynes Technology, a proprietary concern	990,000	Other than cash[#]	10	61.02	2.14	2.12	[●]
March 12, 2011	Bonus Issue	1,499,250	Not Applicable	10	Not Applicable	3.25	3.20	[●]
September 1, 2012	Bonus Issue	2,448,775	Not Applicable	10	Not Applicable	5.00	5.23	[●]
February 13, 2013	Transfer to Yogesh Madhu Talreja	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Damador Tirthdas Bathija	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to G. Sunil Kumar- Karta, G Sunil Kumar HUF	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to M. Gopal Jadwani - Karta, M. Gopal Jadwani HUF	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Mona Rajkumar Goklaney	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Rajkumar T Goklaney- Karta, Rajkumar T Goklaney, HUF	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Om Sai Associates represented by its partner Kumarswamy	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Somya Roop Goklaney	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Gabindran Krishnadas Chawla - Karta, Gabindran Krishnadas Chawla & Bros- HUF	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Shanthi Bai	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Prakashchand Kothari	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Usha Hariram	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Purshotam Tirthdas Bathija	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Sunitha Shamsunder Bathija	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Hariram Amarchand	(1)	Cash	10	10	Negligible	Negligible	[●]
February 13, 2013	Transfer to Abishek Totlani	(1)	Cash	10	10	Negligible	Negligible	[●]
November 12, 2013	Transfer to Sangita Gopal Jadwani	(1)	Cash	10	10	Negligible	Negligible	[●]
November 12, 2013	Transfer to P Ajay Kumar- Karta, Ajay Kumar & Co, HUF	(1)	Cash	10	10	Negligible	Negligible	[●]
November 12, 2013	Transfer to Madhu Motiram	(1)	Cash	10	10	Negligible	Negligible	[●]
November 12, 2013	Transfer to Sunil Radhakishandas Kalro	(1)	Cash	10	10	Negligible	Negligible	[●]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital (Prior to conversion of CCPS)	% of pre-Offer capital (Post conversion of CCPS)	% of post-Offer capital
November 12, 2013	Transfer to Kanchan Sunil Kalro	(1)	Cash	10	10	Negligible	Negligible	[●]
November 12, 2013	Transfer to Naraindas Lokumal Manwani	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to P. Manoharlal-Karta, P. Manoharlal, HUF	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to Hariram Amarchand	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to Suresh Naraindas Manwani	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to Chandrabai Naraindas Manwani	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to Sonia Roop Goklaney	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to Geetha Prabhu Chandnani	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to Rohini House Builders And Investment	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to Umesh Rohra	(1)	Cash	10	10	Negligible	Negligible	[●]
April 02, 2014	Transfer to Hassanand Jethanand	(1)	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from P. Manoharlal-Karta, P. Manoharlal, HUF	1	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from Hariram Amarchand	1	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from Suresh Naraindas Manwani	1	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from Chandrabai Naraindas Manwani	1	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from Sonia Roop Goklaney	1	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from Geetha Prabhu Chandnani	1	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from Rohini House Builders & Investment	1	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from Umesh Rohra	1	Cash	10	10	Negligible	Negligible	[●]
March 24, 2015	Transfer from Hassanand Jethanand	1	Cash	10	10	Negligible	Negligible	[●]
April 4, 2016	Rights Issue	150,000	Cash	10	100	0.32	0.32	[●]
September 21, 2017	Bonus Issue	1,699,167	Not Applicable	10	Not Applicable	3.69	3.63	[●]
February 25, 2022	Bonus Issue	33,983,350	Not Applicable	10	Not Applicable	73.62	72.61	[●]
February 25, 2022	Gift to RK Family Trust	(100)	Not Applicable	10	Not Applicable	Negligible	Negligible	[●]
Total A		**40,779,920**				**88.35**	**87.14**	[●]
Savitha Ramesh								
March 20, 2008	Initial subscription to the MoA	500	Cash	10	10	Negligible	Negligible	[●]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital (Prior to conversion of CCPS)	% of pre-Offer capital (Post conversion of CCPS)	% of post-Offer capital
March 12, 2011	Bonus Issue	750	Not Applicable	10	Not Applicable	Negligible	Negligible	[●]
September 1, 2012	Bonus Issue	1,225	Not Applicable	10	Not Applicable	Negligible	Negligible	[●]
September 21, 2017	Bonus Issue	825	Not Applicable	10	Not Applicable	Negligible	Negligible	[●]
February 25, 2022	Bonus Issue	16,500	Not Applicable	10	Not Applicable	0.04	0.04	[●]
Total B		**19,800**				**0.04**	**0.04**	[●]
RK Family Trust								
February 25, 2022	Gift from Ramesh Kunhikannan	100	Not Applicable	10	Not Applicable	Negligible	Negligible	[●]
Total C		**100**				Negligible	Negligible	[●]
Total (A+B+C)		**40,799,820**				**88.39**	**87.18**	[●]

The Form 2 filed with the RoC in relation to this allotment has erroneously mentioned 'Cash' as the form of consideration.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

h. Shareholding of our Promoters and Promoter Group

The members of the Promoter Group (other than our Promoters) do not hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus. Except as disclosed above in the "*Build-up of the shareholding of our Promoters in our Company*" given on page 83, none of the members of the Promoter Group, our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

2. *Details of Promoters' contribution and lock-in*

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of eighteen months as minimum promoter's contribution from the date of Allotment ("**Minimum Promoter's Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below:

Name of Promoters	Number of Equity Shares locked-in	Date of allotment/ transfer of Equity Shares	Date of transaction when fully paid up	Nature of allotment	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the post- Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]						[●]	[●]

* *To be updated prior to filing of the Prospectus with the RoC*

Each of the Promoter(s) has given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iii) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

(a) The Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares acquired during the three immediately preceding years (i) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets and have not been issued against Equity Shares which are otherwise ineligible for computation of Minimum Promoter's Contribution, (ii) pursuant to a bonus issue out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;

(b) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm;

(d) The Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge or encumbrance; and

(e) All the Equity Shares held by our Promoters are held in dematerialised form.

a. Details of Equity Shares locked-in for six months

In addition to the Minimum Promoter's Contribution, which will be locked in for eighteen months as specified above, the entire pre-Offer Equity Share capital held by persons (including those Equity Shares held by our Promoters in excess of the Promoter's contribution) will be locked-in for a period of six months from the date of Allotment in the Offer, except Offered Shares and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations. Any unsubscribed portion of the Offered Shares would also be locked-in as required under Regulation 17 of the SEBI ICDR Regulations.

b. Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner:

- lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and
- lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

c. Other lock-in requirements:

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

(i) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and

(ii) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be transferred to and amongst the members of our Promoter Group or to any new promoter, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations. However, it should be noted that the Offered Shares which will be transferred by the respective Selling Shareholders in the Offer for Sale shall not be subject to lock-in.

As on the date of this Draft Red Herring Prospectus 2,239,250 and 680,000 Equity Shares held by Ramesh Kunhikannan, our Promoter, are pledged in favour of Vistra ITCL (India) Limited and Saraswat Co-operative Bank Limited, respectively pursuant to sanction letter dated July 12, 2018 and February 17, 2022, respectively, to secure the borrowing obligations of our Company with the respective lender. Owing to the dematerialization process, the Company has taken steps to re-pledge 1,019,999 Equity Shares in the dematerialized form in the favour of Canara Bank which shall constitute 2.21 % of the pre-offer capital prior to CCPS Conversion and 2.18 % of the pre-offer capital post CCPS Conversion and undertakes to complete it before the RHP. The total pledged Equity Shares shall constitute 8.53 % of the pre-offer capital prior to CCPS Conversion and 8.42 % of the pre-offer capital post CCPS Conversion of the shareholding of Ramesh Kunhikannan, our Promoter and the Company confirms that 20% of the post-Offer Equity Share capital of our Company shall be available for the promoter contribution post completion of the pledge.

d. Recording on non-transferability of Equity Shares locked-in

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

3. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

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	40,799,820	Nil	Nil	40,799,820	88.39	40,799,820	Nil	40,799,820	88.39	Nil	87.18	Nil	Nil	2,919,250	6.32	40,799,820
(B)	**Public**	27	5,358,186	Nil	Nil	5,358,186	11.61	5,358,186	Nil	5,358,186	11.61	641,490	12.82	Nil	Nil	Nil	Nil	48,89,256
(C)	**Non Promoter-Non Public**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	**Shares underlying depository receipts**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	**Shares held by employee trusts**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	**30**	**46,158,006**	**Nil**	**Nil**	**46,158,006***	**100***	**46,158,006**	**Nil**	**46,158,006**	**100**	**641,490**	**100**	**Nil**		**2,919,250**	**6.32**	**45,689,076**

**250,000 CCPS Series B held by Freny Firoze Irani shall be converted up to a maximum of 426,060 Equity Shares, CCPS 83,323 Series B held by Ganesh Cherapuram Balasubramanian shall be converted up to a maximum of 142,020 Equity Shares and 45,823 CCPS Series C held by Bharadwaj Turlapati shall be converted up to a maximum of 73,410 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5 (2) of the SEBI ICDR Regulations.*

 # As on the date of this Draft Red Herring Prospectus 2,239,250 and 680,000 *Equity Shares held by Ramesh Kunhikannan, our Promoter, are pledged in favour of Vistra ITCL (India) Limited and Saraswat Co-operative Bank Limited, respectively pursuant to sanction letter dated July 12, 2018 and February 17, 2022, respectively, to secure the borrowing obligations of our Company with the respective lender. Owing to the dematerialization process, the Company has taken steps to re-pledge 1,019,999 Equity Shares in the dematerialized form in the favour of Canara Bank which shall constitute 2.21 % of the pre-offer capital prior to CCPS Conversion and 2.18 % of the pre-offer capital post CCPS Conversion and undertakes to complete it before the RHP. The total pledged Equity Shares shall constitute 8.53 % of the pre-offer capital prior to CCPS Conversion and 8.42 % of the pre-offer capital post CCPS Conversion of the shareholding of Ramesh Kunhikannan, our Promoter and the Company confirms that 20% of the post-Offer Equity Share capital of our Company shall be available for the promoter contribution post completion of the pledge.*

4. The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

5. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Except as stated below, none of our Directors or Key Managerial Personnel holds any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus:

S No.	Name of the Directors/ Key Managerial Personnel	Pre-Offer (Prior to conversion of the CCPS)		Pre-Offer (Upon conversion of the CCPS)	
		No. of Equity Shares	Percentage of total shareholding (%)	No. of Equity Shares	Percentage of total shareholding (%)
1	Ramesh Kunhikannan	40,779,920	88.35	40,779,920	87.14
2	Savitha Ramesh	19,800	0.04	19,800	0.04
Total		**40,799,720**	**88.39**	**40,799,720**	**87.18**

6. **Details of equity shareholding of the major equity Shareholders of our Company**

(a) As on the date of this Draft Red Herring Prospectus, our Company has 30 Shareholders.

(b) Set forth below are details of shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of filing of this Draft Red Herring Prospectus:

S No.	Name of the Shareholders	Pre-Offer			
		No. of Equity Shares	Percentage of total shareholding (%)	Maximum no. of Equity Shares on a fully diluted basis (including upon conversion of CCPS)	Percentage of total shareholding (%) on a fully diluted basis
1	Ramesh Kunhikannan	40,779,920	88.35	40,779,920	87.14
2	Freny Firoze Irani	4,889,256	10.59	5,315,316	11.36
Total		**45,669,176**	**98.94**	**46,095,236**	**98.50**

250,000 CCPS Series B held by Freny Firoze Irani shall be converted upto a maximum of 426,060 Equity Shares, 83,323 CCPS Series B held by Ganesh Cherapuram Balasubramanian shall be converted upto a maximum of 142,020 Equity Shares and 45,823 CCPS Series C held by Bharadwaj Turlapati shall be converted upto a maximum of 73,410 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5 (2) of the SEBI ICDR Regulations.

(c) Set forth below are details of shareholders holding 1% or more of the paid-up Share Capital of our Company as on 10 days prior to the date of filing of this Draft Red Herring Prospectus:

S No.	Name of the Shareholders	Pre-Offer			
		No. of Equity Shares	Percentage of total shareholding (%)	Maximum no. of Equity Shares on a fully diluted basis (including upon conversion of CCPS)	Percentage of total shareholding (%) on a fully diluted basis
1	Ramesh Kunhikannan	40,779,920	88.35	40,779,920	87.14
2	Freny Firoze Irani	4,889,256	10.59	5,315,316	11.36
Total		**45,669,176**	**98.94**	**46,095,236**	**98.50**

250,000 CCPS Series B held by Freny Firoze Irani shall be converted upto a maximum of 426,060 Equity Shares, 83,323 CCPS Series B held by Ganesh Cherapuram Balasubramanian shall be converted upto a maximum of 142,020 Equity Shares and 45,823 CCPS Series C held by Bharadwaj Turlapati shall be converted upto a maximum of 73,410 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5 (2) of the SEBI ICDR Regulations.

(d) Set forth below are details of shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date one year prior to the date of filing of this Draft Red Herring

Prospectus:

S No.	Name of the Shareholders	Pre-Offer			
		No. of Equity Shares	Percentage of total shareholding (%)	Maximum no. of Equity Shares on a fully diluted basis (including upon conversion of CCPS)	Percentage of total shareholding (%) on a fully diluted basis
1	Ramesh Kunhikannan	6,796,670	88.35	6,796,670	87.14
Total		**6,796,670**	**88.35**	**6,796,670**	**87.14**

250,000 CCPS Series B held by Freny Firoze Irani shall be converted upto a maximum of 426,060 Equity Shares, 83,323 CCPS Series B held by Ganesh Cherapuram Balasubramanian shall be converted upto a maximum of 142,020 Equity Shares and 45,823 CCPS Series C held by Bharadwaj Turlapati shall be converted upto a maximum of 73,410 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5 (2) of the SEBI ICDR Regulations.

(e) Set forth below are details of shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date two years prior to the date of filing of this Draft Red Herring Prospectus:

S No.	Name of the Shareholders	Pre-Offer			
		No. of Equity Shares	Percentage of total shareholding (%)	Maximum no. of Equity Shares on a fully diluted basis (including upon conversion of CCPS)	Percentage of total shareholding (%) on a fully diluted basis
1	Ramesh Kunhikannan	6,796,670	88.35	6,796,670	87.14
Total		**6,796,670**	**88.35**	**6,796,670**	**87.14**

250,000 CCPS Series B held by Freny Firoze Irani shall be converted upto a maximum of 426,060 Equity Shares, 83,323 CCPS Series B held by Ganesh Cherapuram Balasubramanian shall be converted upto a maximum of 142,020 Equity Shares and 45,823 CCPS Series C held by Bharadwaj Turlapati shall be converted upto a maximum of 73,410 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC in accordance with Regulation 5 (2) of the SEBI ICDR Regulations.

7. **Employee Stock Option Scheme**

Our Company has formulated an employee stock option scheme namely the Kaynes ESOP 2022 ("**ESOP Scheme**") pursuant to a resolution passed by the Board on January 12, 2022 and the Shareholders on January 12, 2022, and as amended vide Board resolution dated March 31, 2022 and Shareholders resolution dated April 1, 2022, with a maximum options pool of 923,160 options. Further, the ESOP Scheme contemplates a statutory minimum vesting period of one year to maximum of five years from the date of grant of options.

The primary objective of the ESOP Scheme is to reward key employees for their association, dedication and contribution to the goals of the Company. The ESOP Scheme is in compliance with the SEBI SBEB Regulations with the Nomination and Remuneration Committee administering the ESOP Scheme. As of the date of this Draft Red Herring Prospectus, no options have been granted and no Equity Shares have been issued under the ESOP Scheme.

8. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

9. Our Company, Promoters, Directors, and the BRLMs have not entered into any buy-back arrangement or any other similar arrangements for the purchase of Equity Shares.

10. We confirm that, there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

11. No person connected with the Offer, including but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

12. As on the date of this Draft Red Herring Prospectus 2,239,250 and 680,000 Equity Shares held by Ramesh Kunhikannan, our Promoter, are pledged in favour of Vistra ITCL (India) Limited and Saraswat Co-operative Bank Limited, respectively pursuant to sanction letter dated July 12, 2018 and February 17, 2022, respectively, to secure the borrowing obligations of our Company with the respective lender. Owing to the dematerialization process, the Company has taken steps to re-pledge 1,019,999 Equity Shares in the dematerialized form in the favour of Canara Bank which shall constitute 2.21 % of the pre-offer capital prior to CCPS Conversion and 2.18 % of the pre-offer capital post CCPS Conversion and undertakes to complete it before the Red Herring Prospectus. The total pledged Equity Shares shall constitute 8.53 % of the pre-offer capital prior to CCPS Conversion and 8.42 % of the pre-offer capital post CCPS Conversion of the shareholding of Ramesh Kunhikannan, our Promoter and the Company confirms that 20% of the post-Offer Equity Share capital of our Company shall be available for the promoter contribution post completion of the pledge. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

13. Neither the (i) Book Running Lead Managers or any associate of the Book Running Lead Managers (other than mutual funds sponsored entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers or AIFs sponsored by the entities which are associates of the Book Running Lead Managers or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the Book Running Lead Managers); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.

14. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

15. The Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.

16. Other than 379,146 CCPS, which will be converted in to maximum of up to 641,490 Equity Shares, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

17. Except for Pre-IPO Placement, issuance of Equity Shares pursuant to exercise of options to be granted under the ESOP Scheme, the conversion of the CCPS held by Freny Firoze Irani, Ganesh Cherapuram Balasubramanian and Bharadwaj Turlapati before the filing of the Red Herring Prospectus, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

18. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.

19. Our Promoters and the members of our Promoter Group will not participate in the Offer, except to the extent of the Offer for Sale by the Promoter Selling Shareholder.

20. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus with the Registrar of Companies and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

21. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate

up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000, in accordance with the SEBI ICDR Regulations, and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the ASBA process providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by SCSBs) or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "*Offer Procedure*" on page 385.

22. Except as disclosed in "*Capital Structure – Share capital history of our Company – History of Equity Share capital*" on page 80, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

23. Set forth below is the price at which Equity Shares were acquired in the last three years, by each of the Promoters, Promoter Group, Selling Shareholders and Shareholders entitled with rights to nominate Directors or any other rights:

Sr. No.	**Date of acquisition**	**Name of the acquirer**	**Acquisition cost per Equity Shares^**	**Number of shares acquired**
1.	June 24, 2020	Freny Firoze Irani	249.99	10
2.	October 22, 2021	Ganesh Cherapuram Balasubramanian	600.00	10
3.	December 25, 2021	Bharadwaj Turlapati	600.00	10
4.	December 25, 2021	Freny Firoze Irani(3)	NA	55,605
5.	December 25, 2021	Freny Firoze Irani(3)	NA	69,508
6.	December 27, 2021	Freny Firoze Irani(1)	360.99	332,415
7.	December 27, 2021	Freny Firoze Irani(1)	344.47	435,451
8.	February 25, 2022	Freny Firoze Irani(3)	NA	4,074,380
9.	February 25, 2022	Ganesh Cherapuram Balasubramanian(3)	NA	50
10.	February 25, 2022	Bharadwaj Turlapati(3)	NA	50
11.	February 25, 2022	Ramesh Kunhikannan(3)	NA	33,983,350
12.	February 25, 2022	Savitha Ramesh(3)	NA	16,500
13.	February 25, 2022	RK Family Trust(3)	NA	100

^As per the certificate dated April 13, 2022 issued by K.P. Rao & Co, Chartered Accountants

Notes:

1. Conversion price of preference shares into Equity Shares is considered as purchase or acquisition of shares.
2. Transfer of shares by Promoter, Selling shareholders and other Shareholders with special rights to other is not considered.
3. Bonus equity shares are considered as acquisition and mentioned as NA

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. Further, the proceeds received from the Offer for Sale will not form part of the net proceeds, *i.e.*, gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue ("**Net Proceeds**"). For details of the Selling Shareholders, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 362.

For further details, see "*- Offer Expenses*" on page 111.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

(*₹ in million*)

Particulars	Amount^
Gross proceeds from the Fresh Issue	6,500.00*
(Less) Offer related expenses in relation to the Fresh Issue (1)(2)	[●]
Net Proceeds	[●]

** Subject to full subscription of the Fresh Issue component.*

^ Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

(1) To be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC.

(2) For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to the heading " – Offer Expenses" at page 111.

Objects of the Fresh Issue

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company;
2. Funding capital expenditure towards expansion of our existing manufacturing facility at Mysore, Karnataka, and near our existing manufacturing facility at Manesar, Haryana;
3. Investment in our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, for setting up a new facility at Chamarajanagar, Karnataka;
4. Funding working capital requirements of our Company; and
5. General corporate purposes.

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

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges including enhancement of our Company's visibility, brand image among our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake (i) its existing activities, (ii) the activities proposed to be funded from the Net Proceeds, and (iii) the activities towards which the loans proposed to be repaid or pre-paid from the Net Proceeds were utilised.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

(In ₹ million)

Particulars	Amount which will be financed from Net Proceeds(1)(2)
Repayment/ prepayment, in full or part, of certain borrowings availed by our Company	1,300.00
Funding capital expenditure towards expansion of our existing manufacturing facility at Mysore, Karnataka, and near our existing manufacturing facility at Manesar, Haryana	989.30

Investment in our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, for setting up a new facility at Chamarajanagar, Karnataka	1,493.00
Funding working capital requirements of our Company	1,147.40
General corporate purposes[(1)]	**[●]**
Total	**[●]**

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

Proposed schedule of implementation and deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(*₹ in million*)

S. No.	Particulars	Total estimated cost	Amount to be funded from the Net Proceeds	Estimated deployment	
				Fiscal 2023	Fiscal 2024
1.	Repayment/ prepayment, in full or part, of certain borrowings availed by our Company	1,300.00	1,300.00	1,300.00	–
2.	Funding capital expenditure towards expansion of our existing manufacturing facility at Mysore, Karnataka, and near our existing manufacturing facility at Manesar, Haryana	989.30	989.30	755.24	234.06
3.	Investment in our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, for setting up a new facility at Chamarajanagar, Karnataka	1,493.00	1,493.00	1,154.80	338.20
4.	Funding working capital requirements of our Company	1,147.40	1,147.40	965.44	181.96
5.	General corporate purposes[(1)]	**[●]**	**[●]**	–	–
	Total[(2)]	**[●]**	**[●]**	**[●]**	**[●]**

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The aggregate amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

The fund requirements, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, valid quotations received from third parties, certificate from an independent project consultant, current circumstances of our business, prevailing market conditions and other commercial considerations. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to any reason, including (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may also entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors –We intend to utilise the Net Proceeds for funding our capital expenditure requirements and we are yet to place orders for such capital expenditure requirements. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices, which could adversely affect our expansion plans.*", "*Risk Factors –We intend to utilise a portion of the Net Proceeds towards funding the capital expenditure of our Subsidiary, Kaynes Electronics Manufacturing Private Limited ("KEMPL") and we cannot assure you that we will be able to derive the benefits from the proposed object*" and *"Risk Factors –We intend to use a portion of the Net Proceeds of the Fresh Issue to expand the capacity of our existing manufacturing facilities. Also, management has discretion in how it may use a portion of the Net Proceeds of the Fresh Issue. Any variation in the utilization of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval"* on pages 49, 50 and 49.

Subject to compliance with applicable laws, if the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards any other Object including general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects of the Offer, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, including from internal accruals, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects as may be determined by our Company, in accordance with applicable law. Our Company may also utilise any portion of the Net Proceeds, towards the aforementioned Objects of the Offer, ahead of the estimated schedule of deployment specified above.

Means of finance

The fund requirements for all the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals.

Details of the Objects of the Fresh Issue

1. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowing in the form of, *inter alia*, vehicle loans, term loans and working capital facilities including fund based and non-fund-based borrowings. As at February 28, 2022, our total outstanding borrowings amounted to ₹ 2,129.66 million, on a consolidated basis. For further details on our borrowings, see "*Financial Indebtedness*" on page 353. Our Company proposes to utilise an estimated amount of ₹1,300.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company. Our Company may avail further loans and/or draw down further funds under existing loans from time to time.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed will be based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹ 1,300.00 million.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of the existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full, of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹ 1,300.00 million. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans, as the case may be.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of borrowings availed by our Company as of February 28, 2022, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

S. No	Name of the Lender	Nature of borrowings	Purpose *	Amount sanctioned as on February 28, 2022* (₹ in million)	Principal amount outstanding as on February 28, 2022 (₹ in million) *	Repayment Date / Schedule/ Tenor	Interest Rate (% p.a.)	Pre-payment conditions/ penalty
1.	Canara Bank	Cash Credit	Working Capital	360.00	357.64	Revolving Credit	1 Year MCLR (7.25%) + 3.70% EFR@ 10.95%	2% prepayment (loans prepaid from Company's own sources will not attract penalty)
2.	Canara Bank	Packing Credit	Working Capital	100.00	100.02	Revolving Credit	1 Year MCLR (7.25%) + 0.75% EFR@8% LIBOR+200 BPS	2% prepayment (loans prepaid from Company's own sources will not attract penalty)
3.	Canara Bank	Customer Bill Discounting	Working Capital	100.00	100.03	Revolving Credit	1 Year MCLR (7.25%) + 3.70% EFR @ 10.95%	2% prepayment (loans prepaid from Company's own sources will not attract penalty)
4.	Canara Bank	Covid Term Loan	To meet the fund exigencies arising due to the COVID-19	112.00	112.41	60 Months	1 Year MCLR (7.35%) + 0.60% subject to max of 9.25% EFR@ 7.95%	2% prepayment (loans prepaid from Company's own sources will not attract penalty)
5.	Canara Bank	Covid Term Loan	To meet the working capital requirements of	45.00	45.07	72 Months	1 Year MCLR (7.25%) + 0.60% subject to max of 9.25% EFR@7.85%	2% prepayment (loans prepaid from Company's own sources

S. No	Name of the Lender	Nature of borrowings	Purpose *	Amount sanctioned as on February 28, 2022* (₹ in million)	Principal amount outstanding as on February 28, 2022 (₹ in million) *	Repayment Date / Schedule/ Tenor	Interest Rate (% p.a.)	Pre-payment conditions/ penalty
			the Company under ECLGS 2.0 Ext					will not attract penalty)
6.	State Bank of India Limited	Cash Credit	Working Capital	170.00	110.71	Revolving Credit	6M MCLR (6.95%) + 4% EFR@10.95%	2% prepayment (No specific clause as per the agreement and sanction.)
7.	State Bank of India Limited	Covid Term Loan	Working Capital to meet the fund exigencies due to Covid-19	33.40	30.16	60 Months	6M MCLR (6.95%) + 1% EFR@7.95%	2% prepayment (No specific clause as per the agreement and sanction.)
8.	State Bank of India Limited	Covid Term Loan	Working Capital to meet the fund exigencies under ECLGS 2.0 Ext Scheme	16.80	16.80	72 Months	6M MCLR (6.95%) + 1% EFR@7.95%	2% prepayment (No specific clause as per the agreement and sanction.)
9.	Saraswat Co-operative Bank Limited	Cash Credit	Taking over of WC Limits with Kotak Mahindra Bank	370.00	369.99	Revolving Credit	PLR - 2.95% (PLR @14%) EFR @ 11.05%	2% prepayment
10.	Saraswat Co-operative Bank Limited	Covid Term Loan	To meet the working Capital requirements of the Company under ECLGS 2.0 & 2.0 Ext	112.00	112.68	72 Months	PLR - 6.05% (PLR @14%) EFR@ 7.95%	4% prepayment
11.	Vistra ITCL (India) Limited (trustee of Infrastruct	Non-Convertible Debentures	To extend the working capital support	170.00	41.44	56 Months repayable quarterly	16%	No specific clause as per the agreement and sanction.

S. No	Name of the Lender	Nature of borrowings	Purpose *	Amount sanctioned as on February 28, 2022* (₹ in million)	Principal amount outstanding as on February 28, 2022 (₹ in million) *	Repayment Date / Schedule/ Tenor	Interest Rate (% p.a.)	Pre-payment conditions/ penalty
	ure Leasing & Financial Services Limited)		to the company					
Total				1,589.20	1,396.95			

** In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained a certificate dated April 13, 2022 from the Statutory Auditor.*

We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing borrowing facilities. In such event, we may utilise the Net Proceeds towards repayment/prepayment of any existing or additional indebtedness which will be selected based on various commercial considerations including, among others, the interest on the borrowing facility, the amount of the borrowing outstanding and the remaining tenor of the borrowing, levy of prepayment penalty and quantum, any conditions attached to the borrowings restricting the ability to pre-pay/repay/redeem the borrowings, receipt of consents for repayment/prepayment from the respective lenders on agreed terms and conditions, presence of onerous terms and conditions under the facility, other commercial considerations and applicable law governing such borrowings.

For the purposes of the Offer, our Company has obtained consents and notified the relevant lenders, as is respectively required under the relevant facility documentation for undertaking the Offer. Further, to the extent our Company may be subject to the levy of prepayment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable, payment of such penalty or premium shall be made from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such prepayment penalties or premiums, such excessive amount shall be met from our internal accruals.

2. Funding capital expenditure towards expansion of our existing manufacturing facility at Mysore, Karnataka, and near our existing manufacturing facility at Manesar, Haryana

As of December 31, 2021, we operate eight strategically located manufacturing facilities across India in the states of Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, and Uttarakhand. Our facilities are located in proximity to our customers, allowing us to service their requirements efficiently and cost-effectively. For further information about these manufacturing facilities including the verticals serviced by each of them, see "*Our Business - Manufacturing Facilities*" on page 183. In order to support our growth strategy across India, we intend to undertake expansion at our existing facility at Mysore, Karnataka and near our existing facility at Manesar, Haryana. The objective of the proposed expansion is to increase our manufacturing capacity, better serve our existing customers and assist us in better addressing the business requirements of large customers.

The following table sets forth further information relating to our existing manufacturing facilities which we intend to expand:

Locations	Proposed expansion site	Owned/ Leased	Verticals	Area (sq. ft.)	Proposed expansion capacity (in millions of PCB assemblies per annum)*#	Proposed expansion capacity (in millions of component placements per annum)*#
23-25, Belagola, Food Industrial	23-25, Belagola, Food Industrial	Owned	Aerospace, Railways,	60,000	15.36	318.38

Locations	Proposed expansion site	Owned/ Leased	Verticals	Area (sq. ft.)	Proposed expansion capacity (in millions of PCB assemblies per annum)*#	Proposed expansion capacity (in millions of component placements per annum)*#
Estate Metagalli P O, Mysore 570016 Karnataka, India	Estate Metagalli P O, Mysore, Karnataka-570016 India		Medical and Industrial			
Plot No.58, sector 6, IMT Manesar, Gurgoan-122050	Plot No.20, sector 6, IMT Manesar, Gurgoan-122050, Haryana, India	Leased	Auto electronics, BLDC and Industrial	80,000	5.30	318.38

**As certified by K. L. Arun, Independent Chartered Engineer, by the certificate dated April 8, 2022.*
 # 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." on page 32.

Estimated Cost

Our Company is planning an expansion of our manufacturing facilities at its existing premises at Mysore, Karnataka and near the existing premises at Manesar, Haryana to set-up surface mount technology lines ("**SMT Lines**") for manufacturing PCB assemblies, Box Build, etc. Accordingly, our Company will require various equipment and plant & machinery, further detailed in the table below, and the total estimated cost for the proposed expansion of our existing manufacturing facility at Mysore, Karnataka, and near our existing manufacturing facility at Manesar, Haryana, which is to be funded from the Net Proceeds is ₹ 989.30 million, as per the detailed project report dated April 11, 2022, prepared for PCB, Electronics System & Design Services Space for our Company and issued by Resurgent India Limited, an independent consultant ("**DPR**").

We intend to use part of the Net Proceeds allocated for this Object as set out below:

S. No.	Expense category	Estimated cost (₹ million)*		
		Quantity	Rate per unit^	Total cost**
Manufacturing facility at Mysore, Karnataka				
1.	SMT Line – Level I	1	232.68	232.68
2.	SMT Line – Level III	1	71.54	71.54
3.	In-circuit tester – A	1	26.81	26.81
4.	In-circuit tester – T	2	44.47	88.94
5.	Flying probe tester	1	34.80	34.80
6.	BGA Rework station	2	4.91	9.83
Total (A)				**464.60**
Manufacturing facility at Manesar, Haryana				
1.	SMT Line – Level I	1	232.68	232.68
2.	SMT Line – Level II	1	144.29	144.29
3.	SMT Line – Level III	1	71.54	71.54
4.	In-circuit tester – A	1	26.81	26.81
5.	In-circuit tester – T	1	44.47	44.47
6.	BGA Rework station	1	4.91	4.91
Total (B)				**524.70**
Total (C) = (A+B)				**989.30**

**Exclusive of applicable GST, freight and customs duty.*
^ For all imported equipment or machinery, our Company has assumed an exchange rate of USD 1= ₹ 75.00 and EURO 1= ₹87.00.
***Total estimated cost as per DPR*

Break-down of estimated expense

We are yet to place orders for all of the plant & machinery and other equipment for expansion of our existing manufacturing facility at Mysore, Karnataka and near our existing manufacturing facility at Manesar, Haryana and no payments have been made towards these items. Further, our Company has not entered into any technical and financial agreements with any persons or entities for the plant or machineries and no second-hand or used or refurbished machineries are proposed to be bought by our Company.

The detailed break-down of these estimated costs for expansion of our existing manufacturing facility at Mysore, Karnataka and near our existing manufacturing facility at Manesar, Haryana is as set out below:

Particulars of machine	**Make (model)**	**Total estimated costs (in foreign currency)**	**Total estimated costs (in ₹ million)***	**Quotations received from**	**Date of quotation**	**Validity of quotation**
SMT Line – Level I						
Placement station SIPLACE SX2 (CP20P2/ CPP and Placement station SIPLACE SX2 (CPP/ VHFTH)	ASM (SIPLACE SX2)	EURO 400,000	34.80	ASM Assembly Systems Singapore Pte. Ltd.	October 25, 2021	September 22, 2022
AXI	NORDS ON (MATRIX X3)	USD 388,830	29.16	Nordson Advance Technology International Pte Limited	March 25, 2022	September 25, 2022
SIPLACE SX1 (TH), Software, hardware, consumables & spare parts	ASM (SIPLACE SX1)	EURO 200,000	17.40	ASM Assembly Systems Singapore Pte. Ltd.	January 9, 2022	September 22, 2022
Automatic magazine loader fully covered dust free, Vacuum loader, AMT Laser marking machine AM600 with built-in flip unit (for double sided PCB marking), simultaneous printing and reading function (addition of oblique CCD) and customised MES docking development, Hot air reflow oven, etc. and other similar equipment	-	-	151.32	Multiple vendors	-	-
Total	-	-	**232.68**	-	-	-
SMT Line – Level II						
Single-lane ASM Process Lens, ASM Process Engine Software, ASM Process Export Servicer License, SSD	ASM (Process Expert)	EURO 99,000	8.61	ASM Assembly Systems Singapore Pte. Ltd.	October 25, 2021	September 22, 2022

Particulars of machine	Make (model)	Total estimated costs (in foreign currency)	Total estimated costs (in ₹ million)*	Quotations received from	Date of quotation	Validity of quotation
upgrade drive 1TB ASM Process Lens, USB Memory Stick						
NeoHorizon 03Ix HTC 25 additional magnetic tooling pins – 19 mm diameter and 25 additional magnetic tooling pins – 4mm diameter, audible tri-state beacon, calibration Kit, Siplace Fiducial Finder, Metal Clamp 45 Deg 6mm – 250 mm, Metal Clamp – 300 mm]	ASM DEK (NEOHORIZON 03iX)	USD 106,431	7.98	ASM Assembly Systems Singapore Pte. Ltd.	November 15, 2021	September 22, 2022
Post reflow 3D 5K 3D Automated Optical Inspection System - 522127	VI-TECHNOLOGY (VIT 5K 3D 7)	USD 88,450	6.63	Accurex Solutions Private Limited	August 14, 2021	September 22, 2022
Inspection conveyor, 800MM, Cooling buffer, Link conveyor, 800 MM, PCB inverter, etc. and other similar equipment	-	-	121.07	Multiple vendors	-	-
Total	-	-	**144.29**	-	-	-
			SMT Line – Level III			
AMT Laser marking machine AM600 with built-in flip unit (for double sided PCB marking), simultaneous printing and reading function (addition of oblique CCD) and customised MES docking development	AMT (AM600)	USD 63,000	4.73	American Tec Electronic India Private Limited	March 22, 2022	September 21, 2022

Particulars of machine	Make (model)	Total estimated costs (in foreign currency)	Total estimated costs (in ₹ million)*	Quotations received from	Date of quotation	Validity of quotation
Hot air reflow oven	JT AUTOMATION (JTR-800-N)	USD 46,000	3.45	Accurex Solutions Private Limited	November 24, 2021	September 22, 2022
Cooling buffer	WHITT (CYA-1V100M)	USD 17,700	1.33	NMTronics (India) Private Limited	December 13, 2021	September 21, 2022
AOI NG buffer, Automatic magazine unloader fully covered dust free, Placement station SIPLACE SX2 (CP20P2/ CPP and Placement station SIPLACE SX2 (CPP/ VHFTH), Link conveyor, 800MM, etc. *and other similar equipment*	-	-	62.03	Multiple vendors	-	-
Total	-	-	**71.54**	-	-	-
In-circuit tester – A						
In circuit tester	KEYSIGHT – AGILENT (E9903G)	USD 357,500	**26.81**	Daiichi Jitsugyo Asia Pte Limited	March 10, 2022	October 9, 2022
In-circuit tester – T						
Test Station LH/LHS	TERRADYNE (TEST STATION - LH/LHS)	USD 592,882	**44.47**	Terradyne, Inc. Systems Test Group	October 26, 2021	September 22, 2022
Flying Probe Tester						
Double Sided Simultaneous Testing Flying Probe PCB Test System, Model – Pilot V8-NEXT	SEICA (V8 NEXT)	USD 400,000	**34.80**	Electrosolve India Private Limited	March 25, 2022	September 24, 2022
BGA Rework Station						
Summit 750i Semi-Automatic Rework System	VJ ELECTRONICS (SUNNIT 750 i)	USD 65,500	**4.91**	Trans Technology Pte Limited	March 10, 2022	September 30, 2022

**Total estimated cost as per DPR.*

Under our manufacturing process, we have two major streams of activities: (a) Surface Mount Devices ("**SMD**") process and (b) Module Assembly Process ("**MAP**"). The SMD process is a highly automated process with specific machines that perform the job as per pre-set programs. In the MAP process, the electronics are tested and packaged to the product. Further, the different sub-processes in SMD are performed serially in process specific machines.

<u>*Screen Printing*</u>: 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.

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these quotations pursuant to any taxes, levies payable and/or freight or installing cost, if any, on such items. Our Company shall have the flexibility to deploy the equipment to replace any existing equipment or set up a new equipment in the newly expanded portion as proposed as per the internal estimates of our management and business requirements. This may vary depending on the demand for replacement in our existing equipment. The actual mode of deployment has not been finalised as on the date of this Draft Red Herring Prospectus. For further details, see "*Risk Factors – We intend to utilise the Net Proceeds for funding our capital expenditure requirements and we are yet to place orders for such capital expenditure requirements. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices, which could adversely affect our expansion plans*" on page 49.

Schedule of implementation

The expected schedule of implementation for the proposed expansion/ setting-up as per the DPR is set forth below:

Particulars	Mysore, Karnataka	Manesar, Haryana
Estimated Period of Commencement	April 2022	June 2022
Estimated Period of Purchase Order	August 2022	October 2022
Estimated Period of delivery of Machineries	October 2022	December 2022
Estimated Period of Installation or Erection and approvals	November 2022	January 2023
Estimated Period of Completion and trial runs	December 2022	February 2023
Estimated Start of Commercial Production / Operations	March 2023	May 2023

3. **Investment in our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, for setting up a new facility at Chamarajanagar, Karnataka**

Our Company proposes to utilise ₹ 1,493.00 million towards investment in our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited ("**KEMPL**"), which was incorporated on March 30, 2022, in order to set up a new manufacturing facility at Chamarajanagar, Karnataka. The proposed investment by our Company will be undertaken to set -up a new manufacturing facility for carrying out Electronic Manufacturing Services. This will also 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, to address the growing consumer electronics and smart meters.

The land on which the new facility will be set up is located at Plot no. 27 at Badanguppe Kellamballi Industrial Area in SY No. 388, 387, 118, 241 & 517 of Kellamballi Village, Kasaba hobli, Chamarajanagar Taluka, Chamarajanagar district - 571313, Karnataka, India with a total built-up area measuring 200,000 sq ft. This property has been allotted to our Company by Karnataka Industrial Area Development Board ("**KIADB**") which was funded through our internal accruals, and will be leased to KEMPL for setting up the new facility.

Our Board by its resolution dated April 13, 2022 has approved the proposal to set up the Chamarajanagar facility for carrying out Electronic Manufacturing Services.

Estimated cost

The amount proposed to be deployed from Net Proceeds to establish the new facility at Chamarajanagar by our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited, is ₹ 1,493.00 million, as per the DPR issued by Resurgent India Limited. The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds, for the proposed facility, as described herein are based on our current business plan, internal management estimates, current and valid quotations from suppliers / vendors, and other commercial and technical factors. However, such estimated cost and related fund requirements have not been appraised by any bank or financial institution.

We intend to use part of the Net Proceeds allocated for this Object as set out below:

S. No.	Expense category	Estimated cost (₹ *million*)*		
		Quantity	Rate per unit^	Total cost**
1.	SMT Line – Level II	2	144.29	288.58
2.	SMT Line – Level III	2	71.54	143.09
3.	Building / enhancement	-	-	621.84
4.	Utilities	1	24.22	24.22
5.	In-circuit tester – A	2	26.81	53.63
6.	In-circuit tester – T	3	44.47	133.40
7.	Flying probe tester	1	34.80	34.80
8.	BGA Rework station	1	4.91	4.91
9.	Plastic Injection Moulding machineries	1	188.53	188.53
	Total			**1,493.00**

**Exclusive of applicable GST, freight and customs duty.*
^ For all imported equipment or machinery, our Company has assumed an exchange rate of USD 1= ₹ 75.00 and EURO 1= ₹87.00.
***Total estimated cost as per DPR*

Break-down of estimated expense

We are yet to place orders for the new manufacturing facility at Chamarajanagar, Karnataka to purchase the following equipment, utilities and undertake construction activities and no payments have been made towards these items. The detailed break-down of these estimated costs for new manufacturing facility is provided in the table below.

Particulars of machine	Make (model)	Total estimated costs (in foreign currency)	Total estimated costs (in ₹ million)*	Quotations received from	Date of quotation	Validity of quotation
SMT Line – Level II						
Single-lane ASM Process Lens, ASM Process Engine Software, ASM Process Export Servicer License, SSD	ASM (Process Expert)	EURO 99,000	8.61	ASM Assembly Systems Singapore Pte. Ltd.	October 25, 2021	September 22, 2022

Particulars of machine	Make (model)	Total estimated costs (in foreign currency)	Total estimated costs (in ₹ million)*	Quotations received from	Date of quotation	Validity of quotation
upgrade drive 1TB ASM Process Lens, USB Memory Stick						
NeoHorizon 03Ix HTC 25 additional magnetic tooling pins – 19 mm diameter and 25 additional magnetic tooling pins – 4mm diameter, audible tri-state beacon, calibration Kit, Siplace Fiducial Finder, Metal Clamp 45 Deg 6mm – 250 mm, Metal Clamp – 300 mm]	ASM DEK (NEOHORIZON 03iX)	USD 106,431	7.98	ASM Assembly Systems Singapore Pte. Ltd.	November 15, 2021	September 22, 2022
Post reflow 3D 5K 3D Automated Optical Inspection System - 522127	VI-TECHNOLOGY (VIT 5K 3D 7)	USD 88,450	6.63	Accurex Solutions Private Limited	August 14, 2021	September 22, 2022
Inspection conveyor, 800MM, Cooling buffer, Link conveyor, 800 MM, PCB inverter, etc. and other similar equipment	-	-	121.07	Multiple vendors	-	-
Total	-	-	**144.29**	-	-	-
SMT Line – Level III						
AMT Laser marking machine AM600 with built-in flip unit (for double sided PCB marking), simultaneous printing and reading function (addition of oblique CCD) and customised MES docking development	AMT (AM600)	USD 63,000	4.73	American Tec Electronic India Private Limited	March 22, 2022	September 21, 2022

Particulars of machine	Make (model)	Total estimated costs (in foreign currency)	Total estimated costs (in ₹ million)*	Quotations received from	Date of quotation	Validity of quotation
Hot air reflow oven	JT AUTOMATION (JTR-800-N)	USD 46,000	3.45	Accurex Solutions Private Limited	November 24, 2021	September 22, 2022
Cooling buffer	WHITT (CYA-1V100M)	USD 17,700	1.33	NMTronics (India) Private Limited	December 13, 2021	September 21, 2022
AOI NG buffer, Automatic magazine unloader fully covered dust free, Placement station SIPLACE SX2 (CP20P2/ CPP and Placement station SIPLACE SX2 (CPP/ VHFTH), Link conveyor, 800MM, etc. *and other similar equipment*	-	-	62.03	Multiple vendors	-	-
Total	**-**	**-**	**71.54**	-	-	-
Building / enhancement						
Our Company has obtained the quotation for building from Deepthi Developers and Builders dated March 29, 2022 which is valid until November 30, 2022, while the quotation for architecture and project management consultancy has been obtained from Space + Lab Architecture dated December 1, 2021 which is valid until November 30, 2022. Total cost to set-up the new manufacturing facility at Chamarajanagar, Karnataka will be **₹ 621.84 million** which will include the following: • Factory - ₹ 596.00 million • Admin block - ₹ 8.02 million • Architectural & engineering design consultancy fee (at 1.5% of total amount) - ₹ 9.06 million • Project management consultancy fee (at 1% of total amount) - ₹ 6.04 million • GST on consultancy charges (at 18%) - ₹ 2.72 million						
Utilities						
DG Set	SV1010 (1010kVA/800KWe)	-	13.50	Supernova Engineers Limited	March 25, 2022	September 24, 2022
Screw Air Compressor with Refrigeration Dryer	KAESER (BSD 75T)	-	2.57	Coburg Engineering Services Private Limited	December 30, 2021	September 24, 2022
Sub-station work 1. 11KV HT Switchboards 2. DC Power Supply 3. Power distribution transformers 4. Control cables 5. Excavated trench works 6. Cable pull	3000 KVA	-	3.50	Sri Manjunatha Electricals	March 25, 2022	September 24, 2022

Particulars of machine	Make (model)	Total estimated costs (in foreign currency)	Total estimated costs (in ₹ million)*	Quotations received from	Date of quotation	Validity of quotation
chamber *7. Earthing system* *8. Copper earthing conductor* *9. Liaison /approvals*						
LT works - Power panels & cables, HT Cables, UPS including batteries, etc. and other similar equipment	-	-	4.65	Multiple vendors	-	-
Total	-	-	**24.22**	-	-	-
In-circuit tester – A						
In circuit tester	KEYSIGHT – AGILENT (E9903G)	USD 357,500	**26.81**	Daiichi Jitsugyo Asia Pte Limited	March 10, 2022	October 9, 2022
In-circuit tester – T						
Test Station LH/LHS	TERRADYNE (TEST STATION - LH/LHS)	USD 592,882	**44.47**	Terradyne, Inc. Systems Test Group	October 26, 2021	September 22, 2022
Flying Probe Tester						
Double Sided Simultaneous Testing Flying Probe PCB Test System, Model – Pilot V8-NEXT	SEICA (V8 NEXT)	USD 400,000	**34.80**	Electrosolve India Private Limited	March 25, 2022	September 24, 2022
BGA Rework Station						
Summit 750i Semi-Automatic Rework System	VJ ELECTRONICS (SUNNIT 750 i)	USD 65,500	**4.91**	Trans Technology Pte Limited	March 10, 2022	September 30, 2022
Plastic Injection Moulding machineries						
Injection Moulding-1k	Milacron (N-Series, Hydro Servo, Maximo Servo and C-Series)	-	171.95	Milacron India Private Limited	February 2, 2022	August 1, 2022
Injection Moulding-2k	Milacron (Q-Series)	-	16.58	Milacron India Private Limited	February 2, 2022	August 1, 2022
Total	-	-	**188.53**	-	-	-

**Total estimated cost as per DPR issued by Resurgent India Limited.*

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these quotations pursuant to any taxes, levies payable and/or freight or installing cost, if any, on such items. Our Company shall have the flexibility to deploy the equipment to replace any existing equipment or set up a new equipment in the newly expanded portion as proposed as per the internal estimates of our management and business requirements. This may vary depending on the demand for replacement in our existing equipment. The actual mode of deployment has not been finalised as on the date of this Draft Red Herring Prospectus. For further details, see "*Risk Factors – We intend to utilise the Net Proceeds for funding our capital expenditure requirements and we are yet to place orders for such capital expenditure requirements. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices, which could adversely affect our expansion plans*" on page 49.

With respect to the utilities, equipment and machinery, construction and other expenses, we have not entered into definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment and machinery and other items or at the same costs. The quantity of equipment and machinery and other items to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the items listed above may differ from the current estimates. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item. No second-hand or used equipment and machinery is proposed to be purchased out of the Net Proceeds.

The form of infusion of such amount allocated for this object will be, by way of equity or through any other manner, which shall be decided by our Board before infusion of the proceeds into our wholly owned Subsidiary, Kaynes Electronics Manufacturing Private Limited after considering certain commercial and financial factors.

Our Promoters, Directors, and Key Managerial Personnel do not have any interest in the proposed acquisition of the plant and machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the plant and machinery for the proposed project.

Schedule of implementation

The expected schedule of implementation for the proposed setting-up as per the DPR issued by Resurgent India Limited is set forth below:

Particulars	**Chamarajanagar, Karnataka**
Estimated Period of Commencement	April 2022
Land acquisition and development	July 2022
Building construction and approvals	October 2022
Estimated Period of purchase order	December 2022
Estimated Period of delivery of Machineries	May 2023
Estimated Period of Installation or Erection and approvals	July 2023
Estimated Period of Completion and trial runs	August 2023
Estimated Start of Commercial Production / Operations	October 2023

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for the proposed project, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers / vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition 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 and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

4. Funding working capital requirements of our Company

Our Company proposes to utilise ₹ 1,147.40 million towards funding its working capital requirements in the ordinary course of business.

We have significant working capital requirements and in the ordinary course of business we fund our working capital needs through internal accruals and availing financing facilities from various banks and financial institutions. Our Company, in order to support its incremental business requirements, funding future growth opportunities and for other strategic, business, and corporate purposes requires additional working capital and such funding is expected to lead to a consequent increase in our revenues and profitability.

Basis of estimation of working capital requirement

The details of Company's working capital as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and the source of funding, on the basis of restated standalone financial statements of our Company, as certified by our Statutory Auditors, through their certificate dated April 13, 2022, are provided in the table below:

(₹ *in million*)

S. No.	Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(A)	**Current Assets**				
	Trade Receivables	1,563.74	1,217.48	936.49	1,229.61
	Inventories	2,171.25	1,638.65	1,511.10	1,217.82
	Cash	292.71	142.55	122.80	323.67
	Loans & Advances	264.54	191.25	327.35	228.37
	Other financial and current assets	2.84	2.02	6.79	3.26
	Total Current Assets (A)	**4,295.08**	**3,191.95**	**2,904.53**	**3,002.73**
(B)	**Current Liabilities**				
	Trade Payables	1,302.10	954.32	920.81	899.32
	Other financial and current liabilities	444.33	293.60	190.67	136.87
	Provisions	9.49	6.67	2.56	6.39
	Total Current Liabilities (B)	**1,755.92**	**1,254.59**	**1,114.04**	**1,042.58**
(C)	**Net working capital requirements (A-B)**	**2,539.16**	**1,937.36**	**1,790.49**	**1,960.15**
(D)	**Existing funding pattern**				
	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	1,291.80	1,080.56	1,125.40	1,187.35
	Internal accruals and equity	1,247.36	856.80	665.09	772.80
	Total Means of Finance	**2,539.16**	**1,937.36**	**1,790.49**	**1,960.15**

For further details, please refer to "*Other Financial Information*" on page 312.

On the basis of existing and estimated working capital requirement of our Company on a standalone basis, and key assumptions for such working capital requirements, which are mentioned below, our Board pursuant to its resolution dated April 13, 2022 has approved the projected working capital requirements for Fiscals 2022, 2023 and 2024 and the proposed funding of such working capital requirements as set forth in the table below:

(₹ *in million*)

S. No.	Particulars	Estimated as at		
		March 31, 2022	March 31, 2023	March 31, 2024
(A)	**Current Assets**			
	Trade Receivables	1,600.69	2,719.64	2,829.62
	Inventories	2,215.29	2,657.14	2,837.20
	Loans & Advances	370.34	388.86	347.06
	Other financial and current assets	2.12	2.23	1.99
	Total Current Assets (A)	**4,188.44**	**5,767.87**	**6,015.87**
(B)	**Current Liabilities**			
	Trade Payables	1,375.91	2,347.45	2,464.92
	Other financial and current liabilities	466.55	489.87	437.21
	Provisions	9.58	17.73	18.96
	Total Current Liabilities (B)	**1,852.04**	**2,855.05**	**2,921.09**
(C)	**Net working capital requirements (A-B)**	**2,336.40**	**2,912.81**	**3,094.78**
(D)	**Existing funding pattern**			
	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	1,450.00	700.00	700
	Internal accruals and equity	886.40	1,247.36	1,247.36
	Proceeds from the Offer	-	965.45	1,147.42
	Total Means of Finance	**2,336.40**	**2,912.81**	**3,094.78**

Note: Pursuant to the report dated April 13, 2022, issued by our Statutory Auditors.

Assumptions for our estimated working capital requirements

Provided below are details of the holding levels (days) for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the period ended December 31, 2021 as well as projections for Fiscal 2022, Fiscal 2023 and Fiscal 2024:

Sr. No.	Particulars	Number of days for the period/Fiscal ended						
		March 31, 2019	March 31, 2020	March 31, 2021	December 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
	Inventories	122	136	137	149	107	79	84
	Trade Receivables	123	108	93	109	78	70	85
	Loans & Advances & Other current assets	23	28	23	18	16	12	11
	Trade Payables	119	122	113	107	83	83	105
	Other current liabilities & provisions	14	17	21	29	21	16	15

Note: Pursuant to the report dated April 13, 2022, issued by our Statutory Auditors.

Key justifications for holding levels

1. Inventory days are computed from the historic Standalone Financial Information and are expected to decrease.
2. Receivables days are computed from the historic Standalone Financial Information and are expected to improve with efficient collections.
3. Holding levels for other current assets is computed from the historic Standalone Financial Information and is expected to continue on similar lines.
4. Trade payables are expected to reduce with the expected business growth. Holding levels for trade payables is computed from the historic restated standalone financial information and is expected to remain unchanged.

Our Company proposes to utilize ₹965.44 million and ₹181.96 million of the Net Proceeds in Fiscals 2023 and 2024, respectively, towards our working capital requirements. The balance portion of our working capital requirement shall be met from internal accruals.

5. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, business development initiatives, research and development, meeting any expense including salaries and wages, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds. If any bridge financing is availed to fund any of the objects mentioned above, then the same would be repaid out of the IPO proceeds and such utilization (towards repayment of Bridge Loan) shall be construed to be done for the specific object itself.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Banks' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer expenses, except (a) listing fees, which will be borne by the Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, will be shared, between our Company and the Selling Shareholders on a pro-rata basis (including all applicable taxes, except STT and withholding taxes, if any, which shall be borne by the respective Selling Shareholder), in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively, as may be mutually agreed and in accordance with applicable law. Any expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders to the extent of its respective proportion of Offer related expenses.The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

In the event that the Offer is postponed or withdrawn or abandoned for any reason or in the event the Offer is not successfully completed, all expenses in relation to the Offer shall be shared by the Company and the Selling Shareholders in accordance with applicable law.

The break-up for the estimated Offer expenses is set forth below:

Activity	**Estimated expenses (1) (in ₹ million)**	**As a % of the total estimated Offer expenses(1)**	**As a % of the total Offer size(1)**
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others			
i. Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
ii. Printing and stationery expenses	[●]	[●]	[●]
iii. Advertising and marketing expenses	[●]	[●]	[●]
iv. Fees payable to legal counsels	[●]	[●]	[●]
v. Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	**[●]**	**[●]**	**[●]**

(1) *Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are directly procured and uploaded by the SCSBs, would be as follows:*

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(3) *No additional uploading/processing charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Applications Forms directly procured by them.*

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for Retail Individual Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Eligible Employees**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

**For each valid application.*

(4) *The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:*

*Sponsor Bank(s)**	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws*
Payable to Members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs	*₹ [●] per valid application (plus applicable taxes)*

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

(5) *Selling commission on the portion for Retail Individual Bidders (including bids using the UPI Mechanism), Non-Institutional Bidders and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

*Portion for Retail Individual Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Monitoring Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Net Proceeds prior to filing of the Red Herring Prospectus with the RoC, as the Fresh Issue exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised if any, of such currently unutilised Net Proceeds. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net

Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our consolidated financial results. The statement shall be certified by the Statutory Auditor of our Company. 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 Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects of the Fresh Issue as stated above. This information will also be published in newspapers 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.

Variation in Objects

In accordance with Section 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects of the Offer, unless our Company is authorised to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“**Shareholders’ Meeting Notice**”) shall specify the prescribed details, provide Shareholders with the facility to vote by electronic means and shall be published in accordance with the Companies Act, 2013 read with the relevant rules.

The Shareholders’ Meeting Notice shall simultaneously be published in the newspapers, one in English and one in Kannada (Kannada also being the regional language of the jurisdiction where our Registered and Corporate Office is situated). Our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

Appraising agency

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency.

Other confirmations

There is no proposal whereby any portion of the Net Proceeds will be paid to our Directors, Promoters, members of the Promoter Group or Key Managerial Personnel, except in the ordinary course of business. Further, to the extent of being a Promoter Selling Shareholder, our Promoter will receive proceeds from the respective portion of the Offer for Sale. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 161, 29, 242 and 315, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Internet of Things ("IoT") solutions enabled integrated electronics manufacturing player with end-to-end capabilities across the Electronics System Design and Manufacturing spectrum.
- Diversified business model with portfolio having applications across industry verticals
- Long-standing relationships with marquee customer base
- Global certifications for each industry vertical catered to and multiple facilities across India with advanced infrastructure
- Strong supply chain and sourcing network
- Track record of consistent financial performance
- Experienced Promoters and senior management with extensive knowledge of the sector

For further details, see "*Our Business –Strengths*" on page 164.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Statements. For further details, see "*Financial Information*" on page 242.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS") at face value of ₹ 10, as adjusted for changes in capital:

As derived from the Restated Consolidated Financial Statements:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2021	2.28	2.15	3.00
Financial Year 2020	2.32	2.32	2.00
Financial Year 2019	2.38	2.38	1.00
Weighted Average	**2.31**	**2.24**	
Nine months ended December 31, 2021*	5.19	4.66	

** Not annualised.*

Notes:

Basic Earnings per share = Restated Consolidated Net Profit after tax attributable to equity shareholders, for the year or period / Weighted average number of equity shares outstanding during the year/ period (considering Bonus Issue)

Diluted Earnings per share =Restated Consolidated Net Profit after tax attributable to equity shareholders, for the year or period / Weighted average number of diluted equity shares and potential equity shares outstanding during the year / period attributable to equity shareholders (considering conversion of CCPS and Bonus Issue)

Notes:

(1) *Pursuant to a resolution of our Shareholders dated February 21, 2022, our Company has issued and allotted 38,465,005 bonus Equity Shares in the ratio of 5 (five) fully paid-up bonus share of the face value of Rs.10 each for every existing 1 (one) fully paid-up Equity Share of the face value of Rs.10 each held by the Shareholders as on February 21, 2022. All per share data has been calculated after giving effect to such bonus issue in accordance with principles of Ind AS 33 "Earning per Share".*

(2) *As per the Shareholder's Agreement dated October 22, 2021 and December 24, 2021, the CCPS holder is entitled to anti-dilution rights and accordingly the CCPS holder shall be entitled to 641,490 Equity Shares of the face value of ₹ 10 each.*

(3) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*

(4) *The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.*
(5) *The face value of each Equity Share is ₹ 10 each.*
(6) *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic EPS of ₹ [●] as per the Restated Consolidated Financial Statement for year ended March 31, 2021	**[●]**	[●]
Based on Diluted EPS of ₹ [●] as per the Restated Consolidated Financial Statement for year ended March 31, 2021	**[●]**	[●]

Notes:
(1) Price/ earning (P/E) ratio is computed by dividing the price per share by earnings per share.
(2) Basic and Diluted EPS as adjusted for the Bonus issue of Equity Shares allotted on February 25, 2021.

3. Industry Peer Group P/E ratio

	P/E Ratio
Highest	162.81
Lowest	144.70
Industry Composite	153.76

Notes:
(1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "– Comparison of Accounting Ratios with Listed Industry Peers" on page 117.
(2) P/E figures for the peers are computed based on closing market price as on April 8, 2022 on NSE, divided by Diluted EPS for the Financial Year ending March 31, 2021

4. Average Return on Net Worth ("RoNW")

As derived from the Restated Consolidated Financial Statements of our Company:

Particulars	RoNW %	Weight
Financial Year 2021	6.87%	3
Financial Year 2020	9.90%	2
Financial Year 2019	11.46%	1
Weighted Average	**8.64%**	
Nine months ended December 31, 2021*	11.89%	

Notes:

Return on Net Worth (%) = $\dfrac{\textit{Restated Net profit after tax for the year/period, attributable to the equity shareholders of the Company (considering conversion of CCPS and Bonus Issue)}}{\textit{Restated Net-worth, for the year/ period end, attributable to the equity shareholders of the Company (considering conversion of CCPS and Bonus Issue)}}$

- *"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.*
- *The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company*

For details in relation to the reconciliation of return on restated net worth, see "Other Financial Information" on page 312.

5. Net Asset Value per Equity Share

Period	Net Asset Value per Equity Share (₹)#
As on March 31, 2021	29.57
As on December 31, 2021	35.33
After the completion of the Offer	[●]
Offer Price	[●]

** Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
 # Derived from Restated Consolidated Financial Statements.

Notes:

Net Asset Value per share =Restated Net worth attributable to the equity shareholders of the Company at the end of the year or period / Number of equity shares outstanding (considering conversion of CCPS and Bonus issue) at the end of the year/period

(i) Pursuant to a resolution of our shareholders dated February 21, 2022 the Company has issued and allotted 38,465,005 bonus equity shares in the ratio of 5 (Five) fully paid-up bonus share of the face value of Rs.10 each for every existing 1 (One) fully paid-up equity share of the face value of Rs.10 each held by the members as on February 21, 2022.

(ii) As per the Shareholder's Agreements dated October 22, 2021 and December 24, 2021 the CCPS holder is entitled to anti-dilution rights and accordingly the CCPS holder shall be entitled to 641,490 Equity Shares of the face value of ₹ 10 each

For details in relation to the reconciliation of return on restated net worth, see "Other Financial Information" on page 312.

6. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Total income for Fiscal 2021 (₹ in million)	Face value per equity share (₹)	Closing price on April 8, 2022 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Kaynes Technology India Limited	4,246.63	10	N.A.	N.A.	2.28	2.15	6.87	29.57
Dixon Technologies Limited	64,497.48	2	4,475.75	162.81x	27.49	27.49	21.67%	126.84
Amber Enterprises India Limited	30,636.20	10	3,611.75	144.70x	24.96	24.96	5.19%	490.71

Source for Industry Peer information included above:

i. Closing NSE price of these equity shares as on April 8, 2022 obtained from NSE website.

ii. All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual results of the company for the year ended March 31, 2021.

iii. P/E figures for the peers are computed based on closing market price as on April 8, 2022 on NSE, divided by Diluted EPS for the Financial Year ending March 31, 2021

All the financial information for Kaynes Technology India Limited mentioned above is on a consolidated basis from the Restated Consolidated Financial Statements for the year ended March 31, 2021.

The Offer Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Bidders should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 29, 161, 315 and 242, respectively, to have a more informed view.

The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" on page 29 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARIES UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors,
Kaynes Technology India Limited
23-25, Belagola, Food Industrial Estate Metagalli P O,
Mysuru- 570016
Karnataka, India

Re: Proposed initial public offer of equity shares of face value of Rs.10/- each (the "Equity Shares") of Kaynes Technology India Limited (the "Company" and such offer, the "Offer").

This report is issued in accordance with the Engagement Letter dated November 29, 2021.

We hereby report that the enclosed Annexure I prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company, its shareholders, under direct and indirect taxes (together "**the Tax Laws**"), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company and its shareholders but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that 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 proposed initial public offering of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company and an offer for sale of Equity Shares by certain shareholders particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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.

We do not express any opinion or provide any assurance as to whether:

i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws 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. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, and the Prospectus, and in any other material used in connection with the proposed Offer. The Statement is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of K.P.Rao & Co, Chartered Accountants
ICAI Firm Registration No. 003135S

Authorized signatory
Mohan R Lavi
Partner
Membership No.: 029340
UDIN: 22029340AGZNNI1297

Place: Bangalore
Date: April 13, 2022

Encl: As above

ANNEXURE I

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO KAYNES TECHNOLOGY INDIA LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

Outlined below are the possible Special Tax Benefits available to the Company and its shareholders 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, AND TO THE SHAREHOLDERS OF THE COMPANY

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 115BAB of the Act.

The Company is in the process of setting up a subsidiary company which would be eligible for deduction under Section 115BAB of the Income Tax Act. As per Section 115BAB, t*he income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment* *year beginning on or after the 1st day of April, 2020, shall, at the option of such person, be computed at the rate of fifteen per cent, if the conditions contained in the Section are satisfied:*

c) 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.

d) 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

e) 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.

f) 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:

a. 20% (plus applicable surcharge and cess) with indexation benefit; or

b. 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.

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

a. 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.

b. 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.

NOTES:

1. The above is as per the current Tax Laws.

2. The above Statement of possible special 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 II

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

INDIRECT TAXATION

Outlined below are the special tax benefits available to the Company and 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 2015-2020 ("FTP") (collectively referred to as "Indirect tax").

1. Special tax benefits available to the Company

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 machinery 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.

2. Special Tax Benefits available to the Shareholders of the Company

There are no special tax benefits available to the shareholders of the Company**.**

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section is obtained or extracted from "Assessment Of Electronics System Design & Manufacturing, Skill Development (ESDM) In India" dated April 13, 2022 (the "**F&S Report**") prepared and issued by Frost & Sullivan (India) Private Limited ("**F&S**") appointed by us on November 16, 2021 and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the F&S Report is available on website of our Company at https://kaynestechnology.co.in/investors. The data included herein includes excerpts from the F&S Report and may have been re-classified by us for the purposes of presentation. 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. 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 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. See also, "Risk Factors – Industry information included in this Draft Red Herring Prospectus 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 50.*

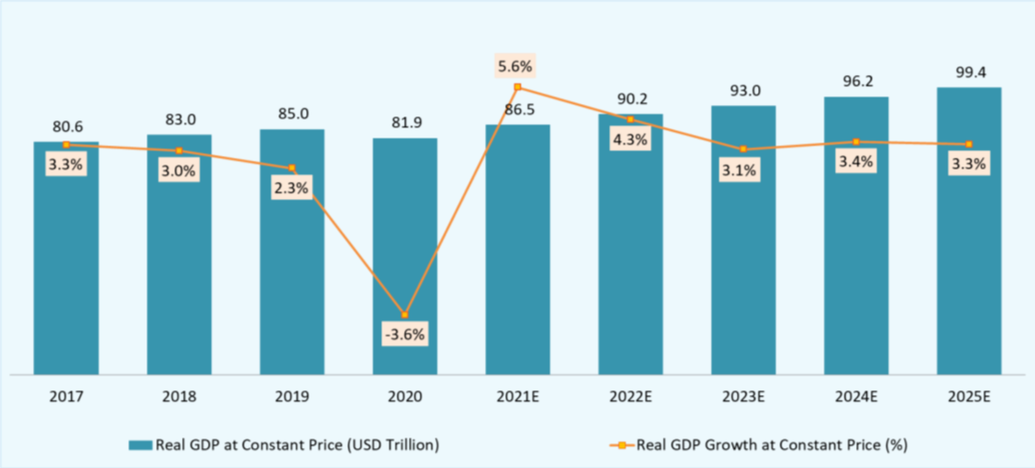
While preparing its report, F&S has also sourced information from publicly available sources, including our Company's financial statements available publicly. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus.

GLOBAL MACROECONOMIC OVERVIEW

Global Real GDP and Growth Outlook

The global economy (real GDP), which is now in the path of steady recovery, has undergone significant stress in the last few years due to extended trade conflicts, slowdown in investments across the world and then a novel virus. Global economy was showing signs of slowdown since 2018 and then entered into a recession in 2020 owing to the unprecedented crisis caused by COVID-19 pandemic. The pandemic started from China around December 2019 and then had spread across the continents with alarming speed, infecting millions and bringing economic activity to near standstill in the second and third quarter of 2020 as many countries had to impose strict restrictions to curb the spread of the virus. This novel virus has seen multiple variants in the past two years and the most recent one is the Omicron variant which is causing the third wave of COVID-19. Omicron is expected to be more transmissible than the past variants. With this the pandemic is also expected to become an endemic. World now has vaccines to fight this disease and companies have developed innovative business models including adoption of digital measures to continue with their businesses. Pent up demand, caused by economic stagnation and improvement in the supply situation are now fueling the recovery of global economy which is poised to stage its most robust post-recession recovery in 80 years in 2021. The global GDP is expected to grow at a compound annual growth rate ("**CAGR**") of 3.9% by 2025.

Real GDP and Real GDP Growth (Annual percentage change), Global, Value in USD Trillion, Growth in percentage, 2017 to 2025 (Estimated)



Note: E refers to Estimate *Source: IMF, World Economic Outlook, 2021; World Bank; Frost & Sullivan Analysis*

The outbreak of COVID-19 pandemic has thrown the entire world into an unforeseen crisis in terms of both public health and economy. Protecting people's lives and supporting public health have become the highest priorities for countries across the world. The global economy, which was already slowing down, plunged into a deep depression in 2020 causing severe impact on spending and employment.

Business scenario has significantly improved since then and most of the economies are hoping to bounce back to 2019 levels by 2021 or beginning of 2022. Governments across the world have created necessary healthcare infrastructure to deal with any future outbreak, more than 7.7 billion vaccine doses have already been administered, and public at large have learnt to live with this menace.

Further, the global economic recovery is jeopardised by high freight charges. Container freight charges have risen across nearly all trade routes due to increased demand for commodities. According to recent estimates, the current increase in container freight rates could increase global import prices by 11% and consumer prices by 1.5% by 2023. The economic impact of COVID-19 containment measures, coupled with a general shrinking of shipping capacity and equipment, has severely impacted maritime freight operations. The implementation of COVID-19 protocols resulted in a steep increase in freight costs, which resulted in depressed margins in Fiscal 2021. Once the pandemic gets under control, this may ease out.

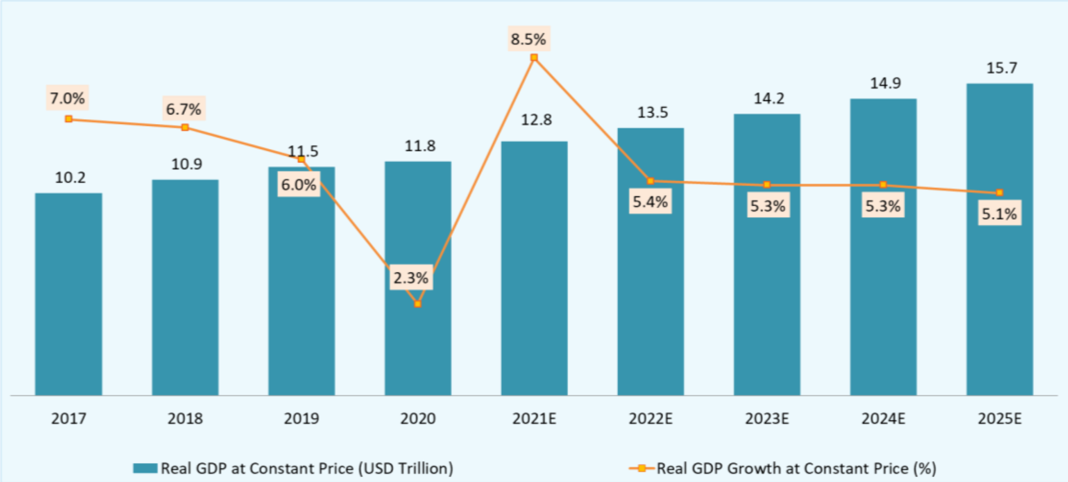
India, one of the potential superpowers in the world and one of the emerging manufacturing destinations, could not decouple itself from this global disaster. Indian manufacturers had to face supply side bottlenecks as there was no supply from China in the first quarter of 2020. India is the second most populous country and population density of the cities are one of the highest in the world. Due to this, the Government of India (the "**GoI**") had to impose strict country-wide lockdown much faster than most of its western counterparts. Indian manufacturing sector could not withstand this double blow – first from the supply side and then from the demand side and its economy contracted the most (-23.9%) globally in the second quarter of 2020.

However, the country has shown strong resilience since then. The GoI had called for 'Atmanirbhar Bharat' or 'Self-Reliant' India and the industries have responded to that call. India has not only become self-reliant on medical supplies, it is now one of the largest producers of COVID-19 vaccines globally. The demand scenario has improved and Indian economy has grown by record 20.1% in the second quarter of 2021 compared with the corresponding period last year.

India Real GDP and Growth Outlook

The Indian economy continued to grow between 2017 and 2019. However, there was a moderation in the growth rate during these years. As the GoI was taking various measures to counter this slowdown, COVID-19 created havoc in 2020 which resulted in 7.3% contraction of the country's economy.

Real GDP and real GDP growth (annual percentage change), India, value in USD trillion, growth in percentage, 2017 to 2025 (Estimated)



Note: E refers to Estimate *Source: IMF, World Economic Outlook, 2021; World Bank; Frost & Sullivan Analysis*

However, the country has shown tremendous resilience in these difficult times and macroeconomic indicators started improving gradually since the third quarter of 2020. The medium term growth outlook is very positive and country is likely to record a growth of 8.3% in 2021 and 7.5% in 2022, on account of strong macroeconomic fundamentals including moderate inflation, implementation of key structural reforms and improved fiscal and monetary policies. Among all large economies, India is likely to demonstrate a rapid and sustainable growth post COVID-19, driven by strong manufacturing-led industrial expansion and consumption demands from the private sector.

One of the key reasons for the anticipated growth of Indian economy is the country's focus on the manufacturing sector. Indian manufacturing sector's contribution has increased from 16% to over 18% in the past 10 years buoyed by initiatives like the "*Make in India*" and sector specific initiatives that aim to make India a global manufacturing destination.

For the electronics industry, the National Policy on Electronics ("**NPE**") 2019 aims to position India as a global hub for Electronics System Design and Manufacturing ("**ESDM**") by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally. The NPE 2019 also envisions the creation of a vibrant and dynamic semiconductor design ecosystem in the country by way of incentivizing the start-ups and making design infrastructure accessible to them. Towards this, the GoI has promoted entire ecosystem of the Indian electronics industry through incentive schemes such as:

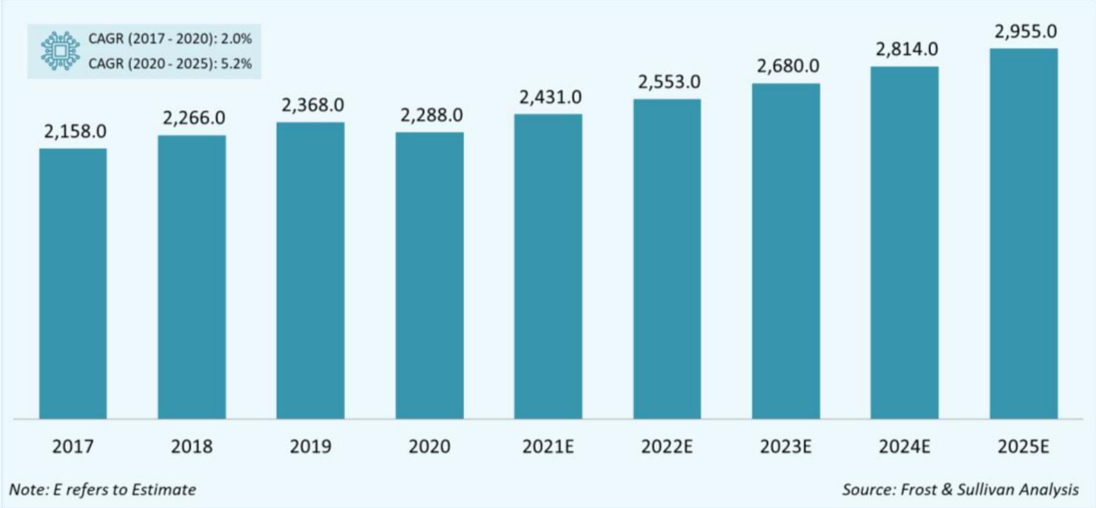
- Incentive support to companies / consortia that are engaged in Silicon Semiconductor Fabs, Display Fabs and Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs Semiconductor Packaging (ATMP / OSAT) and Semiconductor Design (Design Linked Incentive or DLI); and

- Production Linked Incentive ("**PLI**") for IT hardware and large scale electronics manufacturing.

GLOBAL ESDM INDUSTRY OVERVIEW

Global Electronics industry

Overall Electronics Industry, global, value in USD billion, growth in percentage, 2017 to 2025 (Estimated)



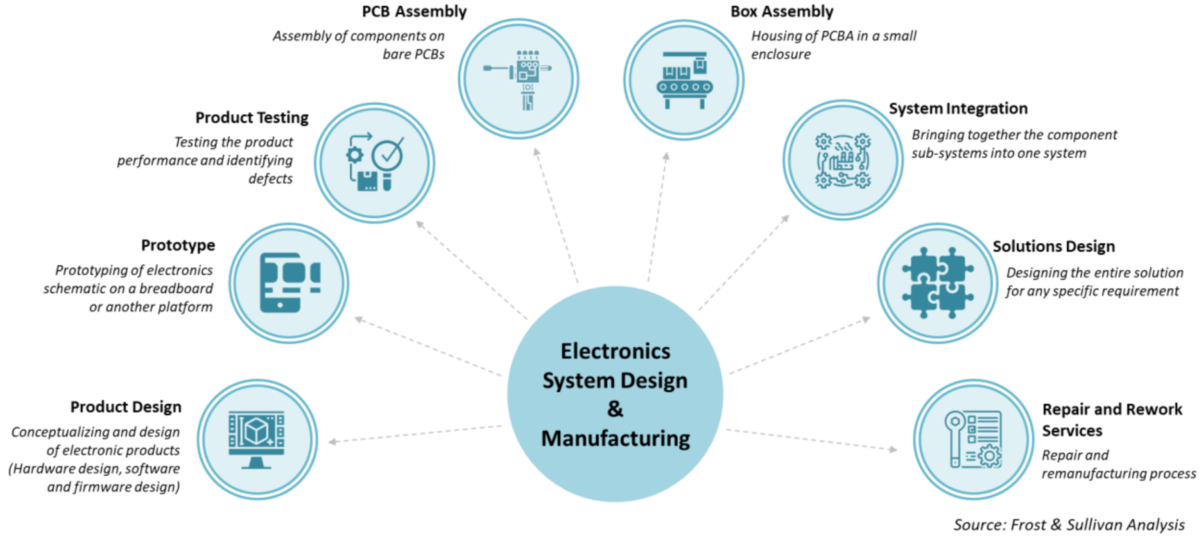
Introduction to Electronic System Design and Manufacturing ("ESDM") Industry

Traditionally, the global ESDM market has been dominated by the companies that manufacture electronic products, primarily through the assembling of components on printed circuit boards ("**PCBs**") and box builds for original equipment manufacturers ("**OEMs**") and OEMs used to take care of the designs. However, the scenario is changing fast and OEMs are increasingly realising the capabilities and contribution of the ESDM companies, which have resulted in their involvement expanding beyond manufacturing to encompass product design and development, testing, and after-sales services such as repair, re-manufacturing, marketing, and product lifecycle management. Some of the key design-related activities include product designing, chip designing, very large-scale integration ("**VLSI**"), board designing, and embedded systems.

The Transformation of the Global ESDM Industry

The Transformation of ESDM Industry, Global, 2020

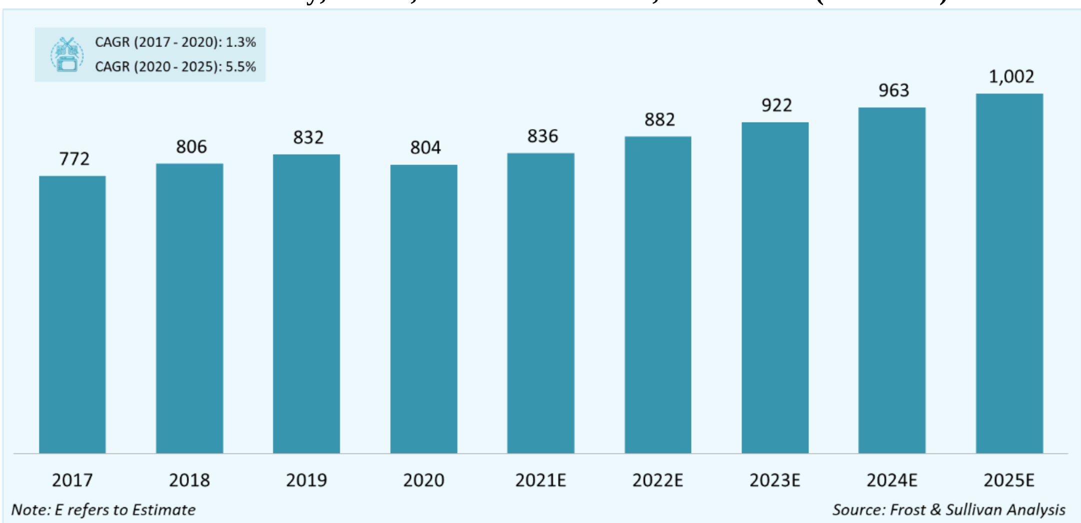
Range of Services Offered by ESDM Companies, Global, 2020



Global ESDM Industry and Outlook

The global ESDM market was estimated at USD 804 billion in 2020 and is expected to reach USD 1,002 billion in 2025 at a growth rate of 4.5%. The global ESDM market witnessed a period of steady growth till 2018, riding on the wave of increased outsourcing activities from OEMs and increasing electronics content. However, in 2019, the opportunities started stagnating due to a multitude of factors, firstly, due to decline in global automotive sales and saturation of consumer electronics sales, and secondly, due to supply chain restrictions as a result of heightened trade tensions between the US and China.

ESDM Industry, Global, value in USD billion, 2017 to 2025 (Estimated)



While the industry was still coming to terms with these shocks, a bigger blow was waiting for the industry in the form of the COVID-19 pandemic. The pandemic-induced lockdown created an even more complicated environment for the industry, affecting demand, supply, and manufacturing activities. Despite growing demand, the ESDM industry recorded a 3.4% decline in 2020. The impact on the industry was expected to be higher, but certain factors worked in favour of the industry such as:

- the pent-up demand created by the need for life-sustaining medical devices;
- the work-from-home economy, which created demand for smartphones, tablets, and laptops;
- the China +1 strategy which resulted in the USA and Japanese companies shifting focus to India and Southeast Asian countries;
- GoI’s focus on increasing local content in manufacturing;
- increasing investments in infrastructure projects;

- increasing use of data has resulted in the need for data privacy and this is creating demand for large domestic servers. Growth in data analytics is also contributing to the growth of data serves, which in turn creates demand for electronics;
- adoption of Industry 4.0 across manufacturing segments;
- growth in 4G/ 5G networks;
- increasing adoption of clean energy/ renewable energy; and
- the push for climate change, which created demand for digitalization or digital software, products, or solutions that can track, monitor, measure, and verify sustainability initiatives.

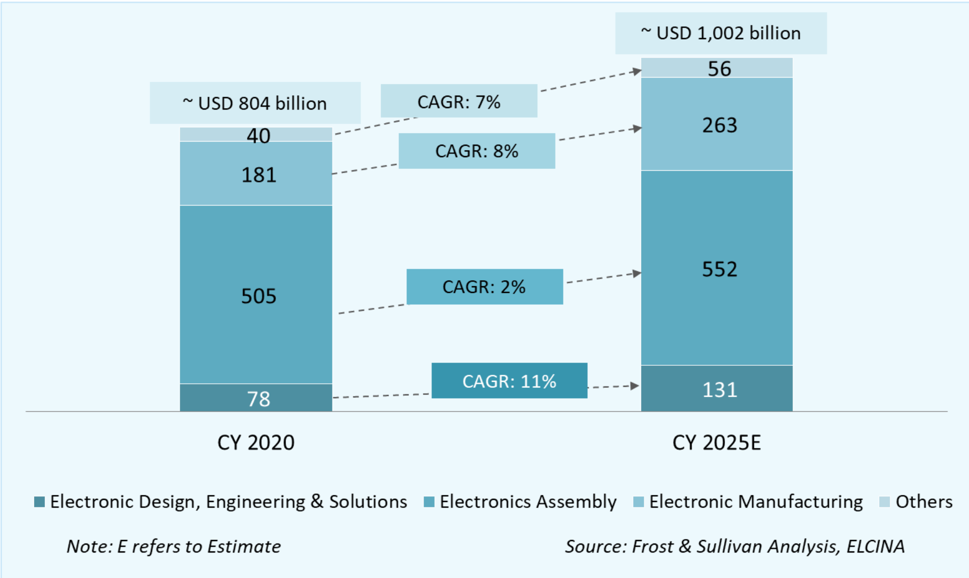
Moving ahead, the ESDM industry is anticipated to grow rapidly over the next few years, surpassing the pre-COVID-19 revenue level by 2021 or 2022. According to Frost & Sullivan analysis, the ESDM market has faced challenges with the supply chain in 2021, which had medium restraining effect. The problem is expected to be resolved by early 2022 through a combination of measures, including part localization. Additionally, as the electronic content increases, the demand for electronic components will also increase in the future, which will drive the ESDM industry. ESDM providers are increasing their focus on the design aspects, which would also add to their revenue stream going forward. According to market participants, technological expertise would add to the competitive advantage of ESDM providers and increase their revenue opportunities.

Global ESDM Market Dynamics

By services

The global ESDM market is defining the force in the production of electronics products and now accounts for a sizable portion of the electronics market. While outsourcing continues to be the most anticipated model for the manufacturing / assembly of advanced electronics products, OEMs are increasingly outsourcing the design activities to the ESDM companies. Extensive experience in manufacturing and assembly has enabled large ESDM companies to advance up the value chain by providing other services such as design, testing, and component procurement. The industry is evolving away from OEMs toward Original Design Manufacturing ("**ODM**"), to put it succinctly. By 2025, it is predicted that the share of ODM business would have increased from 10% to 13%.

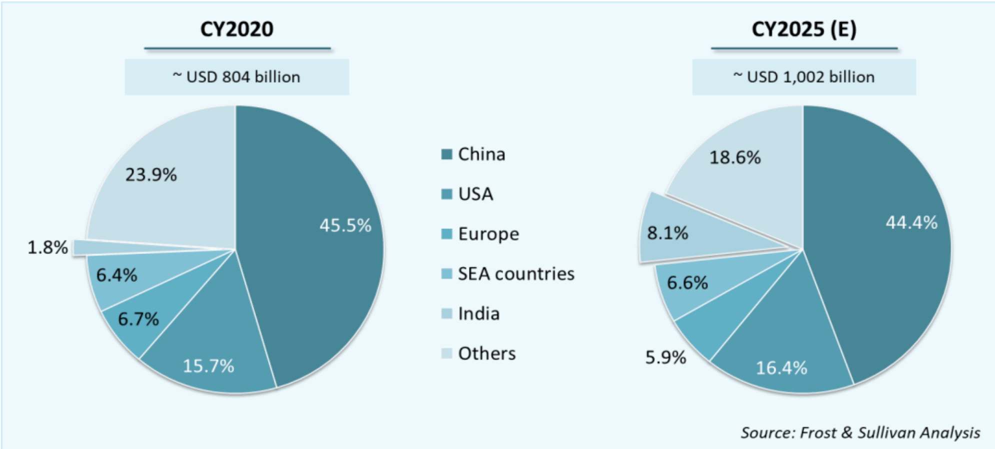
ESDM Market Break-up by Services, Global, value in USD billion, 2020 and 2025 (Estimated)



By geography

China leads the global ESDM business with almost 45.5% share. Its dominance in the global market is attributed to a blend of cost effectiveness and technological leadership in electronics manufacturing. On-going digitalization, IoT, and urbanization are some mega trends that are driving the growth prospects. It is a high growth region due to operational cost benefits, availability of a large number of highly skilled personnel, infrastructure, logistical advantages, and proximity to the largest end-user base across all end-user verticals. However, post COVID-19 pandemic, many global electronics manufacturers are contemplating on China + 1 strategy and looking for alternate manufacturing locations for exports business. This is creating tremendous investment potential for countries like Vietnam, India, and Philippines etc.

ESDM Market Break-up by Select Countries, Global, value in USD billion and percentage, 2020

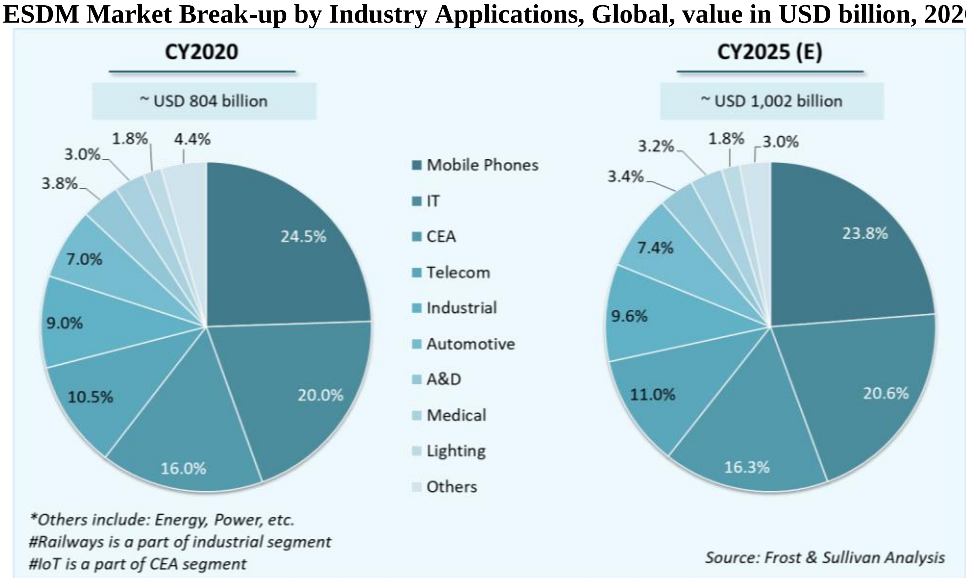


North America is a leader in adopting next-generation technologies and devices. For instance, the USA is one of the first countries to start commercialization of 5G. On the device front, the demand for IoT-based devices is expected to accelerate at a CAGR of 15.0% till 2025. In the next five years, demand for ESDM will be driven by a rise in electronic device demand, a well-established ESDM infrastructure, and evolving government policies that encourage local production. Linking the region's quantum of research and development activities to the total available market, ESDM companies can expect good growth opportunities from product development if ESDM companies can solve scalability and time-to-develop challenges.

India contributes to approximately 1.8% of the global ESDM market in 2020. However, there is a strong push from the GoI to make India an ideal location for electronics manufacturing in the region. Under the NPE, India announced various programmes in 2019, including EMC 2.0, to enhance the infrastructure of electronics manufacturing and offer incentives to manufacture more products that promote the industry in India. The PLI programme, which benefits electronics manufacturing firms, was introduced in 2020. In the southern state of Tamil Nadu, in Chennai, an electronic manufacturing corridor is being built. The EMC Smart City investment in Greater Noida is planned at USD 162.7 million. Kaynes, Jabil, Dixon, Flextronics, SFO, Elin, Rangsons, and Centum are among the companies that have invested in manufacturing capacity as a result of 'Make in India policy' efforts.

By end-user segments

ESDM Market Break-up by Industry Applications, Global, value in USD billion, 2020



Consumer electronics and appliances have had a consistent performance in the last few years, which is aided by growth in advanced economies and developing countries. ESDM companies have also profited from rising consumer spending and technological improvements. Rising demand for smart solutions will fuel future growth. Furthermore, OEMs and ESDM manufacturers are progressively supplying both premium and mid-range appliances in order to meet the growing demand for both product categories and increase revenue.

Mobile phones, IT hardware, and CEA ("**Consumer Electronics and Appliances**") are the key segments with a significant share of the global ESDM market. The Internet of Things ("**IoT**"), which is part of CEA, is gaining in popularity as the number of internet users and smart device use rises. Similarly products such as brushless DC motors ("**BLDC**"), inverters and other specific product categories are also gaining importance. Another important market in which electronics are used is industrial, which is divided into a number of sub-segments. Railways are considered to be part of the industrial sector. Leading manufacturers are looking to add new applications into their portfolio by partnering with niche application providers.

Mobility (automotive and railways/metro) is one of the key growth opportunity verticals for ESDM providers in the next five years, due to the technology transformation currently underway with autonomous cars development and electric car commercialization activities. Moreover, the rapidly growing electronics content will accelerate the growth of ESDM revenue from this vertical. The Aerospace and Defence industry is predicted to be a promising market, with a considerable supply-demand mismatch. In the long term, the industry is likely to benefit from the global market.

Medical devices electronics manufacturing services are a key revenue opportunity in the others segment. Though the COVID-19 pandemic has created a surge in demand for ESDM in this vertical, it is important to carefully assess the demand level for the mid and long terms. Light-emitting diode ("**LED**") lighting has grown from strength to strength over the last decade driven by energy efficiency regulations, widespread manufacturing and reduced prices of LED light sources.

Government Incentives and Programs to Support Electronics Industry by Select Countries

Across nations, there is a strong government push to broaden the operations and revenue from the electronics industry.

Key Government Incentives, Policy / Schemes and Programs by Select Countries, Global, 2020

Key government incentives, policy / schemes and programs by select countries, Global, 2020	
India	PLI Scheme, SPECS, EMC 2.0, MEIS, DLI, Scheme for ATMP/ OSAT units
China	China Standards 2035;Made in China 2025
United States	National Defense Authorization Act of 2021 (NDAA)
Europe	Industry 4.0 Policies; Digital Single Market Strategy; Industrial Policy Strategy
Vietnam	National industrial Development policy through 2030
Thailand	Thailand 4.0 strategy
Indonesia	National Industrial Policy
Singapore	Electronics Industry Transformation Map (ITM)

OVERVIEW OF INDIAN ELECTRONICS INDUSTRY

Indian Electronics Market - Historical Trends and Outlook

Electronics is one of the fastest growing industries in the country. The total electronics market (which includes domestic electronics production and imports of electronic finished goods) in India is valued at ₹ 6,711 billion (USD 91 billion) in Fiscal 2021, which is expected to grow at a CAGR of 25.5% to reach ₹ 20,873 billion (USD 282 billion) in Fiscal 2026. Domestic production accounts for approximately 74% of the total electronics market in Fiscal 2021, valued at ₹ 4,975 billion (USD 67 billion), and is expected to grow to approximately 96% by Fiscal 2026, valued at ₹ 20,133 billion (USD 272 billion), owing to various government initiatives and the development of India's electronic ecosystem. Also, the global landscape of electronic design and manufacturing is changing significantly, and revised cost structures have shifted the attention of multinational companies to India. At present, the Indian government is attempting to enhance manufacturing capabilities across multiple electronics sectors and to establish the missing links in order to make the Indian electronics sector globally competitive. India is positioned as a destination for high-quality design work as well as a cost-competitive alternative. Many multinational corporations have established or expanded captive centres in India. Increasing penetration of consumer electronics in semi-urban and rural markets, a shift in lifestyle among the Gen Y population, and the adoption of smart devices are some of the key drivers that are assisting the rapid expansion of this industry.

Total Electronics market, India, value in ₹ billion, Fiscal 2018 to Fiscal 2026 (Estimated)

Per Capita Electronics Consumption in India

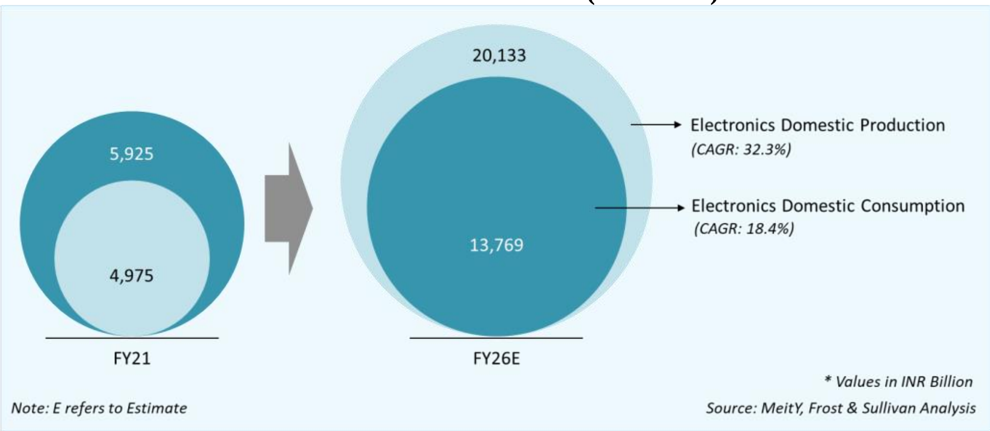
Globally, per capita electronic consumption is increasing. In comparison to the global average, India's per capita electronic consumption is currently low. The global per capita consumption of electronics is 4.7 times that of India. While the GoI has taken many steps to improve the domestic electronics manufacturing industry in India, the country has also seen a 12.5% increase in electronics consumption between Fiscal 2017 and Fiscal 2020. The industry's long-term growth outlook is quite optimistic, owing to the fact that market penetration for many electronics items is still very low when compared to the global average.

Analysis of Domestic Electronics Production vs. Consumption

Electronics is one of the country's fastest growing sectors. At the moment, the GoI is working to strengthen manufacturing capabilities across several electronics industries and to establish the missing links in order to make India's electronics sector globally competitive. India is positioned as a low-cost alternative as well as a source of high-quality design work. Many global firms have established or expanded captive operations in India.

The government's stated goal of improving manufacturing capability in India has been supported by the creation of a favourable environment. Whether it is the removal of customs duties on certain products, the removal of duties on components, or encouraging local component manufacturing, there has been significant movement to drive domestic manufacturing. The government has also taken several steps to improve the ease of doing business, which has resulted in increased manufacturing setups in the country by multiple foreign manufacturers. As electronics brands/OEMs continue to push for collaboration and partnership, this environment has certainly encouraged the ESDM market.

Overview of Electronics Industry - Domestic Consumption vs. Manufacturing, India, value in ₹ billion, Fiscal 2021 and Fiscal 2026 (Estimated)



In recent years, India's demand for electronic products has increased significantly, owing primarily to the country's progress in the ESDM sector. Some of the driving forces behind the development of India's electronics ecosystem are low manufacturing costs, a skilled workforce, and a large geographical area. India is now the world's second largest mobile phone manufacturer, and the Indian start-up ecosystem is still expanding, with the potential that Indian start-ups have demonstrated to be a massive opportunity for India.

Indian Electronics consumption

The Indian electronics consumption market is estimated to be ₹ 5,925 billion (USD 80 billion) in Fiscal 2021, with a growth rate of 18.4% expected to reach ₹ 13,769 billion (USD 186 billion) by Fiscal 2026. India has one of the largest consumer bases in the Asia-Pacific region, and its electronics industry is one of the fastest growing in the world.

- Industrial - Energy meters/smart metres, machine tools (CNC), and industrial machineries are key products in this segment, accounting for a sizable market share. The increasing usage of automation and instrumentation systems is driven by the demand for process optimization, energy efficiency, M2M, asset management, machine and process safety.

- Automotive: The global automotive industry is being transformed by four megatrends: connected, autonomous, shared, and electric. Electric vehicles are already a reality, and their growth and domination in the automotive mix will be considerable this decade. Customer demand for a digital in-vehicle experience, along with a growth in integrated linked services, will continue to transform the industry.

- Railways and Metro - ESDM companies contribute to the development of innovative, safe, dependable, and simple-to-install solutions and equipment for the Railways market. ESDM companies contribute to the increased efficiency of railway equipment and provide support across the traction chain's full life cycle, particularly in the areas of service, maintenance, upgrades, and retrofit project works.

- Medical/ Healthcare - The Indian medical electronics market is undergoing rapid transformation as a result of the emergence of advanced technologies, evolving clinical and administrative needs, and the implementation of new policies and regulations, all of which are compelling industry participants to innovate in order to maintain their competitive edge. India has developed into a key centre for high-end diagnostic services as a result of massive capital expenditure, therefore serving to a large population.

- IT (including IoT and related products) - Availability of broadband in remote areas of the country is a key demand driver for entry level notebooks and desktops. Due to the pandemic, the work-from-home lifestyle for office workers and online education for school children have created a lot of opportunities for the IT hardware market in India. Short- to medium-term development will be fuelled by the GoI’s plans such as Digital India and greater internet penetration. Emerging technologies, for example, IoT, AI, and the introduction of robotics and analytics in the industrial and strategic electronics segment, have all led towards the overall development of numerous electronic products, which has given a lift to local demand. Utilization of IoT/sensors, 5G, artificial intelligence, and machine learning are providing stimulus for the creation of advanced multi-utility electronic products. Increased Cloud Storage of data will expand server requirement exponentially going forward.

- Aerospace and Defence - India is the world's seventh largest aerospace and defence market. India wants to decrease its reliance on imports while simultaneously modernising its aerospace and defence capital equipment base. The indigenous manufacturing base, which was previously centred on Defence Public Sector Undertakings and Ordnance Factories, is only now expanding, with private sector companies concentrating on establishing significantly sized and capable facilities. As the Aerospace & Defence business advances, the critical influence is on platform capabilities, a large percentage of which comes from electronics. In Fiscal 2020, the GoI spent an approximate of ₹ 1.3 trillion on the space sector. Despite the COVID-19 cash crunch, the Budget for Fiscal 2021-22 did not deprioritise the space sector with a 3.48% increase in the expenditure allocation. There are many companies exporting as well and now Indian manufacturing companies in this area, with certifications such as NADCAP, can access US and other foreign markets.

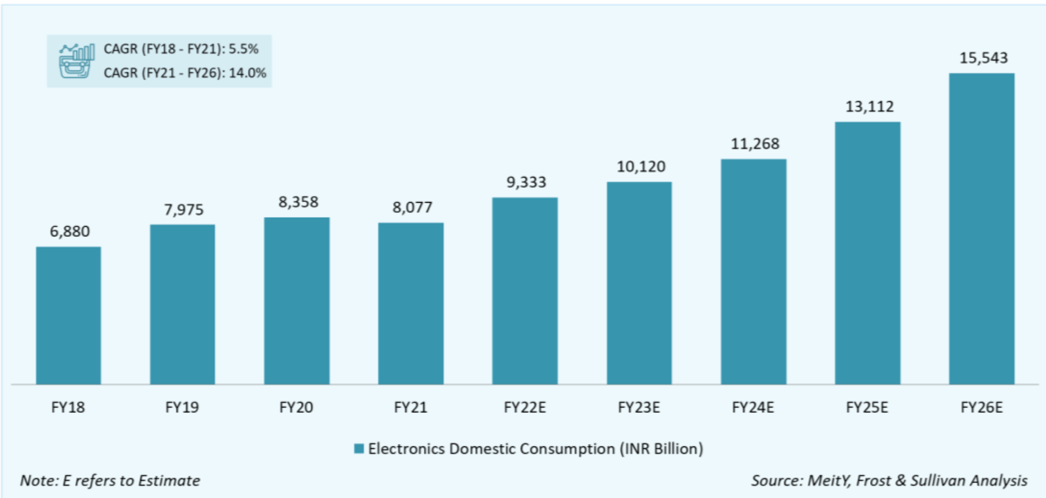
- Consumer electronics and appliances – It is one of the largest segments, with a diverse range of electronic products such as televisions, cameras, audio players, and a variety of other household items. The key drivers are increased awareness, increased access, changing lifestyles, higher discretionary incomes, and lower per unit prices.

- Telecom - To propel the Telecom and Networking Products sector, there is a need for deep penetration of broadband networks as well as the availability of mobile telephony. The GoI's push for broadband availability in rural areas of the country is a key demand driver for the telecom segment. This segment is also being driven by the increased focus on the 5G sector. 3G/4G will remain strong in the coming years, and 5G will make an impact relatively soon.

- Mobile phones: With the introduction of new smartphone models, better availability, declining prices, and increased customer spending across Tier I/II/III cities, India's mobile phone penetration is increasing. As a result of the proliferation of mobile data networks, a widespread distribution network, and support from e-commerce websites, mobile phone penetration in India has increased even further.

Indian Electronics production

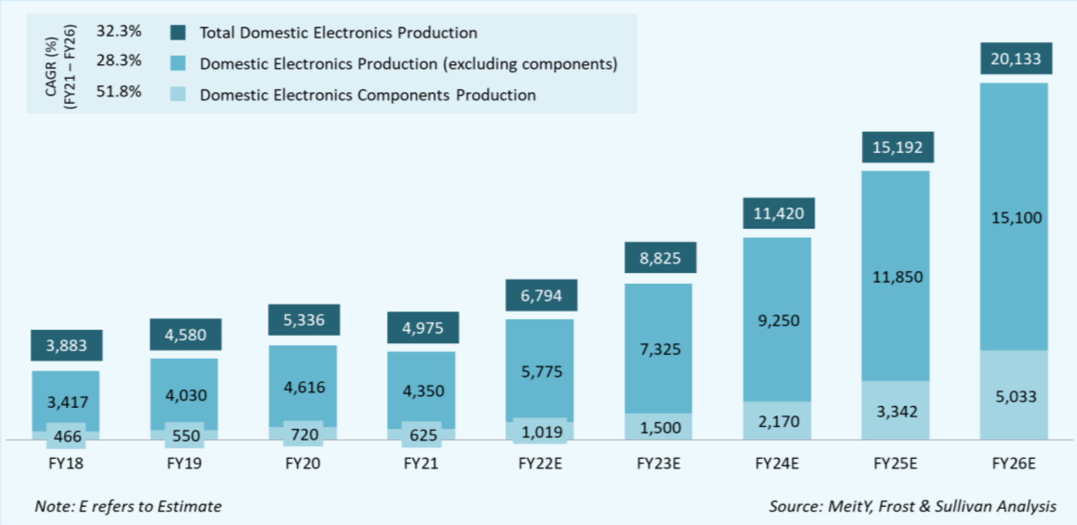
Electronics Domestic Production (including components), value in ₹ billion, Fiscal 2018 to Fiscal 2026 (Estimated)



Electronics production in India is estimated at ₹ 4,975 billion (USD 67 billion) in Fiscal 2021, and is expected to grow at a CAGR of 32.3% to reach ₹ 20,133 billion (USD 272 billion) by Fiscal 2026 India has the potential to be one of the most attractive manufacturing destinations and support the objective of 'Make in India for the World'.

Government and industry needs to collaborate and drive initiatives to help India move among top five countries in electronics production and among top three in electronics consumption. To improve the manufacturing capability in the electronics industry, the GoI has taken several initiatives and developed a series of policies that would be implemented in the short to medium term. The policies must be reviewed at regular intervals in order to determine their efficacy in achieving the intended objective of increasing the manufacturing capability.

Total domestic Electronics production market split by finished goods vs. components manufacturing, India, value in ₹ billion, Fiscal 2018 to Fiscal 2026 (Estimated)

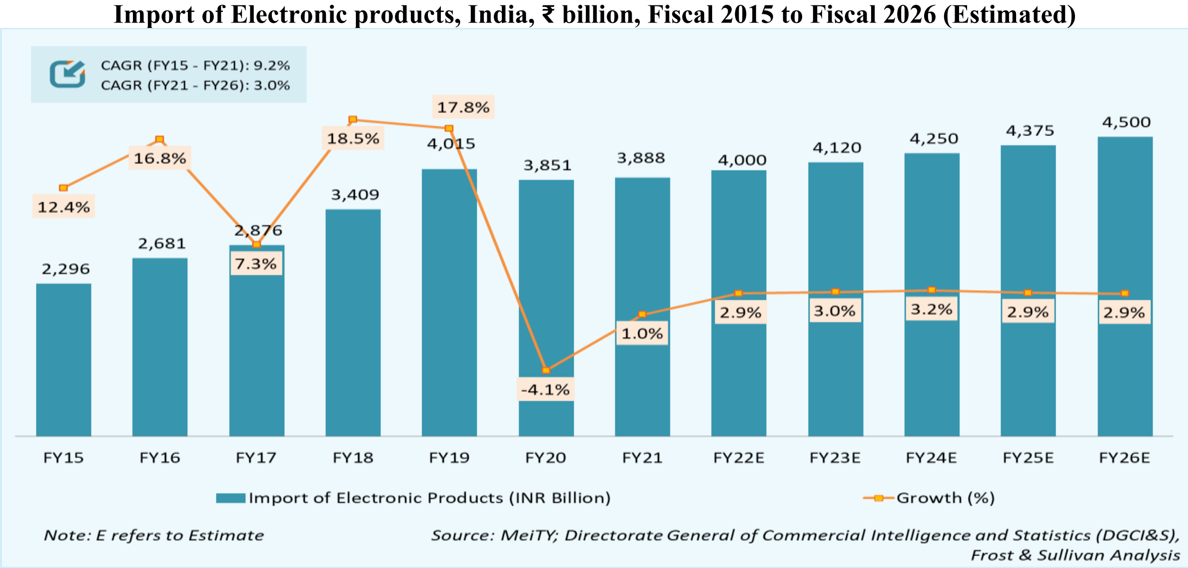


The success of the PLI scheme for the electronics segment in large-scale manufacturing of electronic products is being viewed with great confidence. Similarly, the NPE aims to make India a global hub for electronic system design and manufacturing and has fixed some aspirational targets. Excellent opportunities for increasing electronics manufacturing are estimated to come from consumer electronics and appliances, the automotive sector, lighting, electronic components, and the medical electronics sector. India is finding its way to be a part of the global value chain to increase production and exports.

Import of Electronic products in India

The total import value of electronics products was ₹ 2,296 billion (USD 38 billion) in Fiscal 2015 and ₹ 3,851 billion (USD 54 billion) in Fiscal 2020.The import value decreased by 4.1% in Fiscal 2020 compared to Fiscal 2019, when it was valued at ₹ 3,888 billion. In Fiscal 2020, China and Hong Kong accounted for approximately 70% of India's total electronic imports. The majority of semiconductor demand is now fulfilled by imports from the United States, Japan, and Taiwan. The GoI is developing electronics manufacturing clusters ("**EMCs**") around the country to provide world-class infrastructure and facilities in order to minimise reliance on imports.

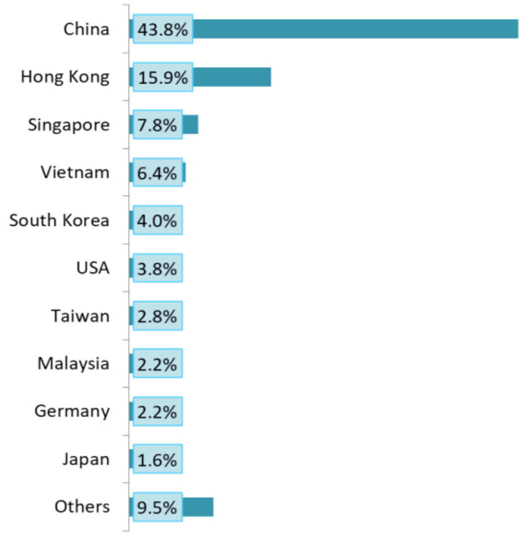
Import of Electronic products, India, ₹ billion, Fiscal 2015 to Fiscal 2026 (Estimated)



List of top 10 imported Electronic products by value, India, Fiscal 2020

Source: Export-Import Data Bank, Frost & Sullivan Analysis

Import of Electronic products by key countries, value in percentage, Fiscal 2020

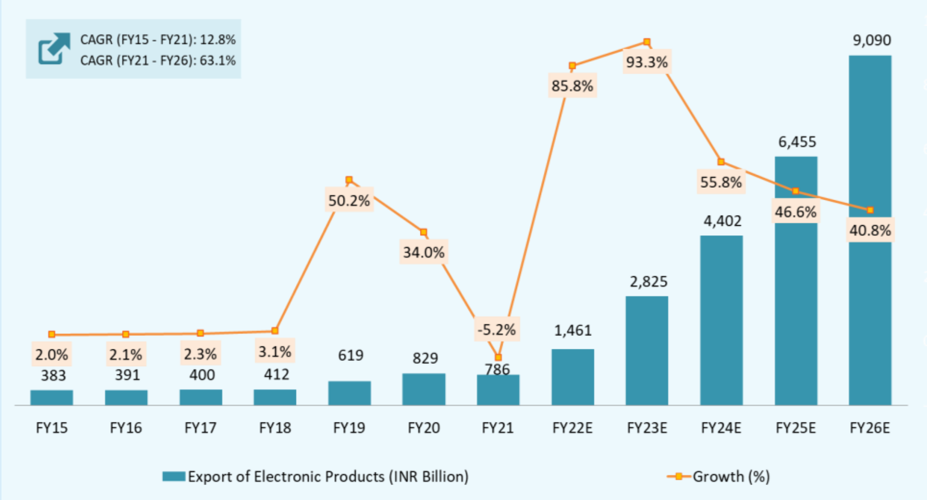


Source: Ministry of Commerce & Industry, Govt. of India

Export of Electronic products in India

The total export value of electronic products in Fiscal 2015 was ₹ 383 billion (USD 6 billion) and in Fiscal 2020 it was ₹ 829 billion (USD 12 billion). The value of exports increased by 34% in Fiscal 2020 compared to Fiscal 2019, which was worth ₹ 619 billion (USD 9 billion). The export market is expected to grow substantially in next five years at a CAGR of 63%, owing to various government initiatives such as PLI scheme, Atmanirbhar Bharat which facilitates the domestic manufacturing.

Export of Electronic products, India, ₹ billion, Fiscal 2015 to Fiscal 2026 (Estimated)



Note: E refers to Estimate

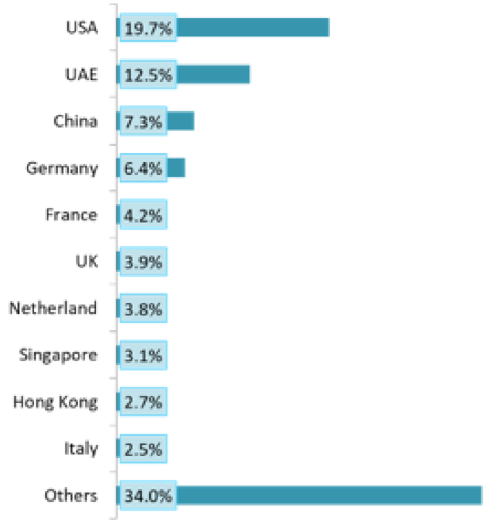
Source: MeiTY; Directorate General of Commercial Intelligence and Statistics (DGCI&S), Frost & Sullivan Analysis

Increase in design and manufacturing capabilities have led to export opportunities for some products and is a key driver for other segments as well. Global players use local companies for contact manufacturing as local companies have their in-house plants, research and development and testing facilities. In Energy Meters/ Smart Meters segment, India has a strong base of manufacturing/ assembly; however many components like LCD, Relay, Communication Module, PCB, Passive Components and Microcontrollers are imported. Components like Mechanical Components, Terminals, Brass Terminals and Screws are locally sourced. With a strong foothold in the electronics sector, Kaynes is one of the key players in the market, with a significant growth potential in the global market.

List of Top 10 Exported Electronic Products by value, India, Fiscal 2020

Source: Export-Import Data Bank, Frost & Sullivan Analysis

Export of Electronic Products by Key Countries, value in percentage, Fiscal 2020

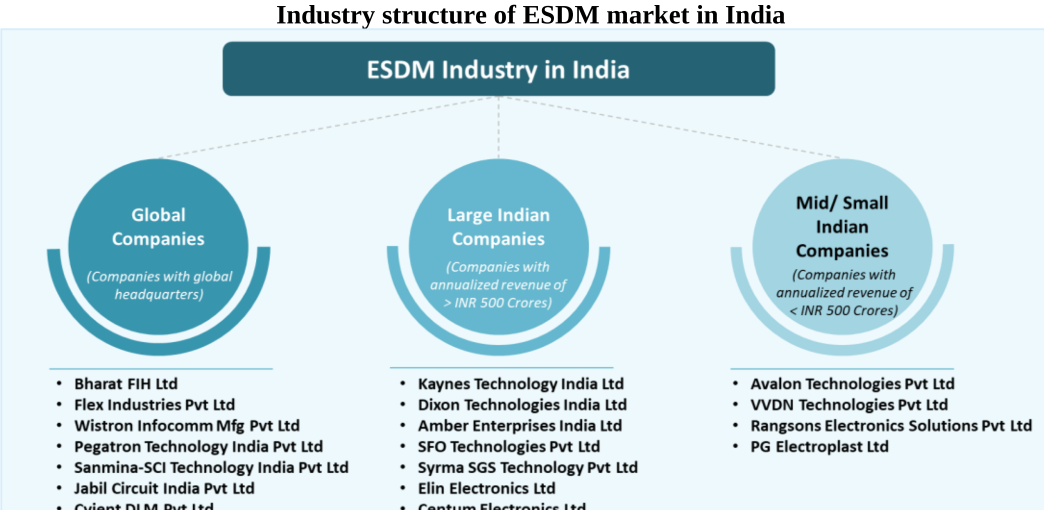


Source: Ministry of Commerce & Industry, Govt. of India

OVERVIEW OF INDIAN ESDM INDUSTRY

Overview of ESDM Industry in India

Industry structure of ESDM market in India



Source: Frost & Sullivan

As per Electronic Industries Association of India ("**ELCINA**"), there are nearly 700 companies offering services related to design and manufacturing of electronics products. While most of the companies offer pure play manufacturing / assembly services (also known as EMS companies), there are specialized companies such as Kaynes which offer services across the value chain including conceptual product design, components, products and solutions (also known as ESDM companies). EMS companies offer 'Build to Print' of either PCBA only or complete Product, whereas ESDM companies leverage their conceptual 'Embedded Design' capabilities to add value in electronics manufacturing such as Kaynes.

Market participants have been categorized under three categories namely, global companies, large Indian companies and mid/small Indian companies. Major global companies present in the Indian market are Bharat FIH, Flex, Wistron, Pegatron, Jabil etc. Large Indian companies include Kaynes, Dixon, Amber, SFO, Syrma SGS, Elin, and Centum among others and mid-size Indian companies include companies such as Avalon, VVDN, Rangsons and others. Mobile phones, Consumer electronics and industrial electronics contribute to more than 75% of the total ESDM market in India. Few EMS providers are slowly evolving to offer complete design services apart from contract manufacturing. This acts as a win-win situation for both ESDM players as well as OEMs; ESDM players obtain higher margins through this model, and OEMs benefit by outsourcing manufacturing and design activities, enabling them to focus on other expansion activities. Embracing the ODM model of partnership coupled with venturing into new product segments is propelling OEMs to pursue this engagement. High volumes will influence ESDM companies to bring in the component ecosystem locally and enhance domestic capabilities for component sourcing, making the electronics ecosystem stronger.

Ambitious expansion plans and capacity augmentation of indigenous players to capitalise on favourable policy initiatives ensure that the ESDM sector in India will witness heightened growth in coming days. Also, India has done well in electronic design and has established itself as the design hub of the world. The next phase of growth in the design sector will be characterised by the growth of indigenous design companies creating their own IPs as against the erstwhile growth of outsourced captive design services companies. This, together with impressive expected growth in the ESDM market, presents an opportunity for design-led manufacturing.

Kaynes was one of the first companies to offer design led electronics manufacturing to the OEMs using its mature embedded design capabilities. It has now evolved into an ODM player in the fields of Smart Devices, IoT Solutions, Brushless Drive Technology, and Gallium Nitride Technology. Kaynes is among the leading companies in the ESDM space to offer optimised product realization solutions to customers in flexible volumes and higher complexity products across industry verticals. Kaynes caters to more industry verticals than any of its peers.

Development of ESDM Industry in India

The Indian electronic market, which is large, complex and highly competitive, requires OEMs to focus on marketing and after-marketing services, thus leaving manufacturing to electronic manufacturing service providers. The extensive financial costs involved in setting-up manufacturing, capacity additions/expansions, research and development, manpower, etc. influence OEMs to leverage on ESDM services. An ESDM player with economies of scale is better positioned to accommodate frequent technology changes as it allows for better price negotiations with raw material suppliers. Post warranty servicing support provided by ESDM companies also give OEMs a viable component in deepening their presence.

In highly commoditized markets such as Semi-Automatic Washing Machines, Direct Cool Refrigerator, Window Air Conditioners, CFLs, UPS and Energy meters, where the scope for design is not high, OEMs prefer to engage in ODM partnership with their ESDM partners. Embracing ODM model of partnership with ESDM partners coupled with venturing into new product segments is propelling OEMs to pursue ESDM engagement.

Ambitious expansion plans and capacity augmentation of indigenous ESDM players to capitalize favourable policy initiatives will ensure that the Indian ESDM sector realizes heightened growth in coming days. Also, India has done well in Electronics design and has established itself as design hub of the world. The next phase of growth in the design sector will be characterised by growth of indigenous design companies creating their own IPs as against the erstwhile growth of outsourced captive design services companies. Also getting into designing of Integrated Circuits ("**ICs**"), Chip Sets and others, will ensure shifting of core designing capabilities. This, together with impressive growth expected in the ESDM market, presents an opportunity for Design-led manufacturing for Kaynes.

Development of ESDM industry in India

Indian ESDM Industry Value Chain Analysis

Business models of Indian ESDM companies can broadly be classified under four categories .

Original Design Manufacturers ("ODM") model

Under this, ESDM companies design products as per the specifications provided by the OEMs. ESDM companies then source components, carry out fabrication and assembly, test the final product, and also undertake logistics and after sales services related activities. ODM model helps the ESDM companies to have deeper and long term business relations with the OEMs. Although, the ODM model of business requires additional investment in research and development as well as working capital, 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 CM and ODMs in the long-term. This would contribute to the growth of the ESDM.

Electronic Manufacturing Services ("EMS") model

At present, this model is widely followed in India. Under this, OEM provides designs and specifications to the ESDM companies. ESDM companies source components manufacture / assemble components and supply the finished product back to OEMs.

ESDM companies are gradually adding capabilities to offer ODM or JDM (Joint Design Manufacturers) services. Increasingly, OEMs are preferring engagement on ODM / JDM basis. This is win-win situation as EMS companies can earn higher margins while OEMs can focus on expansion activities.

Job Work

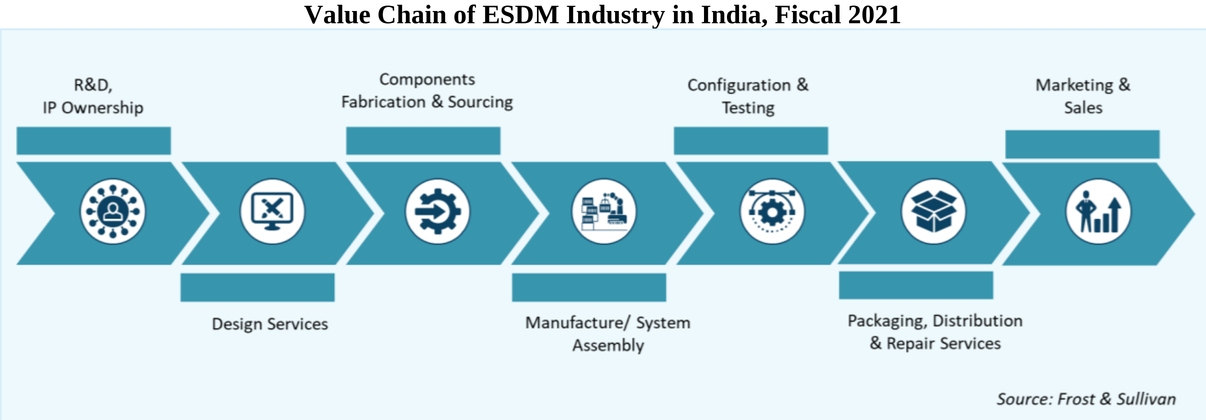
Job work is the start of any long term engagement. Qualification process can take the job work route. Even, new product design may be done through job work. In such a scenario, job work yields good margin but is for a limited period till Turnkey manufacturing commences.

Smaller EMS companies, who do not have any engineering or sourcing capabilities, undertake this business with OEMs in a fragmented or Price sensitive market. Large OEMs and Overseas companies generally like to have one point solution with their EMS / ESDM provider.

After-Sales Service

After-sales service is an important activity which helps the companies to build long-term brand image and brand loyalty. Globally, ESDM companies are offering end-to-end services including after-sales service. This is a nascent business for Indian ESDM companies, however gaining traction in the recent times.

Value Chain of ESDM Industry in India, Fiscal 2021



ESDM Market Break-up by ODM vs. EMS Model

In the total ESDM market, EMS model accounts for approximately 80%, while ODM model accounts for the remaining 20%. Most of the electronics manufacturers in India lack mature research and development set-ups due to large capital expenditure investments and long gestation periods. Europe and the US continue to dominate research and development and IP ownership of related work. This has also been a factor that has restrained OEMs and EMS providers from investing. Most MNCs hold their IP in the headquarter location (mostly located in the USA and Europe) and do not prefer to invest in local research and development. However, India has a competitive edge in design services, since most such work is outsourced to cost-effective destinations. In terms of manufacture/ system assembly, India has an established set-up. Many EMS providers are slowly evolving to offer complete design services apart from pure play manufacturing (*ODM model*). This acts as a win-win situation for both ODM players as well as OEMs; ODM players obtain higher margins through this model and OEMs benefit by outsourcing manufacturing and design activities enabling them to focus on other expansion activities.

India 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 fairly important for the Indian buyer as the use-and-throw perception is still not acceptable in the Indian electronics ecosystem. EMS/ODM companies having an extra ability to provide the reverse logistics will get additional business from the OEMs at the same time they would also be playing a very 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.

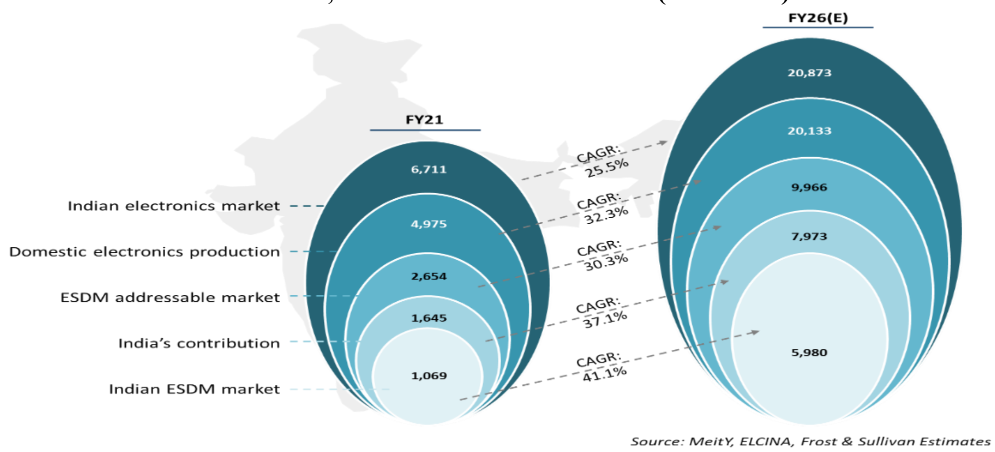
Benefits of ODM Model over EMS Model

Of late, the increase in demand for electronic products has not been met by a corresponding increase in investment by OEMs in their production facilities. This is due to the fact that they have the choice of outsourcing to ESDM companies and focus on their core activities. The ODM companies, with their versatile capabilities in system designs, plastic moulding, PCBA, software engineering, and more importantly, manufacturing, encourage OEMs to increase the width of their partnership. Instead of investing in research and development, Tier-II players collaborate with ODMs to select and develop specific models based on existing models. The secondary benefit for ODMs from such collaborations is the improvement of capabilities to handle fresh clients. This has created additional business opportunities for the ODM players such as Kaynes who has the capability to offer services across the ESDM value chain.

Kaynes is a leading end-to-end and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of ESDM services with strong credentials in concept co-creation followed by product realization and lifecycle support. 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.

Indian ESDM Industry Size and Growth Forecast

Indian ESDM Addressable Market vs. Contribution of ESDM Companies for goods made in India, Value in ₹ Billion, Fiscal 2021 and Fiscal 2026 (Estimated)



The total addressable ESDM market in India was valued at ₹ 2,654 billion (USD 36 Billion) in Fiscal 2021, and is expected to grow to ₹ 9,963 Billion (USD 135 Billion) in Fiscal 2026 with a CAGR of 30.3%. However, the contribution of Indian ESDM companies is around 40%, which is valued at ₹ 1,069 Billion (USD 14 Billion) in Fiscal 2021, which is expected to grow at 41.1% CAGR to reach ₹ 5,978 Billion (USD 81 Billion) by Fiscal 2026. India is positioned as a destination for high-quality design work, not merely as a low-cost alternative. Many multinational companies have established and expanded captive centres in the country. Although it aided the economy by creating domestic infrastructure and jobs, the intellectual property rights were held by the global headquarters. Most OEMs prefer engaging ESDM partners for contract manufacturing, but the ODM model is slowly gaining traction in India, where OEMs collaborate with ODMs on product development. Many ESDM players are gradually expanding to provide complete design services in addition to contract manufacturing. This acts as a win-win situation for both the ESDM players as well as the OEMs; ESDM companies obtain higher margins through this model, and OEMs benefit by outsourcing manufacturing and design activities, enabling them to focus on other expansion activities. Embracing the ODM model of partnership with ESDM partners, coupled with venturing into new product segments, is propelling OEMs to pursue ESDM engagement.

A strong consumer economy with increasing demand for consumer and industrial electronics has driven the Indian ESDM sector into the forefront. Domestic electronics production in India 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.

The Indian ESDM industry has benefited from a greater focus on manufacturing and an overall growth in the usage of electronics in many aspects of life. Domestic demand for mobile phones, PCs, consumer electronics, medical products, strategic and automotive electronics and offers a huge growth potential. Because of the 5G rollout, there is an increase in demand for telecom infrastructure projects, as well as a necessity to build them locally. Furthermore, growing labour costs in other parts of the world have led major OEMs to favour India, which is a practice of large OEMs to outsource manufacturing rather than to create their own infrastructure. ESDM market in India enjoys unique benefits of an explosive domestic demand and the migration of manufacturing from other manufacturing havens driven by multiplicity of factors. These reasons have resulted in the Indian ESDM market growing at a higher rate than average global market and are expected to intensify in the next decade.

Growth Drivers for Indian ESDM industry

Key growth drivers for Indian ESDM industry

Domestic cost competitiveness in manufacturing: India has one of the lowest labour costs and overheads giving it a considerable advantage over China and most of the other Southeast Asian countries. A ‘Disability Analysis’ carried out by Invest India and ELCINA shows wages in India is 46% cheaper than the wages in China. This is expected to make India an attractive market for investments and drive the demand for ESDM.

Competitive Exports: Cost competitiveness in domestic manufacturing in India contributes to growth of exports in electronics from the country. This is supported by the favourable policies such as the ASEAN-India Free Trade Agreement coupled with the depreciating value of Indian Rupee (₹), which makes Indian exports competitive.

Import substitution: As per Ministry of Electronics and Information Technology (“**MeiTY**”), electronic imports accounted for ₹ 3.9 trillion (USD 56 Billion) in Fiscal 2021, which is 21% of the total electronics market in India. Imports are expected to reach USD 68 Billion by Fiscal 2025, accounting for 12.6% of total electronics market demand.

Enhancing local value-add: India’s business environment can be improved by simplifying procedures involved in setting up and conducting business. To position India as an attractive business destination, the GoI must reduce the burden of additional taxes on start-ups and strengthen the IP protection framework. India is evolving as an innovation-driven research and development destination for global companies. The GoI, academia, industry players and industry associations need to make concerted and coordinated efforts to help the industry reach its potential. India is registering increasing EV investment in the country. Companies such as Ola and Triton are investing in setting up manufacturing plants in the country. Likewise, ESDM companies in the country, including the likes of Wistron, are ramping up investments, which indicate a robust EV market for ESDM in the next 5 years.

Sub-assembly modules and the finished goods assemblies are things that are happening currently in India and are very lucrative opportunities given in the Indian ecosystem. Current Indian wages stand at roughly 20% of the Chinese average wages, and India offers a 500 million plus workforce in the age bracket of 15 to 39 years, which is 15% larger than that of China. Even though component manufacturing is currently being dominated by China, Japan, and South Korea, India has showcased strong potential in this part and is on the path to developing a strong component manufacturing base. The opportunities in India ominously offset the hurdles. It is also clear from the World Bank report's improvement in rank of ease of doing business in India, which has risen from 142^{nd} in 2015 to 63rd in 2020.

Supply chain realignment: Local availability of components and chip fabrication are primary activities that determine the strength of a country's electronics manufacturing ecosystem. India has a very limited component supplier base; a majority of the high-value and critical components are imported. Components that are predominantly imported include ICs, PCBs, and other active components. As supply-chain resilience and localization are becoming more significant, India has had to take the necessary steps to improve the domestic value chain capability for long-term benefits.

The introduction of the PLI scheme to promote component sourcing; FDI policies relaxing companies' ability to set up bases in India, allowing them to drive product development, research and development, and other knowledge-intensive activities in collaboration with Indian companies; and the establishment of dedicated freight corridors that help in the advancement of transportation technology and increase in productivity are some of the key initiatives taken by the government of India. Freight corridors are high-speed, high-capacity railway lines designed solely for freight traffic, requiring the seamless integration of improved infrastructure. The Bhaupur-Khurja segment of the Eastern Dedicated Freight Corridor ("**EDFC**") in Uttar Pradesh was recently inaugurated by the GoI.

China + 1 strategy: As the Chinese electronics contract manufacturing cost structure continues to be on the rise, so has the OEM customer's interest been amplified in moving the electronics production to other countries having similar prices, quality, and receptiveness. There is a new urgency now to examine practical alternatives to manufacturing in China given the tariff conflicts and the COVID-19 pandemic. Though, transferring production decisions is not very straightforward. Sub-tier vendor incorporation of metal fab, plastics, and other mechanical components all in China improves the product cost, efficiency, and time-to-market. The gigantic size of the China market itself for the end-products should also be considered. These factors and other factors have OEM clients thinking more in terms of adding one more nation for additional production rather than replacing China entirely. Kaynes, with its strong OEM and ODM capabilities, is a strong contender for China+1.

China now accounts for 13% of global exports and 18% of global market capitalization, and is one of the world's two corporate giants in terms of economic supremacy. However, as a result of the China+1 strategy and the US-China trade dispute, China is gradually losing its global partners. According to a recent global survey, 20-30% of industrial firms will leave China in the next few years. Around USD 4 trillion in manufacturing took place in China in 2020, and it is the world's largest exporter and the US is its top importer, posing a huge challenge for the World Trade Organization to regulate trade under its current rules and regulations.

Export focus on USD 5 Trillion GDP: With a larger focus on capital expenditure and research and development, Budget 2021 has given a strong push to the domestic marketplace, which is very significant to India's economic growth. Presented encouragingly at the tail-end of the COVID-19 pandemic and at the inauguration of the vaccination drive, Budget 2021 to 2022 lived up to the hope of being an exercise to push growth. In the following two-three years, high real GDP growth rates are going to be rare in the majority of the economies as they gradually recover from the impact of the COVID-19 pandemic.

India has the potential to be one of the most attractive manufacturing destinations and support the objective of 'Make in India for the World'. The government and industry need to collaborate and drive initiatives to help India move among the top five countries in ESDM production and the top three in ESDM consumption. Many policy-level initiatives are hoped to be implemented quickly. The effect of policies should be measured and evaluated against the desired objectives to re-check and refine at regular intervals.

Component manufacturing/ lead time: Companies in the industry should take initiative to jointly locally source a minimum quantity of key components that are currently imported (fully or partially). Criteria on minimum quality standards and sourcing price should be set up for such an engagement. This will help component manufacturers plan and develop scale advantage.

India has limited capacity in local manufacturing of PCB with significant gaps with flexible, HDI and multilayer PCBs. Indian manufacturers find strength in rigid multilayer range and are limited by their scale. OEMs, at present, are importing already designed and manufactured PCBA from third party suppliers. However, the need is to invest resources in in-house PCBA design and assembly. Investing in Printed Circuit Board Assembly design and Surface Mount Technology ("**SMT**")-level PCBA assembly are important steps towards full-scale manufacturing. Some ESDM companies are building capabilities for PCBA and are actively scouting for PCB suppliers to reduce cost and lead time. There are numerous benefits for adopting the in-house design and assembly. Firstly, it will guarantee more control over the entire product design, selection of crucial components, better buying power, building Intellectual Property portfolio and ensuring several in-house quality checks and testing In comparison to importing a readymade PCBA from a third party ODM from the overseas. PCBA design and assembly will further help in development of component ecosystem.

Investments in PCBA by ESDM companies as well as OEMs with the objective of high value adding manufacturing is expected to drive the demand for PCB in the country. Reduction in lead times from four weeks to one week by discrete local sourcing of PCB is a significant driver for PCBAs to source their bread boards locally than import. PCBA design and assembly with local sourcing of some passive components alone will drive the total local value addition and will make a strong case to attract foundry players to manufacture the high-cost silicon based PCBA sub-components locally. This could alone grow the total value addition for Make in India program substantially.

Indian Government Policies/Incentives

The GoI is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for MNCs to invest in India.

Some of the key initiatives/ schemes/ programs introduced by the government in boosting the ESDM market in India include:

Make in India: In 2014, the GoI announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as International companies to set-up manufacturing bases in India. As per the scheme, GoI released special funds to boost the local manufacturing of mobile phones and electronic components. It has also introduced multiple new initiatives, including promoting foreign direct investment, implementing intellectual property rights and developing the manufacturing sector. The Make in India initiative, a part of the 'Atmanirbhar Bharat Abhiyan' (Self-reliant India), would provide an additional boost to country's business operations by encouraging substitution of imports of low-technology products from other countries and generating demand for local manufacturing. Atmanirbhar Bharat Abhiyan is planned to get carried out in two phases:

- Phase 1: The emphasis will be on segments like medical, textiles, electronics, plastics and toys; and

- Phase 2: For products like gems and jewellery, pharma and steel, etc.

*Production Linked Incentive ("**PLI**") Scheme:* The scheme was initially announced in the year 2019 by the GoI considering the incremental investment and sales of manufactured goods specifically to mobile phones and components market in India. It is expected to promote exports in the next few years. As per the scheme, a total production of ₹ 11,500 billion is expected including ₹ 7,000 billion of exports in the next five years. PLI Scheme for large scale electronics manufacturing was notified in April 2020.

PLI scheme in 13 Key Sectors for Enhancing India's Manufacturing Capabilities and Enhancing Exports, Atmanirbhar Bharat, Fiscal 2021 to Fiscal 2022

Sectors	Implementing Ministry/Department	Approved financial outlay over a five year period (INR billion)
Mobile manufacturing and specified electronic components	Ministry of Electronics and Information Technology	409.5
Critical key starting materials/ drugs intermediaries, APIs	Department of Pharmaceuticals	69.4
Manufacturing of medical devices	Department of Pharmaceuticals	34.2
Advance Chemistry Cell ACC Battery	NITI Aayog and Department of Heavy Industries	181.0
Electronic/Technology Products	Ministry of Electronics and Information Technology	50.0
Automobiles & Auto Components#	Department of Heavy Industries	259.4
Pharmaceuticals drugs	Department of Pharmaceuticals	150.0
Telecom & Networking Products	Department of Telecom	122.0
Textile Products	Ministry of Textiles	106.8
Food Products	Ministry of Food Processing Industries	109.0
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	45.0
White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	62.4
Speciality Steel	Ministry of Steel	63.2
	Total	1,661.9

 # Financial outlay for Automobiles & auto components was revised on September 2021 from INR 570.4 billion to INR 259.4 billion

Source: MeitY (Ministry of Electronics and Information Technology), Invest India

Investments by local and global players: The higher growth rate in India vis-à-vis the global market is because of multiple factors: consistent local demand for Electronics products, Government's focus on domestic manufacturing, programs like Make in India and Digital India, which have led to increasing manufacturing investment in the country.

The Make in India initiative, tax and duty support and Government support through policies, most notably, MSIPS, have been instrumental in encouraging new investment from ESDM companies. Electronic manufacturing services player Dixon Technologies is spending over ₹ 6 Billion to build the new capacity in India in the mobile devices, laptops and tablets, telecom equipment, and LED components segment to cater to the domestic and the global market in the coming year. Dixon is currently positioning itself as India's largest home-grown 'universal champion' for the electronics manufacturing, one of the important goals of the government's PLI scheme which Dixon is currently leveraging for its overall growth.

Increasing demand from Sunrise industries: Sunrise industry is a colloquial term for a burgeoning sector or business in its infancy stage showing promise of rapid growth in the coming years. Sunrise industries are typically characterized by exponential growth, numerous start-ups, and flurry of funding / investment. Globally, proliferation of digitalization and Industry 4.0 drives across industries has prompted origination of many sunrise industries namely, IoT and embedded systems, augmented and virtual reality, 3D printing, block chain, smart factories, industrial IoT, smart and advanced manufacturing , HealthTech, SpaceTech etc. Industry 4.0 is a holistic automation solution for integration and efficiency improvement of all value chain elements including, product designing, supply chain, manufacturing process, sales, and customer experience.

Digitalization initiatives will give fillip to demand of sensors, IT and automation hardware and solutions, application and platforms and networking products. Kemsys (a subsidiary of Kaynes) possesses Canvas to Cloud IIoT engineering capabilities and is well poised to meet the requirements of the sunrise industries. It offers services such as device engineering, digital engineering, and firmware engineering and solutions such as sensors and IO, edge processing, connectivity, remote device monitoring, and application software.

Comparative Analysis of Industry in India, China and Vietnam

Economic comparison on favourable manufacturing parameters

Economic development in India is gaining support as a result of the continuing expansion of private consumption and investments some industries following the liberalisation of foreign ownership. The projected government expenditure expansion would further enhance growth by focusing on social infrastructure, making the best use of technology, digital India, make in India, job creation in Micro, Small, and Medium Enterprises ("**MSMEs**"), and heavy investment in infrastructure.

Economic Comparison on Favourable Manufacturing Parameters, India, China and Vietnam, 2020

PARAMETERS		INDIA	CHINA	VIETNAM
Population (Million)		1,379.0	1,414.0	97.40
Annual GDP (USD Trillion)		2.66	14.86	0.34
GDP Growth (%)	2020	-7.3	2.3	2.9
	2025	6.6	5.1	7.0
Inflation (%)		6.2	2.4	3.2
Manufacturing Value Added (% of GDP)		13.0	26.1	16.7
Export (USD Trillion)		0.47	2.73	0.28
Imports (USD Trillion)		0.48	2.35	0.27
Manufacturing Risk Index (Rank)		3	1	4
FDI Investments (USD Billion)		64	163	17

Source: World Bank, IMF, Frost & Sullivan

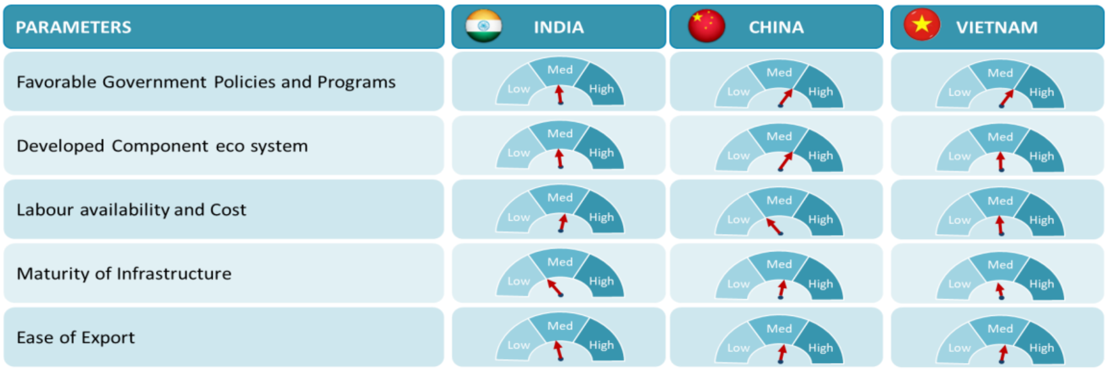
Labour Market Comparison, India, China and Vietnam, 2020

PARAMETERS	INDIA	CHINA	VIETNAM
Total Labour Force (Million)	471.68	750.6	56.54
Total Labour Force, Female (% of Total population)	26.2	63.7	62.2
Labour force participation rate (% of total population)	51.1	71	68.6
Employment in Industry (% of Total Employment)	26.18	28.18	28.36
Wage and salaried workers (% of Total Employment)	23.9	53.5	44.38
Average Daily Wages - Manufacturing (USD)	~6	~35.5	~10.48

Source: World Bank, IMF, Frost & Sullivan

Manufacturing eco-system comparison

Manufacturing eco-system comparison, India, China and Vietnam, 2020



Source: Frost & Sullivan

Advantage India: A Favourable Destination for Electronic Manufacturing

India has long been seen as a destination with plenty of low-cost skilled and semi-skilled labour however grappled with poor infrastructure and challenging business environment. The scenario has changed a lot in the last few years. Among 190 countries, India ranked 63rd in 'Ease of Doing Business' in 2020. A 63rd rank meant India has improved its ranking by 79 positions in the five years between 2014 and 2019. With the recognition of electronics sector as one of the key growth drivers for the Indian economy, the sector has received significant attention from the government in the last six to seven years through various policies, schemes and incentives. The NPE emphasised local value addition and created an enabling environment. Change of government in 2014, and its unwavering focus on manufacturing through Make in India policies, attracted the interest of both global and domestic companies.

India has been able to take advantage of its demographic dividend while also introducing much-needed flexibility in its manufacturing policies. The conscious efforts to attract global investors have resulted in a growth in FDI as well as investor confidence. The following factors will contribute significantly towards India becoming the next Electronics manufacturing hub of the world:

- Stable political government that assures global investors on consistency in policies;
- Rising cost of labour in China while India is still at a lower end of this cost;
- Creation of National Manufacturing Zones ("**NMZ**"), Electronics Manufacturing Clusters ("**EMC**"), close coordination between centre and states for investment promotion;
- High domestic demand for products and services; local needs;
- Investment by ESDM companies;
- Duties and tariffs to discourage imports and encourage domestic value addition; and
- Digitalization that accentuates demand for select products

Below are some of the underlying factors that will help Indian ESDM industry in this journey.

Manufacturing ecosystem

MeitY has developed a component supply ecosystem as part of the modified electronic cluster scheme. Mysuru, which had an early start in the ESDM industry, was chosen to establish such a cluster named 'Lahari' which is a government initiative to establish a Product Reliability Lab with the goal of meeting the testing, quality, and regulatory needs of the regional electronic industry. It is a fast-track project and the first of its kind in India, undertaken jointly by the Central and State Governments at a cost of ₹ 29 million. It facilitates companies' access to better technology and allows them to climb up the product value chain. It provides necessary technical facilities for various electronics manufacturing companies located in and around the region, thereby reducing production lead time, production costs (including transportation and logistics costs), increasing export and income creation. Lahari has a state-of-the-art ISO 17025 2017 NABL recognised infrastructure that allows it to test in accordance with national and international standards. Kaynes is one of the key promoters of Lahari to facilitate growth in electronics design and manufacturing.

Availability of talent and resources

The Ministry of Skill Development and Entrepreneurship implemented the Pradhan Mantri Kaushal Vikas Yojana through the National Skill Development Corporation in 2015 to 2016, with a target of covering 2,400,000 youth in the country. The scheme is being implemented with the goal of enabling a large number of Indian youth to pursue industry-relevant skill training, which will enable them to earn a better living. Individuals with prior learning experience or skills were also evaluated and certified in the category of Recognition of Prior Learning.

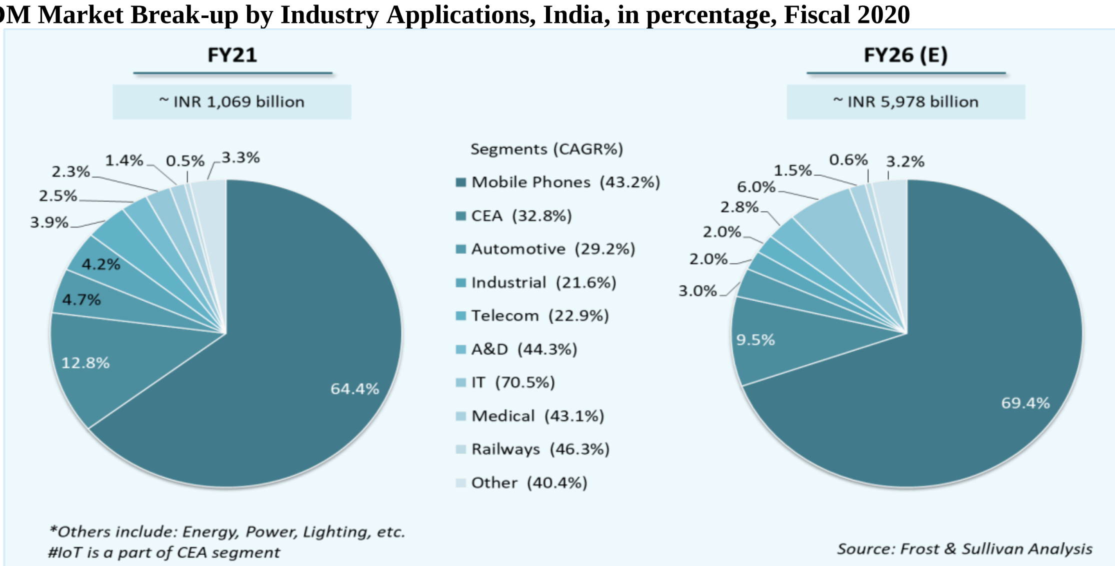
Stability in supply chain

The Indian electronics industry is likely to suffer in the short term as a result of supply disruptions from China and other nations, given the country's reliance on them to meet its raw material requirements. Due to the COVID-19 pandemic, certain key suppliers across the country temporarily suspended manufacturing, while logistics providers were also unable to deliver goods effortlessly, particularly across borders, due to pandemic-related limitations. On the other side, the pandemic has created an once-in-a-lifetime chance for India. During the epidemic, supply chain disruption caused many governments and organisations to reconsider their sourcing strategy and lessen their reliance on a single source for all of their goods. These huge corporations are now exploring for alternative low-cost manufacturing areas in South East Asia and South Asia, and India has emerged as one of the most sought-after investment destinations for many of them.

As the global supply chain re-aligns in the future years, India is set to profit greatly from these strategic decisions and will become a manufacturing powerhouse in the coming years. A favourable corporate environment, open FDI norms, ever-increasing "Ease of Doing Business" rankings, a massive consumer base, and quickly improving digital infrastructure are some of the important drivers that will fuel investment in India in the future years. On December 15, 2021, the Indian government authorised an ₹ 76,000-million scheme to develop the country's semiconductor and display manufacturing companies in an effort to promote India as a worldwide hub for hi-tech production and attract multinational chip makers. This initiative will help India's ambitions to become self-sufficient in the electronics manufacturing industry by attracting major investments and creating 35,000 specialised jobs, in addition to indirectly employing 100,000 others.

ESDM market break-up by industry applications

ESDM Market Break-up by Industry Applications, India, in percentage, Fiscal 2020



Electronics manufacturing in industrial sector

- Most of the large manufacturing companies are investing heavily in the technological up-gradation of their facilities by adopting digitization and industry 4.0 concepts. This will increase demand for Industrial electronics products which in turn will boost the ESDM industry.

- Huge potential in smart metering in electricity/water/gas.

- Home grown companies will be preferred than Chinese.

- Some of the key ESDM players operating in industrial space include Kaynes, Amber, SFO Technologies, Syrma SGS, Avalon, and VVDN Technologies among others.

Electronics manufacturing in the automotive segment

- The Automotive ESDM segment is expected to grow at a 29.2 % CAGR, from an estimated ₹ 50 billion in Fiscal 2021 to ₹ 180 billion in Fiscal 2026.

- Automotive is one of the key growth opportunity verticals for ESDM providers in the next five years, due to the technology transformation currently underway with autonomous cars development and electric car commercialization activities. Moreover, the rapidly growing electronics content will accelerate the growth of ESDM revenue from this vertical.

- India's passenger vehicle industry is estimated to post a growth of 22% to 25% in Fiscal 2022.

- Engine Control Unit has a major contribution in the overall automotive electronics. The growing concern among end-users about vehicle performance and fuel consumption are the primary drivers of Engine Control Unit. Furthermore, due to regulatory compliance, even entry-level vehicles are equipped with ECUs. In Engine Control Unit, India has a strong base with automotive industries, including the component suppliers

- Electrification will penetrate cars and last-mile connectivity modes like 2W by 2030. F&S expects more electrification in the fleet segment due to a combination of lower ownership costs and regulatory intervention.

Electronics manufacturing in railway sector

- Major areas of usage of electronics in Railway industry is signal safety related electronic system, safe communication and processing system among others.

- Electronic components without asymmetric faults and unsafe communication channels are also being used in the railway signalling system.

- The Indian market is controlled by global OEMs, as they all have Indian subsidiaries to meet the required need of local production. Kaynes is currently a leading electronics manufacturer of signalling system for both Indian Railways and metro railways through number of multinational corporations. Besides being a manufacturer of passenger information systems for a Canadian-based OEM, Kaynes is also an authorised vendor for repairs for Delhi Metro Rail Corporation. Kaynes is also approved by Chittaranjan Locomotive Design centre for restoration of Three Phase Locomotive electronics.

Electronics manufacturing in medical sector

- Nearly 65% of the manufacturers in India are typically domestic players operating in consumables segment and catering to the local consumption with limited exports. Big MNCs lead the high technology end of Medical Devices market in India with widespread service networks.

- Major electronics in medical business includes MRI, X-Ray, Ultrasounds, etc. and Patient Aids include hearing aids and pacemakers, etc.

- Kaynes is a major manufacturer of Ventilators, Respirators, and Diagnostic Devices for OEMs. Kaynes is manufacturing complex diagnostic and lab testing equipment's for both domestic and exports market.

Electronics manufacturing in IT sector

- The IT hardware market encompasses all physical components that includes computing hardware (desktop PCs, notebook PCs, tablets, adaptors and workstations), all of which are produced by global companies such as Samsung, Apple, Acer, and Lenovo, with the majority produced in China. Challenging macro-economic outlooks, along with the rising demand for PCs has slowed down the PC sales in India. Notebook PCs saw very high level shipments in the year 2019 to 2021.

- The OEMs' requirements in this industry are PCBA, testing and packaging and box build capabilities, as well as supply chain management

- The market's leading players include Dell Technologies, HP, and Lenovo, which collectively hold 74% of the market and are increasing their shipments year over year. The other key players include Acer, Apple, and Asus among others.

Electronics manufacturing in aerospace and defence sector

- Within the defence sector, defence electronics have emerged as a key market.

- India Electronics & Semiconductor Association, along with the National Association of Software and Service Companies have put together draft recommendations on a "Defence Electronics Policy" they hope the GoI is going to implement in a well-timed manner in order to enhance the development of the sector.

- The Defence electronics and system design policy recommendations signifies the recommendations made to the Ministry of Defence. The policy references indicate that India not only needs to form world-class companies, but it is vital to bring them in the global value chain of the OEMs.

- The aerospace segment looks very promising because of the increasing trend in the budget allocation, modernization and the procurement of state of the art electronic equipment & technology.

- Some of the prominent players operating in Indian aerospace and defence ("**A&D**") space include Kaynes, Cyient and Centum. Additionally, Kaynes is also an approved supplier for the Indian Space Research Organisation. Kaynes possesses prestigious NADCAP certification, which gives it access to the global A&D market, especially US and Europe. Kaynes is the first company in the ESDM industry to be NADCAP accredited for aerospace products and among the few Indian companies maintain this accreditation.

Electronics manufacturing in CEA segment

- Modern technology has paved the gateway for the multi-functional devices like the smart watch and the smartphone. Computers are much faster, more portable, and higher-powered than it was ever before. With all of these uprisings, technology has also made our lives easier, better, faster and more fun.

- The advent of IoT and artificial intelligence ("**AI**") in the consumer appliances segment opens a wide array of possibilities, given the massive size of the market in India.

- Introduction of wide serving automation and robotics in production lines, inspection cycles, maintenance and logistics is becoming a new trend.

- The IoT market in India is expected to continue expanding at a CAGR of 16% from 2021 to reach ₹ 135 billion in 2026, backed by strong connectivity and coverage, rising internet penetration, surge in smart applications adoption, new business models, and government initiatives such as smart city projects.

Electronics manufacturing in telecom sector

- 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.

- India plans to roll out state-of-the-art 5G telecom services in 2022. The new technology provides the advantages of massive connectivity and low power consumption and boasts of download speeds and capacity that can enable autonomous vehicles, drones, remotely assisted surgeries, and traffic control.

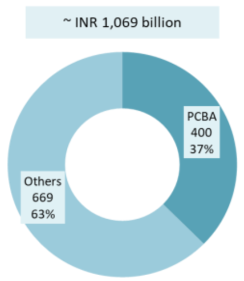
- 5G connectivity will be used in emerging technologies and technology-enabled markets such as IoT, smart cities, and smart agriculture. 5G, due to its greater speed, would also enable next-generation IoT and machine-to-machine ("**M2M**") applications such as autonomous vehicles and virtual or augmented reality. The OEMs' requirements in this industry are technical expertise in the manufacturing of large and complex PCBAs and quick ramp-up capabilities

- Syrotech, Netlink, Alcatel Lucent, Bharat FIH, Syrma SGS, Tejas Networks, Speech & Software Technologies, and Alphion India are key telecom and ESDM players.

ESDM Market Break-up by Select Product Segment

*Printed Circuit Board Assembly ("**PCBA**")*

Chart 4.13: Break-up of PCBA in the ESDM Market, India, by Value in %, FY20



The PCBA is the core of an electronic device, which includes Flash Memory, Application Processor, Graphics Processor, other semiconductor-based active and passive sub-components. All these assembly parts are not locally sourced considering a lack of semiconductor foundry and PCB sub-components supplier ecosystem in India. All electronic devices derive their intelligence and functionality from the PCBA. PCBAs are used in several sectors such as consumer electronics, mobile phones, automotive, and medical. It supports most electronic products and continues to expand into new sectors and applications.

Some of the key drivers of PCBAs include growth in value addition and increasing demand for electronic products globally, requirement for high-speed assembly and miniaturization. It is very important for India to encourage the contract manufacturers and increase their manufacturing operations in India. This is expected to speed up the export of PCBA, position India as the source of the global supply and further strengthen India's hold on the electronic manufacturing.

Electro mechanical components

Electro-mechanical components are those that utilise an electrical signal to create a mechanical change. The electronic components market can be largely categorised as follows:

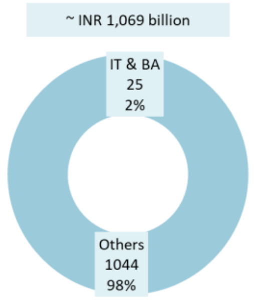
- Passive components - capacitors, resistors, wound components and crystals;
- Active components - diodes, transistors, ICs and LEDs;
- Electromechanical components - PCBs, switches, relays, cables and connectors; and
- Associated components - optical discs, magnets, RF tuners, heat-sinks, magnetrons, etc.

Some of the leading electro-mechanical component player in India include, Vishay Components India Private Limited, Epcos India Private Limited, Deki Electronics Limited, Globe Capacitors Limited, Keltron Component Complex Limited, Victor Component Systems Private Limited. Kaynes is a major participant in this category since it designs and manufactures its own magnetics and has an in-house magnetics facility with a continuing emphasis on backward integration. It also provides cable harness and assembly.

IT and BA

Government's digitization programs like Digital India will continue to drive this segment. Additionally, rising security concerns (primarily deployment of video surveillance systems), demand from upcoming infrastructures projects as well as growing awareness amongst consumers is driving the Building Automation market in India.

Chart 4.15: Break-up of IT & BA in the EMS Market, India, by Value in INR Billion, FY20



High opportunity segments for ESDM companies especially for Kaynes

Industrial, Consumer electronics and appliances, Automotive, Lighting and Mobile phones are the high opportunity segment for ESDM companies in India. The mobile phone has become the dominating sector in the ESDM industry. Additionally, as India is a global leader in the automotive sector, with various OEMs active in the market, ECU have a stronger focus. The growing concern among end-users about vehicle performance and fuel consumption are the primary drivers of ECU growth. The government has classified LED lighting as one of the products with a strategic focus. In the coming years, the biggest applications are expected to be residential, street lighting, and commercial lighting. Kaynes is a pioneer in excellence, with a particular emphasis on new technology. Kaynes with its focus on Smart Metering Technology, Smart Street Lights, Brush Less Direct Current Technology, GaN Technology, Dispensing Technology and IOT solutions with its own sensors for cloud based asset tracking/ monitoring is poised for substantial growth in the ODM space. Their hardware/ solutions are being used increasingly by the OEMs in consumer electronics to make their products SMART and even energy efficient.

COMPETITION OVERVIEW

Company profiles

Kaynes Technology India Ltd

<u>*Company Overview*</u>

- Kaynes, headquartered in Mysore, is a prominent domestic player in the Electronics System & Design Manufacturing Services, having a strong worldwide presence.

- Kaynes is the only company in the world to hold ten global certifications, making it the most certified ESDM Company in the country. It is also one of the biggest companies that have been certified by Global Standards for Social Accountability Standards.

Key Business Segments

- Industrial
- Automotive
- Railways
- Medical
- Medical electronics
- IT
- Aerospace & Defence
- IoT and Others

EMS Products Manufactured

- **Industrial** – Engine control panel, Biometric add-on, Surge protector, Accelerometer, Street light controller, BLE module, Precision bridge, Strain gauge instrument, Single Phase and three phase Smart Meter, Test equipment, Industrial UPS, Temperature controllers, Controllers for renewable energy etc.
- **Automotive** – Cluster PCBA, All types of electronics for Automotive lighting (including LED head lamp PCBA (2W & 4W), LED tail lamp PCBA, LED position lamp PCBA, DRL PCBA, Headlamp level switch PCBA, Headlamp level actuator PCBA etc.), Passenger Entry Passenger Exit (PEPS), Electronic Control Unit (ECU), Switches for steering control, doors, windows, HVAC and lumbar support etc.
- **Railway** - Audio Frequency Track Circuits (AFTC), Short Distance Track Circuits (SDTC) cubicle, electronics for Interlocking, Axel counter, Passenger Info System (PIS), Train safety and traction, UM71 Receiver, ETCS On board Cubicle etc.
- **Medical (Healthcare)** – Ventilators, Respirators, Controller units for dental chairs, Smart glucometer, Single & multiple-bed PMS, Endoscopy cart, Fetal monitoring system, X-ray machine with display, Tube sealers, incubators and agitators, VAP care, Flip device, Specific protein analyzes & clinical chemistry analyzers, Controller units, Foreign body extractors, diagnostic devices etc.

- **Aerospace and Defence** – Electronics for navigation & sensors, Airborne radio communication systems, Thermal imaging systems and LRUs for power supplies, HH Sonar, Negotiator, etc.
- **IoT & Others** – Bar code scanner, RFIG gateway, Industrial tablet, Industrial HMI, PLC Gateway, Gateway – Asset condition monitoring, AIIoT gateway, Differential air pressure, RTD temperature, Liquid pressure, Vibration, Magnetics, Relays, Plastic Moulding, High Complex & High Mix PCBAs, etc.
- **Non-automotive** – PCBAs, IT Tech & Semi-conductor, High end test instruments, IC card readers, BLE modules, Streetlights, Energy meters, Controllers, Harness, Night vision cameras, etc.
- **Wearables** - Wired Headsets, Wireless Headsets, Accessories, TWS, Smart watch, Bluetooth speakers, etc.

Manufacturing Facilities

- Mysore, Karnataka - Unit 1 (Railways, Defence and Aerospace, Medical and Industrials)
- Mysore, Karnataka - Unit 2 (Railways, Defence and Aerospace, Medical and Industrials)
- Parwanoo, Himachal Pradesh (IT, Telecom, Industrial, Medical and Automotive)
- Selaqui, Dehradun (IT, Industrial)
- Bengaluru, Karnataka - Unit 1 (Automotive, Medical, IOT, IT and Industrial)
- Bengaluru, Karnataka - Unit 2 (Automotive and Industrial)
- Chennai, Tamil Nadu (Automotive, Medical and Industrial)
- Manesar, Haryana (Industrial, Medical and Automotive)

Service Centers

- Kochi, Kerala (Aerospace and Defence)
- Mumbai, Maharashtra (Railway, Aerospace, Defence and Industrial)

Bharat FIH (*formerly* Rising Star Mobile India)

Company Overview

- Bharat FIH, the subsidiary of the FIH Mobile Limited, a Foxconn Technology Group Company, is currently India's leader in manufacturing and services of handset and the wireless communications.

EMS Products Manufactured

- Mechanical components (metal & plastic) of mobile phones
- PCBA
- Assembly of both Smart Phones and the Feature Phones categories

Key Business Segments

- Mobile phones (Communication devices)
- Telecom
- Television

Key Services Offered

- Design & Engineering
- New Product Development
- PCB Assembly
- Complex machining
- SMT
- Final assembly

Manufacturing Facilities

- The company has 3 manufacturing campuses and 12 factories in overall
- 50+ mobile assembly lines
- Company's manufacturing operations are spread over three campuses in at Sri City, Andhra Pradesh, at Sriperumbudur and Sungavarchatram with on-going R&D center at IIT Research Centre, Chennai.

Dixon Technologies India Limited

Company Overview

Dixon Technologies India Limited, located in Noida, is an Indian electronics manufacturing services company that was founded in 1993 and has been leading this space in India. Initially, the company began production of colour televisions.

Dixon has now expanded its activities to numerous electronic sub-segments. The company offers design-focused solutions in consumer durables, home appliances, lights, mobile phones, and security systems, as well as repairing and refurbishing services for a wide range of products.

EMS Products Manufactured

- LED TVs
- Washing Machines
- LED bulbs, LED Drivers
- Feature Phone and Smart Phone
- CCT and DVR
- Micro PCR Analyser and Thermometer
- Set-Top-Box

Key Business Segments

- Consumer Electronics
- Home Appliances
- Lighting Solution
- Mobile Phones
- Security surveillance system
- Medical Electronics
- Reverse Logistics

Key Services Offered

- Product Design
- Prototyping
- System Integration
- Quality & Testing
- Supply & Logistics
- After market

Manufacturing Facilities

- The company operates in ten production facilities in Noida, Dehradun, and Tirupati / Chittoor District

Amber Enterprises India Limited

Company Overview

- Amber Enterprises India Limited is a prominent solution provider for Air conditioner OEM/ODM Industry in India. It has a dominant presence in RACs complete unit and deals in major RAC components.

EMS Products Manufactured

- Room Air Conditioners (Window ACs, Indoor & Outdoor units of split ACs, Inverter Split ACs)
- Room Air Conditioner Components (Heat exchanger, Electric motor, Copper tubing, Sheet metal components)
- Non-AC Components (Plastic extrusion, Vacuum forming, Sheet metal component)
- Mobile Air Conditioners (Railway, Metro, Bus, Defence & Telecommunications)

Key Business Segments

- Consumer Electronics
- Home Appliances
- Industrial
- Automotive

Key Services Offered

- Conceptualize & Design
- Product Development
- Prototyping
- Product Assembly
- Testing
- Supply Chain

Manufacturing Facilities

- The company has ten manufacturing facilities across seven locations in India – Rajpura, Jhajjar, Faridabad, Pune, Kala amb, Dehradun and Noida

SFO Technologies Private Limited ("SFO")

Company Overview

- SFO Technologies, a subsidiary of the NeST Group of Companies, was founded in 1990 and is headquartered in Kochi, Kerala.

- It has evolved from a single manufacturing facility to a diversified corporation with a global footprint and multi-domain competence in EMS, ODM, SI, and ADM.

EMS Products Manufactured

- Digital electronics, power supplies & RF
- Optronics & Magnetics
- Cables & Harness
- Tool Making & Sheet metal fabrication
- Plastic injection & Moulding

Key Business Segments

- Healthcare/ Medical Diagnostics
- Automobile/ Transportation
- Communications
- Aerospace & Defence
- Energy
- Industrial

Key Services Offered

- Hardware Design Services
- Hardware Testing
- Software Services
- Manufacturing Services
- Testing & Certification
- After market support

Manufacturing Facilities

- SFO Technologies has manufacturing units, robust software development centers and R&D cells spread over Kochi, Trivandrum and Bangalore

Syrma SGS Technology Limited

Company Overview

- Syrma SGS Technology Limited, founded in 1978 by industry pioneers (Tandon family), is located in San Jose (California), and Chennai (India), developing quality technology products. It is one of India's leading exporters of electronics, providing a high-value integrated design and production solution for internationally recognized OEMs.

EMS Products Manufactured

- PCBA (Printed Circuit Boards)
- ZAC (Zone of Autonomous Creation)
- RFID (Radio-Frequency Identification)
- Magnetics (Mechanical Parts)
- Others (motherboards, DRAM modules, SSD and USB drives, copper wire coiling, induction devices, chokes, transformers)

Key Business Segments

- Industrial
- Consumer Electronics
- Automotive
- Computer
- Medical
- Railways

Key Services Offered

- Product Design
- Prototyping
- Product Assembly
- Quality & Testing
- Supply & Logistics
- After market

Manufacturing Facilities

- The company currently operates through 11 manufacturing facilities spread across four states in Chennai, Bargur, Bengaluru, Baddi, Bawal, Gurugram and Manesar

Elin Electronics Limited

Company Overview

- Elin Electronics Limited, founded in 1969 in Delhi/NCR, is the flagship company of the Elin Group.
- Initially, the company produced switches, relays, and cables for Philips. Later, as a backward integration, the company started producing motors and audio heads.

EMS Products Manufactured

- Motor (Universal , Induction, Other range of motors)
- Fans (Ceiling, Fresh Air)
- Components (Sheet metal, plastic)
- Small appliances (Mixer Grinders, Juicer Mixer Grinders, Flash Lights, Dry & Steam Irons, Pop-up Toasters, Bar Blenders, Hair Dryers, Trimmers & Hair Straightener)
- LED Lighting

Key Business Segments

- Lighting
- Small Appliances
- Personal Care
- Motors

Key Services Offered

- Development & Engineering
- Motors & Tools Manufacturing
- Injection Moulding
- PCB Assembly
- Die Casting

Manufacturing Facilities

- Elin has three manufacturing plants, located in Ghaziabad, Baddi and Goa

Avalon Technologies Private Limited

Company Overview

Avalon Technologies Private Limited, a division of Sienna Group, has been a preferred vendor for large global MNCs operating in a wide range of industries.

EMS products manufactured

- Sheet metal fabrication & machining
- Manufacturing of solar modules, hybrid power systems and inverters
- Network routers, switches, communication systems, bts antenna systems and atm machines
- Digital radiography systems, ultrasound equipment, patient monitoring devices
- Electronic control units and telematics solutions

Key Business Segments

- Transportation
- Aerospace
- Power & Energy
- Communication
- Healthcare
- Automotive
- Industrial

Key Services Offered

- PCBA Design & Assembly
- Wire Harnesses, Magnetics
- Electro-Mechanical Integration (EMI)
- Sheet Metal Fabrication
- Machining
- Injection Moulded Plastics
- Complete system integration
- Product testing

Manufacturing Facilities

- The Company has manufacturing facilities in Chennai & Bengaluru (India) and Atlanta & Fremont (USA)

VVDN Technologies Private Limited ("VVDN")

Company Overview

- VVDN's India headquarters' is located in the Global Innovation Park in Manesar, Gurugram, India, while its North America HQ is in San Jose, California, USA.

EMS Products Manufactured

- PCB Assembly
- 5G NR Products
- Cloud network management system
- Industrial IoT, E-mobility, Hearable & Wearables
- Smart Medical
- Power & Utilities

Key Business Segments

- Communications (5G, Networking & Wi-Fi, VISION, IoT, Clouds & apps)

Key Services Offered

- Embedded Product Design and Manufacturing
- Hardware Design, Software Design, Mechanical Design, QA & Testing, Prototyping and Manufacturing

Manufacturing Facilities

- VVDN has five manufacturing centers located in Gurugram and ten design centers

Sanmina-SCI Technology India Private Limited ("Sanmina")

Company Overview

- Sanmina was founded in 1980 and is located in San Jose, California (USA); the company entered the Indian market in early 2000 with its head office in Chennai.

EMS Products Manufactured

- PCB Circuit Boards & Assembly
- SMT capability
- Medical devices
- RF products & enclosures
- LED Lighting
- Cables

Key Business Segments

- Communications networks
- Computing and storage
- Healthcare
- Defense and Aerospace
- Industrial
- Automotive
- Clean technology sectors

Key Services Offered

- Design & Engineering
- Prototyping
- Test Services
- New Product Development
- Systems Manufacturing
- Global Services and Logistics
- PCB Assembly
- SMT

Manufacturing Facilities

- The company has global operations in 21 countries.
- In India, Sanmina has a complete end-to-end design service and a high-tech manufacturing facility located in Chennai

Comparative Analysis of Leading ESDM Companies in India

Comparison of Presence of key ESDM Companies in the Application Segments, India, Fiscal 2021

Name of the ESDM Company	Mobile Phones	CEA*	Automotive	Industrial	Telecom	A&D**	IT	Medical	Railway	Others#
Kaynes Technology India Ltd		✓	✓	✓	✓	✓	✓	✓	✓	✓
Bharat FIH Ltd	✓	✓	✓		✓	✓	✓			✓
Dixon Technologies India Ltd	✓	✓						✓		✓
Amber Enterprises India Ltd		✓							✓	✓
SFO Technologies Pvt Ltd			✓	✓	✓	✓		✓		✓
Syrma SGS Technology Ltd		✓	✓	✓	✓			✓		✓
Elin Electronics Ltd		✓								✓
Avalon Technologies Pvt Ltd			✓	✓	✓	✓		✓	✓	✓
VVDN Technologies Pvt Ltd			✓	✓	✓		✓			✓
Sanmina-SCI Technology India Pvt Ltd			✓	✓	✓	✓	✓	✓		✓

**CEA – Consumer electronics and appliances; **A&D – Aerospace & Defence*
#Others include: Energy, Power, Lighting, etc.; ##IoT is a part of CEA segment

Source: Company websites; Frost & Sullivan Analysis

Comparative Analysis – Revenue, EBIDTA and EBIDTA %, India, Fiscal 2020 to 9 months of Fiscal 2022

	Revenue (INR million)			EBIDTA (INR million)			EBIDTA (%)		
Name of the ESDM Company	FY20	FY21	9M FY22	FY20	FY21	9M FY22	FY20	FY21	9M FY22
Kaynes Technology India Ltd *	3,682.4	4,206.3	4,677.8	413.3	408.9	536.5	11.2%	9.7%	11.5%
Bharat FIH Ltd	2,66,355.5	1,58,548.6	NA	6,932.7	3,869.3	NA	2.6%	2.4%	NA
Dixon Technologies India Ltd	44,001.2	64,481.7	77,443.2	2,230.6	2,865.9	2,609.0	5.1%	4.4%	3.4%
Amber Enterprises India Ltd	39,627.9	30,305.2	22,700.0	3,092.7	2,202.9	1,630.0	7.8%	7.3%	7.2%
SFO Technologies Pvt Ltd	17,889.7	NA	NA	1,251.3	NA	NA	7.0%	NA	NA
Syrma SGS Technology Ltd	8,656.5	8,874.0	NA	1,309.6	999.1	NA	15.1%	11.3%	NA
Elin Electronics Ltd	7,855.8	8,623.8	NA	552.4	674.7	NA	7.0%	7.8%	NA
Avalon Technologies Pvt Ltd	3,271.5	NA	NA	311.0	NA	NA	9.5%	NA	NA
VVDN Technologies Pvt Ltd	3,090.9	6,659.9	NA	-198.9	782.3	NA	-6.4%	11.7%	NA
Sanmina-SCI Technology India Pvt Ltd	861.5	908.5	NA	226.9	289.1	NA	26.3%	31.8%	NA

NA - Required data is not available with RoC *Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis*

EBIDTA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income.

Comparative Analysis – PAT %, Export sales and RoCE, India, Fiscal 2019 to 9 months of Fiscal 2022

	PAT (%)			Export sales (%)			RoCE (%)		
Name of the ESDM Company	FY20	FY21	9M FY22	FY20	FY21	9M FY22	FY20	FY21	9M FY22
Kaynes Technology India Ltd *	2.5%	2.3%	4.7%	20.5%	25.6%	21.5%	14.4%	13.5%	14.8%
Bharat FIH Ltd	1.5%	1.0%	NA	0.0%	0.0%	NA	19.1%	8.1%	NA
Dixon Technologies India Ltd	2.7%	3.4%	1.6%	0.1%	0.1%	NA	30.5%	27.1%	17.6%
Amber Enterprises India Ltd	4.1%	2.7%	2.3%	0.9%	0.7%	NA	20.6%	9.9%	NA
SFO Technologies Pvt Ltd	4.2%	NA	NA	57.4%	NA	NA	21.4%	NA	NA
Syrma SGS Technology Ltd	10.6%	7.4%	NA	60.0%	45.0%	NA	31.2%	17.1%	NA
Elin Electronics Ltd	2.4%	3.1%	NA	1.0%	0.9%	NA	13.3%	14.0%	NA
Avalon Technologies Pvt Ltd	1.7%	NA	NA	53.8%	NA	NA	7.7%	NA	NA
VVDN Technologies Pvt Ltd	-5.4%	6.5%	NA	51.5%	NA	NA	-5.8%	19.5%	NA
Sanmina-SCI Technology India Pvt Ltd	20.8%	22.2%	NA	78.7%	NA	NA	15.0%	15.0%	NA

NA - Required data is not available with RoC *Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis*

ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as restated 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.

FUTURE OPPORTUNITIES IN THE ESDM MARKET

Summation of Opportunities from Select Business Segments

INDUSTRY	MARKET DYNAMICS	ESDM ADDRESSABLE MARKET (INR BILLION)		
		FY21	FY26E	CAGR (%)
Telecom and Networking products	• India is one of the largest exporter of telecom equipment and this trend expected to increase • Increased outsourcing to companies with design, logistics and after sales support services	42	118	23%
Electric Mobility	• Electric mobility is in a growth phase and India is equally competing with the global leaders • The Indian government's strict measures in response to rising levels of vehicular emissions will boost demand for electric vehicles.	4	23	43%
Medical Electronics	• Rapid growth and demand in the remote diagnostics, cardiovascular, neurology and other medical products • The huge gap between demand and supply of medical devices in India creates a huge opportunity for manufacturers.	15	90	43%
IoT and Embedded Systems	• India's IoT ecosystem is likely to flourish, opening up new revenue sources for IoT providers • The rapid expansion of the IOT market is driven by increased customer demands, cloud computing, and analytics	65	311	37%
Strategic Electronics (Aerospace)	• Despite only 2% of the global space industry, India has one of the world's most successful and cost-effective space programmes • New policy initiatives have allowed private firms and start-ups to establish and operate	15	93	44%
Green Energy (LED Lighting)	• Regulations on energy efficiency, widespread manufacturing, and reduced prices of LED light have propelled India's LED lighting market • Proliferation of IoT devices has further paved way for the growth of the smart LED lighting market	30	109	29%
Wearables	• India is currently world's third largest wearable market • Gaining popularity due to features such as internet connectivity and data exchange between a network and a device	4	36	53%
Smart meters	• India ranks third in global electricity production. India's utility sector is changing with advanced metering solutions. • Government initiatives on energy saving, smart cities, and modernization of electricity grid are expected to drive the industry.	10	21	17%

Note: E refers to Estimate *Source: Frost & Sullivan Analysis*

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 19 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 29, 242 and 315, 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, 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 industry publications, in particular, the report titled "Assessment of Electronics System Design & Manufacturing, Skill Development (ESDM) In India" dated April 13, 2022 (the "**F&S Report**"), prepared and issued by Frost & Sullivan (India) Private Limited appointed on November 16, 2021, and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company at https://kaynestechnology.co.in/investors. 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 Draft Red Herring Prospectus 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 50. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 17.*

OVERVIEW

We are a leading end-to-end and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of electronics system design and manufacturing ("ESDM") services (*Source: F&S Report*). We have over three decades of experience in providing conceptual design, process engineering, integrated manufacturing and life-cycle support for major players in the automotive, industrial, aerospace and defence, outer-space, nuclear, medical, railways, Internet of Things ("IoT"), Information Technology ("IT") and other segments. Our manufacturing infrastructure enables us to undertake a high-mix and high-value addition of products across industry verticals with the ability to produce such products at variable or flexible volumes. We are among the leading companies in the ESDM space to offer optimised product realization solutions to customers in flexible volumes and higher complexity products across industry verticals (*Source: F&S Report*).

We were among the first companies in India to offer design-led electronics manufacturing to original equipment manufacturers ("OEMs") using our mature embedded design capabilities (*Source: F&S Report*). Over the years, we have gained technological expertise and evolved from an electronics manufacturing services provider into a design-led manufacturer providing value-add electronics manufacturing services and original design manufacturing ("ODM") solutions in the fields of smart devices, IoT solutions, brushless drive technology, and Gallium Nitride technology (*Source: F&S Report*). We continue to place emphasis on integrating our services to serve as an end-to-end ESDM provider. We believe that our foundation, including standardisation of processes, processes incorporated at our manufacturing facilities, and continuous improvement across our key performance indicators will foster customer loyalty and generate repeat business.

Our business is classified based on the stage of services that we provide to our customers. We classify our operations 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 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 service segments for the periods indicated:

Services	**Fiscal**						**Nine months ended December 31, 2021**	
	2019		**2020**		**2021**			
	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	1,283.65	35.24%	942.07	25.58%	1,276.25	30.34%	1,360.10	29.08%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	1,905.00	52.30%	2,290.02	62.19%	2,509.07	59.65%	2,962.75	63.34%
ODM	141.62	3.89%	76.18	2.07%	184.21	4.38%	174.93	3.74%
Product Engineering and IoT solutions	312.04	8.57%	374.11	10.16%	236.74	5.63%	179.97	3.84%
Total	**3,642.31**	**100.00%**	**3,682.38**	**100.00%**	**4,206.27**	**100.00%**	**4,677.75**	**100.00%**

We operate eight strategically located manufacturing facilities across India in the states of Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, and Uttarakhand. 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 that offers incentives similar to a special economic zone. As of December 31, 2021, we had a combined capacity to assemble over 600 million components for the period and have an exclusive line for 'Green Manufacturing' that is compliant with Directive 2002/95/EC Restriction of Hazardous Substances ("RoHS"). As of December 31, 2021, our manufacturing infrastructure also includes one design facility and two service centres.

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 Mysore, Karnataka. 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 December 31, 2021, our research and development team comprised 24 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 10 global accreditations, making us the most certified ESDM company in India (*Source: F&S Report*). 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 are the first company in the ESDM industry to be National Aerospace and Defense Contractors Accreditation Program ("NADCAP") accredited for aerospace products and are among the few Indian companies to maintain this accreditation (*Source: F&S Report*).

We have long-term relationships with a large customer base diversified across verticals and geographies. In the nine months ended December 31, 2021, we served 313 customers in 20 countries globally and multiple industry verticals such as automotive, aerospace and defence, industrial, railways, medical and IT / ITES. Of the customers contributing 80.00% of our revenue from operations in the nine months ended December 31, 2021, 44.83% of our customers (by value) have been associated with us for over seven years and accounted for 38.40%, 33.02%, 34.86% and 33.32%, respectively, of our revenue from operations in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021. 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 33 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 a 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 as of the dates and for the periods indicated:

Particulars	**As of and for the year ended March 31,**			**As of and for the nine months ended December 31, 2021**
	2019	**2020**	**2021**	
	(₹ million, except percentages)			
Revenue from Operations	3,642.31	3,682.38	4,206.27	4,677.75
Gross Margins(1)	33.65%	34.37%	31.98%	30.16%
EBITDA(2)	350.48	413.33	408.91	536.54
EBITDA Margin(3)	9.62%	11.22%	9.72%	11.47%
Restated Profit After Tax	97.28	93.55	97.33	218.23
Restated Profit After Tax Margin(4)	2.67%	2.54%	2.31%	4.67%
Return on Equity ("ROE")(5)	11.46%	10.51%	8.08%	13.58%*
Return on Capital Employed ("ROCE")(6)	12.94%	14.42%	13.47%	14.82%*
Net Worth(7)	846.30	957.58	1,365.10	1,816.06
Asset Turnover Ratio(8)	4.51	4.02	3.68	3.88*
Net Working Capital Days(9)	126	121	117	150*
Debt to Equity Ratio(10)	1.84	1.50	1.02	0.92

Notes:
* *Not annualized*
(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) Restated Profit After Tax Margin is calculated as restated profit after tax divided by revenue from operations.
(5) ROE is calculated as restated 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 restated 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 borrowings.

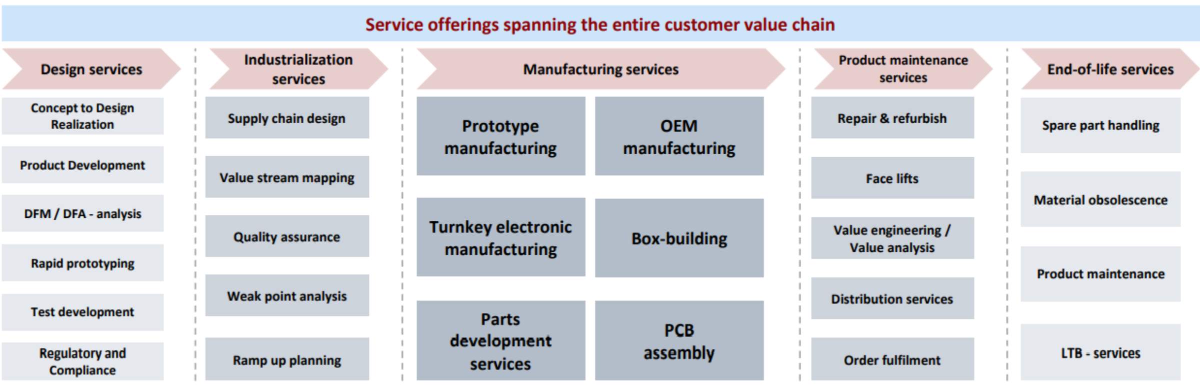
Our EBITDA margin was the highest among Key ESDM Companies in India in Fiscal 2021 while our Return on Capital Employed was the second highest among Key ESDM Companies in India in Fiscal 2021 (*Source: F&S Report*).

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

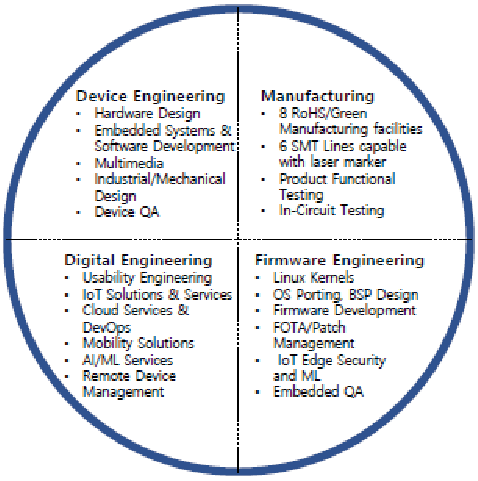
We are a leading end-to-end and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of ESDM services (*Source: F&S Report*). We are engaged in concept co-creation with our customers followed by product realization and life-cycle support.

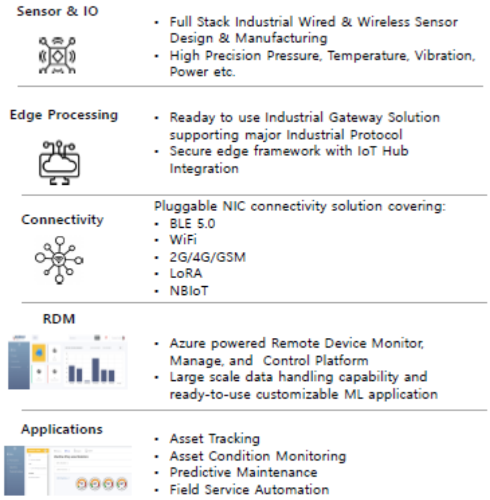


We also provide various value-added services such as obsolescence management, warehousing support, value engineering and value analysis, last time buy services that include purchase of electronic components that are either being discontinued or have been discontinued in larger quantities than immediately 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 are among the leading companies in the ESDM space to offer optimised product realization solutions to customers in flexible volumes and higher complexity products across industry verticals (*Source: F&S Report*). 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.

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 December 31, 2021, we have a dedicated facility with a team of 43 engineers and employees who possess in-depth technical knowledge and expertise in assisting customers of our Subsidiary, Kemsys, in their solutions. 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 and defence, space, medical, IoT and industrial, 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**						**Nine months ended December 31, 2021**	
	2019		**2020**		**2021**			
	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	717.62	19.70%	747.41	20.30%	1,003.59	23.86%	1,590.32	34.00%
Industrial	1,160.38	31.86%	1,178.06	31.99%	1,393.84	33.14%	1,384.21	29.59%
Aerospace, Defence, Outer-space and Nuclear	57.89	1.59%	200.02	5.43%	135.53	3.22%	129.02	2.76%
Medical	155.64	4.27%	229.66	6.24%	462.17	10.99%	500.67	10.70%
Railways	943.34	25.90%	630.86	17.13%	596.03	14.17%	498.54	10.66%
IoT / IT and Others	336.21	9.23%	403.13	10.95%	247.33	5.88%	190.88	4.08%
Consumer	271.23	7.45%	293.24	7.96%	367.78	8.74%	384.11	8.21%
Total	**3,642.31**	**100.00%**	**3,682.38**	**100.00%**	**4,206.27**	**100.00%**	**4,677.75**	**100.00%**

Long-standing relationships with marquee customer base

We have, through our three decades of business operations, established long-term relationships with well-known customers across industries we cater to. We have a diversified customer base and we served 313 customers in 20 countries across four continents in the nine months December 31, 2021. 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 Agappe Diagnostics Limited, Canyon Aero (*formerly* Cobham Aerospace Communications) ("**Canyan AERO**"), Frauscher Sensor Technology India Private Limited, Hitachi Rail STS India Private Limited, India Japan Lighting Private Limited, Siemens Rail Automation Private Limited, Iskraemeco India Private Limited and Tonbo Imaging India Private Limited.

The table below sets out certain information about our various customers in different industry verticals, as of December 31, 2021:

Industry Vertical	Number of Customers		Average period of business relationship of top 10 customers (years)*
	Domestic	International	
Automotive	67	5	6.67
Industrial	161	24	6.00
Aerospace and Defence, Outer-space and Nuclear	19	2	6.00
Medical	23	5	8.00
Railways	8	4	6.86
IoT / IT and Others	16	7	5.50
Consumer	6	1	5.33

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 in the last three Fiscals and in the nine months ended December 31, 2021. In Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, our top 10 customers generated ₹ 2,141.12 million, ₹ 1,974.20 million, ₹ 1,936.20 million and ₹ 2,428.47 million, of our revenue from operations, respectively and accounted for 58.78%, 53.61%, 46.03% and 51.92%, respectively, of our revenue from operations in such periods. The value of each customer order has been increasing from an average order size of ₹ 1.49 million in Fiscal 2020 to an average order size of ₹ 5.53 million in Fiscal 2022, at a CAGR of 92.44%.

Our business footprint spans across geographies and as of December 31, 2021, we serve customers across 20 countries and we have a sales and business development team of 34 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 nine months ended December 31, 2021
	2019	2020	2021	
No. of Countries Products Exported	15	17	18	20
Revenue from Operations (₹ million)	574.52	755.24	1,078.48	1,007.11
Percentage of Total Revenue from Operations (%)	15.77%	20.51%	25.64%	21.53%

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

Particulars	As of / for the year ended March 31,			As of / for the nine months ended December 31, 2021
	2019	2020	2021	

	(₹ million)			
North America	100.09	276.09	306.45	309.18
Europe	430.89	311.58	360.67	348.18
South East Asia	23.31	37.04	62.92	48.30
Others	20.23	130.53	348.44	301.45
Total	**574.52**	**755.24**	**1,078.48**	**1,007.11**

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 " – *Certifications*" on page 186. 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 facility at Mysore, Karnataka, 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.

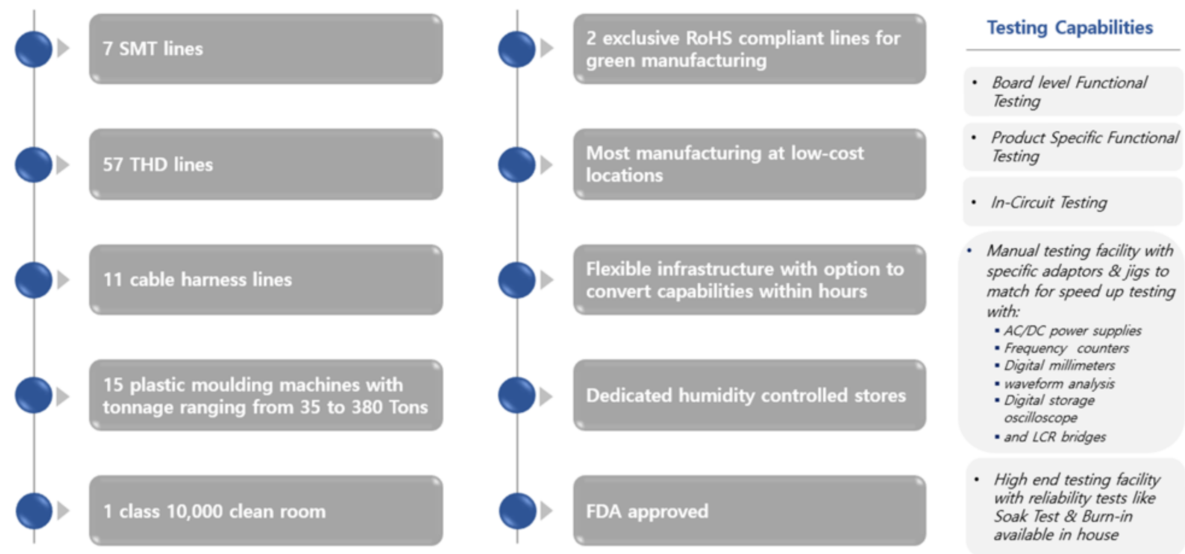
Manufacturing Facilities

As of December 31, 2021, we operate various facilities comprising eight manufacturing facilities, one design facility and two service centers across located in Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, Uttarakhand, Kerala and Maharashtra. Our facilities at Manesar, Haryana, Chennai, Tamil Nandu 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 Gurgaon, Haryana and Chennai, Tamil Nadu. This helps in reducing the logistics time and support our clients in their operations to the OEM. Our manufacturing facility in Mysore, Karnataka is approved under Electronics Hardware Technology Park Scheme of Software Technology Park of India, Bengaluru that offers 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 facility at Mysore, Karnataka. We also have the capability to make engineering changes through component engineering to convert a product into being RoHS compliant.

As of December 31, 2021, our manufacturing infrastructure includes 269,000 square feet of electrostatic discharge free facilities with seven robotics surface mount lines which possess the ability to populate more than 600 million components, 57 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. We 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.



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 December 31, 2021, we work with over 1,146 vendors and source materials from various regions including North America, Europe, Singapore as well as locally within India. Our top 10 suppliers have an average relationship period of over 11.20 years, as of December 31, 2021.

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. We 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, despite the impact of the COVID-19 pandemic on our business operations. Our revenue from operations has grown at a CAGR of 7.46% from ₹ 3,642.31 million in Fiscal 2019 to ₹ 4,206.27 million in Fiscal 2021 and was ₹ 4,677.75 million in the nine months ended December 31, 2021, while our EBITDA has grown at a CAGR of 8.01% from ₹ 350.48 million as of March 31, 2019 to ₹ 408.91 million as of March 31, 2021 and was ₹ 536.54 million in the nine months ended December 31, 2021.

We have been profitable for every year since inception. We believe that our strong operational and financial performance will allow us to capitalize on the strong 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 nine months ended December 31, 2021**
	2019	**2020**	**2021**	
	(₹ million, except percentages)			
Revenue from Operations	3,642.31	3,682.38	4,206.27	4,677.75
Gross Margins(1)	33.65%	34.37%	31.98%	30.16%
EBITDA(2)	350.48	413.33	408.91	536.54
EBITDA Margin(3)	9.62%	11.22%	9.72%	11.47%
Restated Profit After Tax	97.28	93.55	97.33	218.23
Restated Profit After Tax Margin(4)	2.67%	2.54%	2.31%	4.67%
Return on Equity ("ROE")(5)	11.46%	10.51%	8.08%	13.58%*
Return on Capital Employed ("ROCE")(6)	12.94%	14.42%	13.47%	14.82%*
Net Worth(7)	846.30	957.58	1,365.10	1,816.06
Asset Turnover Ratio(8)	4.51	4.02	3.68	3.88*
Net Working Capital Days (9)	126	121	117	150*
Debt to Equity Ratio(10)	1.84	1.50	1.02	0.92

Notes:
* *Not annualized*
(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) *Restated Profit After Tax Margin is calculated as restated profit after tax divided by revenue from operations.*

(5) *ROE is calculated as restated 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 restated 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 borrowings.*

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 "*Our Management*" on page 217.

Strategies

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, our new plant at Chamarajanagar, Karnataka is being prepared 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. Although, the ODM model of business requires additional investment in research and development as well as working capital, it results in higher margins, recurring business with high customer retention, as compared to the OEM model. (*Source: F&S Report*)

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*) In Fiscal 2019, 2020 and 2021, and in the nine months ended December 31, 2021, our box build customers contributed ₹ 1,283.65 million, ₹ 942.07 million, ₹ 1,276.25 million and ₹ 1,360.10 million, and accounted for 35.24%, 25.58%, 30.34% and 29.08% of our revenue from operations in the respective periods. In Fiscal 2019, 2020 and 2021, and in the nine months ended December 31, 2021, our ODM capabilities have allowed us to service 18, 17, 17 and 18 customers, respectively.

We intend to deploy up to ₹ 2,482.30 million from the Net Proceeds to fund capital expenditure towards upgrading and expanding our existing facility at Mysore, Karnataka, and near our existing facility at Manesar, Haryana, and to set up a new facility at Chamarajanagar, Karnataka. We believe this will allow us to build high value-added consumer electronic product portfolio, and expand our business with customers for full box build. 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 December 31, 2021, our design, research and development team comprised 24 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 to capitalize on industry opportunity

We intend to undertake vertical-focused expansion, to expand our business using different strategies for our different business verticals.

Aerospace, Defence and Outer-Space: The aerospace segment appears promising because of the increasing trend in the budget allocation, modernization and the procurement of state of the art electronic equipment and technology (*Source: F&S Report*). We intend to set up dedicated infrastructure, skills and competencies to address complex avionics assembly and testing. This will be done by undergoing expansion in this segment by focusing on key strategic customer accounts, and by focusing on building specific original equipment manufacturing relationships to get full box build and emerge as a system integrator in the long run. This will allow us to increase our wallet share and move up the value chain to manufacture incrementally complex products for space electronics. To this end we have been qualified by an aerospace OEM for a long-term contract with an annual value of ₹ 350.00 million and on final qualification, we would be a part of approved global suppliers eligible for major global contracts. In addition we are approved for repair and maintenance of electronics cards for Dornier fixed wing aircrafts.

Automotive: We have been partnering in the programme with Maruti Center for Excellence since Fiscal 2017 and have been certified as a 'Green Supplier' and have been able to accelerate our growth in the automotive segment. Automotive is one of the key growth opportunity verticals for ESDM providers in the next five years, due to the technology transformation currently underway with autonomous cars development and electric car commercialization activities. Moreover, the rapidly growing electronics content will accelerate the growth of ESDM revenue from this vertical. The Indian passenger vehicle industry is estimated to post a growth of 22% - 25% in Fiscal 2022 (*Source: F&S Report*). We have established ourselves as a major supplier to OEMs for electronics in automotive lighting, passive entry passive start, electronic control units, door switches, clusters, sensors, electric vehicle electronics, convertors, battery management system and electronic drives. We intend to strengthen our relationship with our customer base by offering our design in conversion of mechanical function into electronics in steering control system, offering our designed infotainment, two and three wheeler universal electric vehicle cluster, inverter technology and wireless chargers.

Healthcare: We have been associated with number of medical startups where the biggest challenge is taking the idea from a concept stage to complete product realization. In our experience, not many companies in India offer these services as it involves early engagement, design, engineering, supply chain, reliability, test and manufacturing support. India has developed into a key centre for high-end diagnostic services as a result of large capital expenditure, therefore serving a large population (*Source: F&S Report*). and we intend to focus on this segment by creating additional teams in product realization, leveraging our existing relationships with customers and acquire larger businesses in the hospital equipment sector. We also propose to tap into our existing relationships with customers who have presence across multiple industry segments, but for whom we currently do not service their healthcare segment requirements.

Industrials: We intend to enhance our presence in the smart energy meter segment, through ODM products with strategic customers. We have a relationship with a number of customers in the power electronics and instrumentation segment which we can leverage to gain higher wallet share in the smart energy meter segment. We also intend to expand our customer base in the low voltage power switchgear segment as a part of import substitution and strategically develop our business in the large volume ODM electronics segment, on BLDC motor controllers and inverters in particular, various types of dispensing technology and focusing on solar energy related electronics like robotic automated AI driven solar panel cleaning machine.

IoT: The adoption of IoT solutions for digital utilities and Smart Cities, as well as industries like manufacturing, and automotive, will fuel demand for industrial IoT applications in the future. The IoT market in India is expected to continue expanding at a CAGR of 16% from 2021 to reach ₹ 135 billion in 2026, backed by strong connectivity and coverage, rising internet penetration, surge in smart applications adoption, new business models, and government initiatives (*Source: F&S Report*). We intend to expand our ODM products under our current KPTR, KemPaas and KemSight platforms, build capabilities across communication technologies and develop communication modules for smart meters. For further information, see " – *Platforms*" on page 182. Certain customers use our modules for applications such as smart lighting, which we intend to further expand. We propose to scale our business in ODM products such as street light controllers, smart meters, IoT devices and solutions.

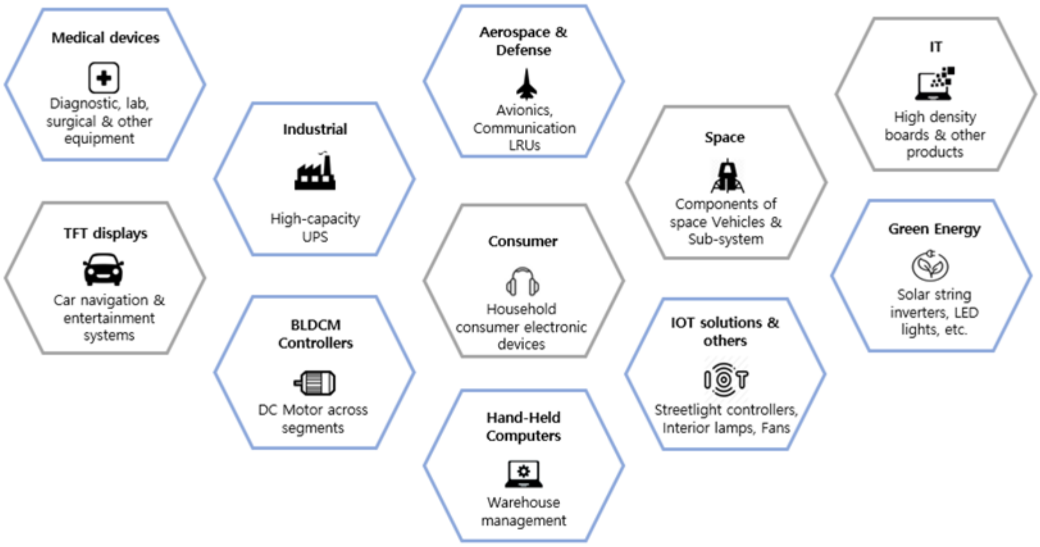
Railways: There are currently a number of global OEMs in signalling innovations and the Indian market is controlled by global OEMs. We are the market leader in this vertical, working with most of the major global OEM (*Source: F&S Report*). We are also approved by Chittaranjan Locomotive Works for restoration of three phase locomotive electronics and are one of the few companies approved by Research Design and Standards Organisation and metro rail authorities for onsite factory acceptance testing (*Source: F&S Report*). We intend to tap into installation and maintenance of electronics equipment, branch out to traction electronics, on-board electronics, rolling stock lighting and information systems. We intend to invest in design for the Research Design and Standards Organization of certain select product categories, enhance capabilities to strengthen our market share in signalling vertical, and explore potential strategic technological alliances either with our existing clients or through strategic tie-ups, for bringing global next generation technologies into India in passenger safety, passenger comfort and internet connectivity.

Consumer Electronics: We intend to grow the consumer electronics and appliances segment in the areas of personal electronic devices such as consumer audio and wearables, lighting components and controls, components for consumer appliances, which require electronics solutions to make the device energy efficient and connected, home security and surveillance, communication modules as a connected technology for providing indigenous solutions for various applications, IT accessories to provide locally designed and manufactured product for brands to increase local manufacturing component and connected devices and platforms. We intend to leverage our ODM capabilities in wireless technologies, BLDC motor controllers and IoT driven smart solutions by working with customers from concept, design, product realization to bulk manufacturing. We have the capability for providing full box build solutions including PCBAs, plastic injection mouldings and wiring and metal fabrication, which will help our customers in localizing the manufacturing which was earlier dependent on international vendors. We believe our experience in providing complex box build solutions in other segments including medical systems, industrial and railways will enable us to provide services and solutions in this segment to our customers.

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.

We intend to expand our order book by scaling our opportunity across our customer 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 ₹ 3,521.69 million as of March 31, 2020 to ₹ 6,704.65 million, as of March 31, 2021. As on March 31, 2022, we had an order book of ₹ 15,166.34 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.

We intend to develop a path with specific focus on new projects and transformative strategic initiatives, which possess significant revenue opportunities for us. These initiatives will be from different verticals, as shown below:



Continue to expand our customer base to focus on large customers

Over the last three Fiscals and in the nine months ended December 31, 2021, we have been able to consistently grow our customer base. In Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, we served 306, 283, 292 and 313 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 December 31, 2021, we have 34 employees in our sales and business development team who specialise in assisting us in customer acquisition efforts.

To better serve our customers, we also intend to expand our geographical footprint by enhancing current manufacturing capacities in Mysore, Karnataka and Manesar, Haryana and setting up a new manufacturing facility in Chamarajanagar, Karnataka. Our proposed 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.

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

As of December 31, 2021, we have eight manufacturing facilities located in Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, and Uttarakhand. For further information, see *"Our Business - Manufacturing Facilities"* on page 183. In order to support our growth strategy across India, we intend to set up an additional manufacturing facility at Chamarajnagar, Karnataka and undertake significant expansion at our current facility at Mysore and near our existing facility at Manesar. 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.

Locations	Verticals	Area (sq. ft.)	Proposed Capacity (PCB Assemblies per Annum)*#
Mysore, Karnataka	Aerospace, railways, medical and industrial	60,000	15.36 million
Manesar, Haryana	Auto electronics, BLDC and industrial	80,000	5.30 million
Chamarajnagar, Karnataka	Consumer electronics and Smart Meters	200,000	8.60 million
Total Additional Capacity			**29.26 million**

**As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated April 8, 2022.*

 # 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." on page 32.

To support our growth strategy, land has been allotted for the construction of our facility at Chamarajnagar, Karnataka. 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.

Further improve operational efficiency through backward integration of manufacturing facilities

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 component 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. We are also looking to participate in the Design Linked Incentive scheme of the Government of India. 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.

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.

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

Product Development Life Cycle	OEM -Turnkey / OEM – Box Build	ODM	Product Engineering and IoT Solutions
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

The table below shows our revenue from operations across various service segments for the periods indicated:

Services	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	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	1,283.65	35.24%	942.07	25.58%	1,276.25	30.34%	1,360.10	29.08%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	1,905.00	52.30%	2,290.02	62.19%	2,509.07	59.65%	2,962.75	63.34%
ODM	141.62	3.89%	76.18	2.07%	184.21	4.38%	174.93	3.74%
Product Engineering and IoT solutions	312.04	8.57%	374.11	10.16%	236.74	5.63%	179.97	3.84%
Total	**3,642.31**	**100.00%**	**3,682.38**	**100.00%**	**4,206.27**	**100.00%**	**4,677.75**	**100.00%**

Original Equipment Manufacturer ("OEM") – Box Build

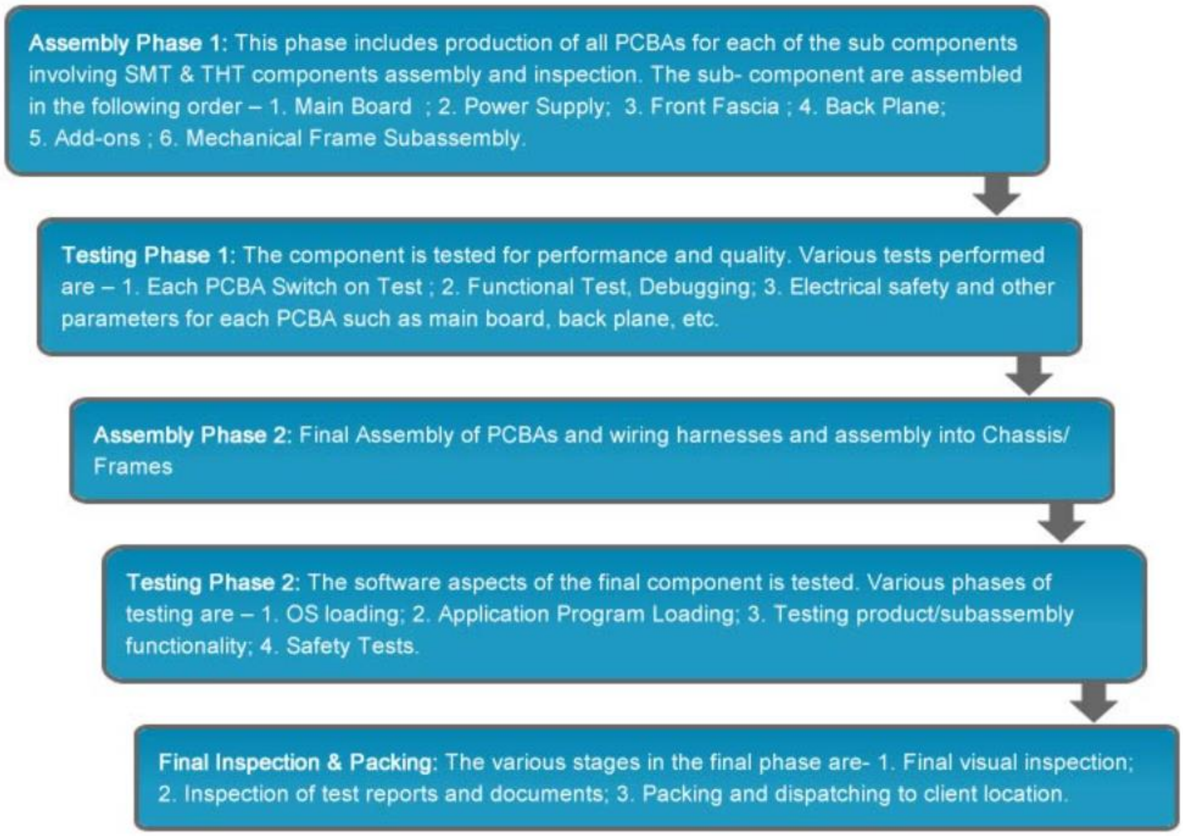
We work with our customers to offer complete "Build To Print" or "Build to Specifications" of complex Box Builds, sub-systems and products in the defence and aerospace, transportation, healthcare, IT and industrial verticals.

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 December 31, 2021, we completed over 40 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.

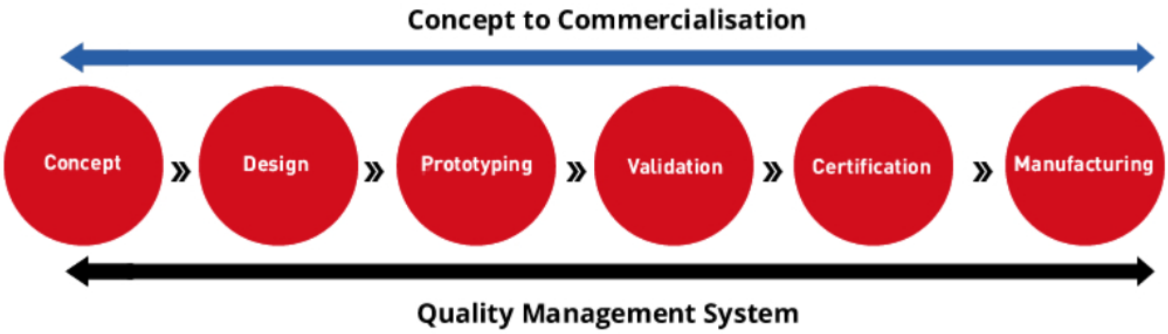
We focus on high mix, high technology, flexible volume production, and provide value added services to customer across aerospace, defence and outer-space, railways, medical, IT/ITES, industrial and automotive electronics verticals.

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.
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

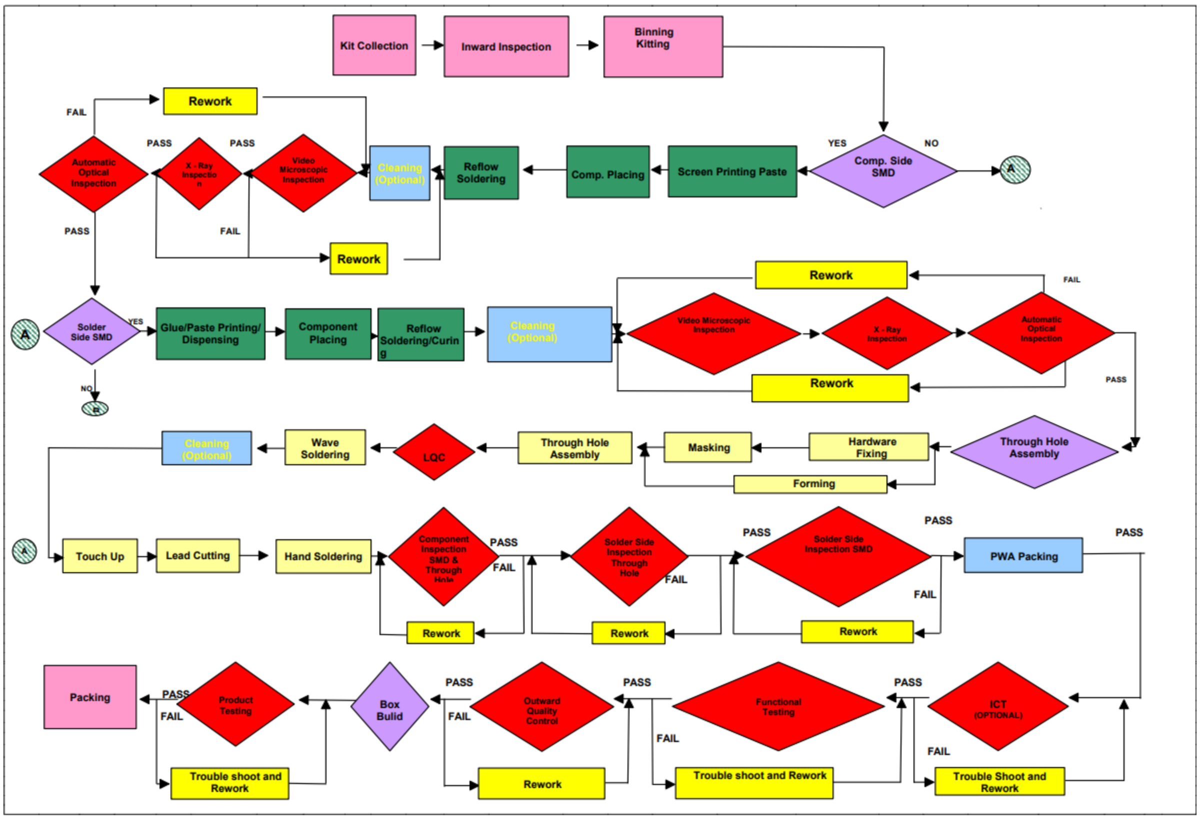
Manufacturing

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.

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	
Industrial(1)	

Industry	Type of Products
Aerospace, Defence, Outer-space and Nuclear	HH Sonar  Negotiator  ESAF  ATE and LRU Cable Assemblies  
Medical	Single & multi-bed PMS  Endoscopy cart & ICP sensor module  Fetal monitoring systems  X-ray machine with display & Dental X-ray  Tube sealers, incubators & agitator  VAP care & flip devices  Specific protein analyzes & clinical chemistry analyzers  Controller units  Foreign body extractors & diagnostic devices 
Railways	UM71-Receiver  SDTC Cubicle – Integrated & Tested waiting for packing  ETCS – On board Cubicle  SDTC Card File - Integrated 

Industry	Type of Products
IoT / IT and Others [2]	

Platforms

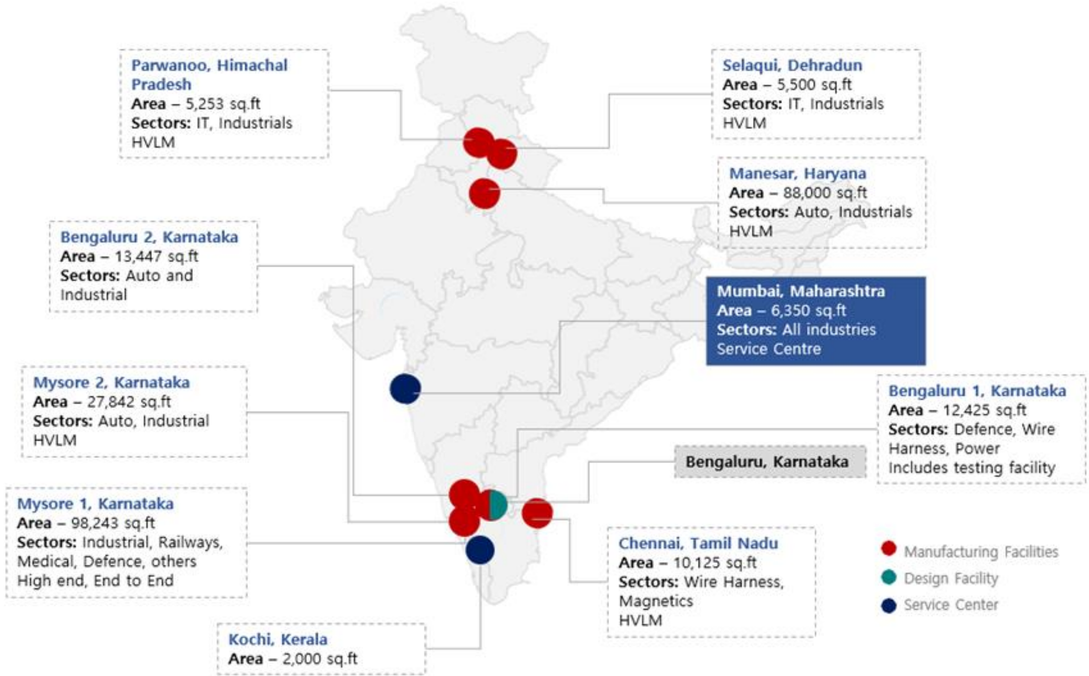
KPTR – IIoT Products and Accelerators: The Smart Edge platform powers our array of ODM products including industrial sensors and multi-protocol gateways. These devices are essential to make assets smart by capturing and contextualizing the machine data in real-time. KPTR designs are field-proven and 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 December 31, 2021.



[Map not to scale]

Manufacturing Facilities

As of December 31, 2021, we have eight manufacturing facilities situated in India at various locations as set out below:

S. No.	Location	Verticals	Area (Square Feet)	Owned / Leased
1.	Mysore, Karnataka – Unit I	Railways, Defence and Aerospace, Medical and Industrials	126,085	Owned
2.	Mysore, Karnataka – Unit II			Leased
3.	Parwanoo, Himachal Pradesh	IT, Telecom, Industrial, Medical and Automotive	5,253	Owned
4.	Selaqui, Uttarakhand	IT and Industrial	5,500	Leased
5.	Bengaluru, Karnataka – Unit I	Automotive, Medical, IOT, IT and Industrial	12,425	Leased
6.	Bengaluru, Karnataka – Unit II	Automotive and Industrial	13,447	Leased
7.	Chennai, Tamil Nadu	Automotive, Medical and Industrial	10,125	Leased
8.	Manesar, Haryana	Industrial, Medical and Automotive	88,000	Leased

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 December 31, 2021, we have two service facilities situated in India as set out below:

S. No.	Location	Verticals	Area (in Square Meters)	Owned / Leased
1.	Kochi, Kerala	Aerospace and Defence	185.80	Leased
2.	Navi Mumbai, Maharashtra	Railway, Aerospace, Defence and Industrial	589.93	Leased

Design Facility

As of December 31, 2021, we have one design facility in India as set out below:

S. No.	Location	Verticals	Area (in Square Meters)	Owned / Leased
1.	Bengaluru, Karnataka	Automotive, Industrial, Aerospace, Defence, Outer-space and Nuclear, Medical, Railways, IoT / IT and Others and Consumer	4,990	Leased

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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 and PCB assemblies at our manufacturing facilities located at (i) Mysore, Karnataka – Unit I and Mysore, Karnataka – Unit II; (ii) Parwanoo, Himachal Pradesh; and (iii) Manesar, Haryana. The two facilities at Mysore, Karnataka are used interchangeably for the manufacture 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) Selaqui, Uttarakhand; (ii) Bengaluru, Karnataka – Unit I; (iii) Bengaluru, Karnataka – Unit II; and (iv) Chennai, Tamil Nadu cannot be specified these facilities are engaged in ancillary manufacturing activities. Since these facilities are not involved in SMT component manufacturing and PCB assemblies, an estimate with respect to installed or utilised capacity cannot be specified. The capacity of the manufacturing operations varies significantly depending on products manufactured and hence an estimate of the installed / utilized capacity cannot be provided accurately.

<u>*SMT Components*</u>

Facility	**As of and for the nine months ended December 31, 2021**		
	Installed Capacity*(1)	**Actual Production**	**Utilisation (%)*(2)**
	(SMT Components per Annum) (Million)		
Mysore, Karnataka – Unit I and Unit II	412.43	398.70	96.67%
Parwanoo, Himachal Pradesh	54.48	18.85	34.61%
Manesar, Haryana	133.80	120.85	90.32%

Facility	**As of and for the financial year ended March 31,**								
	2019			**2020**			**2021**		
	Installed Capacity*(1)	**Actual Production**	**Utilisation (%)*(2)**	**Installed Capacity*(1)**	**Actual Production**	**Utilisation (%)*(2)**	**Installed Capacity*(1)**	**Actual Production**	**Utilisation (%)*(2)**
	(SMT Components per Annum) (Million)			**(SMT Components per Annum) (Million)**			**(SMT Components per Annum) (Million)**		
Mysore, Karnataka – Unit I and Unit II	420.70	399.85	95.04%	464.94	360.87	77.62%	458.26	377.78	82.44%
Parwanoo, Himachal Pradesh	72.64	34.64	47.69%	72.64	30.80	42.40%	60.53	27.43	45.32%
Manesar, Haryana	178.40	176.56	98.97%	178.40	100.76	56.48%	148.67	102.44	68.91%

<u>*PCB Assembly*</u>

Facility	As of and for the nine months ended December 31, 2021		
	Installed Capacity*(1)	Actual Production	Utilisation (%)*(2)
	(SMT Components per Annum) (Million)		
Mysore, Karnataka – Unit I and Unit II	25.55	24.70	96.67%
Parwanoo, Himachal Pradesh	2.84	0.98	34.61%
Manesar, Haryana	3.07	2.77	90.32%

Facility	As of and for the financial year ended March 31,								
	2019			2020				2021	
	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)		
Mysore, Karnataka – Unit I and Unit II	13.4	12.74	95.04%	14.34	11.13	77.62%	29.24	24.1	82.44%
Parwanoo, Himachal Pradesh	2.21	1.06	47.69%	1.75	0.74	42.40%	1.96	0.89	45.32%
Manesar, Haryana	1.96	1.94	98.97%	3.00	1.69	56.48%	3.30	2.28	68.91%

**As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated April 8, 2022.*

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.

(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 December 31, 2021, 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 operations 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 Draft Red Herring Prospectus and undue reliance should not be placed on such information.

Also, see "*Risk Factors – Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.*" on page 38.

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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.

Manpower: As of December 31, 2021, we have 138 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 Contractors	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
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
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 313 customers across industries and geographies in the nine months December 31, 2021. We have strong and 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.

Customers	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	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	526.15	14.45%	455.87	12.38%	498.69	11.86%	511.67	10.94%
Top 5	1,701.97	46.73%	1,441.67	39.15%	1,349.41	32.08%	1,784.56	38.15%
Top 10	2,141.12	58.78%	1,974.20	53.61%	1,936.20	46.03%	2,428.47	51.92%

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	India Japan Lighting Private Limited	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	Leading global manufacturer of electronic instruments and electromechanical devices	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.
Aerospace, Defence and Nuclear	Tonbo Imaging Private Limited and Canyon Aero	Electronics for navigation and sensors, airborne radio communication systems, thermal imaging systems and line replaceable unit for power supplies.
Medical	Agappe Diagnostics Limited and Health ARX Technologies Private Limited	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	Siemens Rail Automation Private Limited, Hitachi Rail STS India Private Limited and Frauscher Sensor Technology India Private Limited	Audio frequency track circuits, short distance track circuits, cubicles, electronics for interlocking, axel counters, passenger information systems.
IoT / IT and Others	Iskraemeco India Private Limited	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.
Consumer	Leading owner of consumer audio accessories	Wired headsets, wireless headsets, accessories, true wireless stereo, smart watches and Bluetooth speakers.
Non-Automotive	Leading provider of global digital infrastructure	PCBAs, high end test instruments, integrated circuit card readers, BLE modules, streetlights, energy meters, controllers, and night vision cameras.

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 20 qualified engineers, as of December 31, 2021. 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.

Our cost of materials consumed constituted a significant component of our expenditure and in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, was ₹ 2,463.15 million, ₹ 2,603.38 million, ₹ 2,822.99 million and ₹ 3,306.01 million, respectively, and constituted 69.77%, 72.54%, 68.22% and 74.80%, respectively, of our total expenses.

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 1,146 vendors based on our engineering designs, as of December 31, 2021. 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 2019	Fiscal 2020	Fiscal 2021	Nine months ended December 31, 2021	Average Relationship Period (Years)
Top 1	9.68%	7.37%	6.97%	8.86%	18.00
Top 5	32.69%	26.53%	27.99%	29.58%	15.60
Top 10	42.05%	39.07%	38.24%	37.23%	11.20
Top 15	48.01%	45.87%	44.44%	43.71%	10.13

The table below sets forth details of our suppliers in the periods indicated:

Suppliers	Fiscal 2019	Fiscal 2020	Fiscal 2021	Nine months ended December 31, 2021
	Number of Suppliers			
Domestic	708	818	814	743
International	357	392	395	403

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 44.

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 North America and Europe. In Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, our revenue from operations from exports were ₹ 574.52 million, ₹ 755.24 million, ₹ 1,078.48 million and ₹ 1,007.11 million, respectively, and accounted for 15.77%, 20.51%, 25.64% and 21.53% of our revenue from operations, respectively.

Environmental, Social and Corporate Governance

Our strong 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.

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.

For information regarding applicable health, safety and environmental laws and regulations, see "*Key Regulations and Policies*" on page 196.

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 December 31, 2021, we have been granted two trademark registrations. For further information, see "*Government and Other Approvals – Intellectual Property Rights*" on page 361.

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 41.

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. For further information, see "*History and Certain Corporate Matters – Key Awards, Accreditations and Recognition*" on page 208.

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, Dixon Technologies India Limited, Amber Enterprises India Limited, SFO Technologies Private Limited, Syrma SGS Technology Limited, Elin Electronics Limited, Avalon Technologies Private Limited, VVDN Technologies Private Limited and Sanmina – SCI Technology India Private Limited.

We also face competition from international companies. 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 40.

Human Resources

As of December 31, 2021, we have 1,613 permanent employees and 65 persons employed as contract employees. The following table provides information about our full-time employees, as of December 31, 2021:

Vertical	Headcount
Manufacturing	948
HR and Admin	71
Materials	108
Quality Assurance	114
R&D and Engineering	138
Operations	81
Finance and Accounts	35
Security	3
Servicing	20
Business Development	24
Maintenance	23
Systems, EHS and Training	18
Corporate	11
Sales	10
IT / ERP	9

Vertical	Headcount
Total	**1,613**

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 43.

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 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 programme*s: 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, Mysore – 570 016, Karnataka, India. We operate eight manufacturing facilities, one design facility and two service centres in India. Each of our manufacturing facilities, design facility and service centres are located on land that is owned or leased by us. For further information, see " – *Manufacturing Facilities*" on page 183.

Also see, "*Risk Factors – Certain of our manufacturing facilities, design facility, service centres and offices are located on leased premises.*" on page 52.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company, and the business undertaken by our Company.

The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies, as amended, and are subject to future amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Industry specific laws

The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

In exercise of this power, the Department of Information Technology, ("DoIT") Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("IT Security Rules") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Intermediary Rules") requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act, along with the relevant rules, establishes and enforces standards of weights and measures, regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. Any transaction relating to goods or a class of goods shall be as per the weight, measurements or numbers prescribed by the Legal Metrology Act. The Central Government is empowered to appoint a director to exercise the powers and to discharge duties. The Legal Metrology Act prohibits the manufacture, packing, selling, importing, distributing, delivering, offer for sale of any pre-packaged commodity if such does not adhere to the standard regulations set out.

Legal Metrology (Packaged Commodities) Amendment Rules, 2017 ("Packaged Commodity Rules")

The Packaged Commodity Rules have amended the Legal metrology (Packaged Commodities) Rules, 2011, and lays down specific provisions applicable to packages intended for retail sale, whole-sale and for export and import. Pursuant to the packaged Commodity Rules, any pre-packaged commodity sold for use and consumption by the citizens must properly mention several details such as, the description and quantity of ingredients, date of manufacturing, date of expiry (for items prone to expiration), weight, statutory warnings, manufacturer address, contact and some other info like consumer care details, country of origin, etc.

Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 ("BIS Act**")** provides for the establishment of a national standards body for the harmonious development of the activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services. Under the BIS Act, the Central Government, after consulting the Bureau of Indian Standards ("BIS"), can notify which precious metal articles or other goods or articles are required to be marked with a 'Hallmark' or 'Standard Mark', subject to certain conditions for sale and testing of such articles. Under the BIS Scheme, the Government of India has identified the 'Bureau of Indian Standards' as the sole agency in India to operate the BIS Scheme which aims to ensure that quality control is built in the system in alignment with the international criteria on hallmarking. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and 150contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or processing relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. The Bureau of Indian Standards is also the licensing authority for quality standards.

Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 ("Compulsory Registration Order")

The Compulsory Registration Order mandates that the manufacturing, storage, import, sale or distribution of goods which do not meet the specified standard and/or bear a self-declaration confirming conformance to relevant Indian Standard is prohibited. The only exception is for those goods which are manufactured for export. Further, any sub-standard or defective goods must be deformed beyond use by the manufacturer and disposed of as scrap. The Compulsory Registration Order is issued by the Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India ("DEIT"). The DEIT vide notification no. S.O. 2905(E) dated November 7, 2014 amended the Compulsory Registration Order to include self-ballasted light-emitting diode ("LED") lamps for general lighting services and fixed general purpose luminaires, as well as issued mandatory directions to the manufacturers of LED lamps/general lighting services to obtain BIS registration.

The Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003 ("Quality Control Order")

The Quality Control Order sets out directions and specified standards for a manufacturer for the manufacture, storage for sale, sale and distribution of electrical wires, cables, appliances, protection devices (including low voltage switchgear and fuses) and accessorises. It prohibits those products which do not conform to standards specified and those which do not near the standard mark issued by the Bureau of Indian Standards ("BIS"), and further requires any sub-standard or defective electrical wires, cables, appliances, protection devices or accessories to be deformed by such manufacturer beyond use and disposed of as scrap. Further, it directs that the commencement of manufacturing of such electrical equipment can only after obtaining a license from the BIS for the use of standard mark. The Quality Control Order is issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"). The Central Government is authorized to appoint an officer who shall be empowered to inspect any books or documents, search any premises, seize any electric equipment, as well as require any person engaged in the manufacture, storage, sale or distribution of electrical equipment to furnish information and samples, in the case of contravention of the Quality Control Order.

Production Linked Incentive Scheme for Large Scale Electronics Manufacturing, 2020 ("PLI Scheme")

The PLI Scheme was introduced by the Ministry of Electronics and Information Technology to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components. The PLI Scheme extends an incentive of 4% to 6% on incremental sales of goods manufactured in India and covered under target segments to eligible companies. Approvals under the PLI Scheme are granted to a certain number of eligible applicants pursuant to applications made in each round of the PLI Scheme. Applicants are selected on the basis of having the highest consolidated global manufacturing revenue in the target segment. The target segment for the second round of the PLI scheme, for which applications were accepted in 2021, is specified electronic components, including printed circuit boards, micro/nano-electronic components, passive components for electronic applications, and discrete semiconductor devices.

The National Policy on Electronics, 2019 ("NPE")

The NPE is issued by the Ministry of Electronics and Information Technology, Government of India. The NPE envisions positioning India as a global hub for Electronics System Design and Manufacturing - (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

Motor Vehicles Act, 1988 (the "Motor Vehicles Act")

The Motor Vehicles Act and the rules prescribed thereunder regulate all aspects of motor vehicles in India, including licensing of drivers, registration of motor vehicles, control of motor vehicles through permits, special provisions relating to state transport undertakings, insurance, liabilities, offences and penalties. Accordingly, the Motor Vehicles Act places a liability on every owner of, or person responsible for, a motor vehicle to ensure that very person who drives a motor vehicle holds an effective driving license. Further, the Motor Vehicles Act requires that an owner of a motor vehicle bears the responsibility of ensuring that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act and that the certificate of registration of the vehicle has not been suspended or cancelled. Further, the Motor Vehicles Act prohibits a motor vehicle from being used is a transport vehicle unless the owner of the vehicle has obtained the required permits authorising him to use the vehicle for transportation purposes. In 2019, by way of an amendment, Central Government has introduced a mandatory recall provision for automobiles if any defects were found in the vehicle or a component of the vehicle, which were harmful to the environment, driver or occupant or road users or defects which are reported to the Central Government.

The Central Motor Vehicles Rules, 1989, a rule prescribed under the Motor Vehicles Act, sets out the procedures for licensing of drivers, driving schools, registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third party risks.

Batteries (Management & Handling) Rules, 2001 ("Rules")

The Batteries Management and Handling Rules were notified in the year 2001 with the primary objective of channelizing the used lead acid batteries for environmentally sound recycling. The Rules mandates State Pollution Control Boards to seek data on sale, import, generation, collection and recycling of used batteries from manufacture, assembler, re-conditioners, and importer, auctioneers and batteries recyclers for keeping track of used batteries. Responsibilities have been fixed on manufacturers, importers, re-conditioners and assemblers to ensure that used batteries are collected back and sent to registered recyclers. Responsibilities were also fixed on other stake holders such as dealers, recyclers, bulk-consumers and auctioneers to maintain records and file annual returns. The regulatory authorities involved are State Pollution Control Boards ("SPCB"), customs authorities, Central Pollution Control Board ("CPCB") and Ministry of Environment, Forest and Climate Change.

The Rules provide that manufacturers, dealers, assemblers, re-conditioners, auctioneers, bulk consumers, authorized recyclers and importers have to file half yearly returns on sale, collection of used batteries and quantity sent to registered/authorized recyclers. The rules also provide for registration/authorization of dealers by SPCBs and registration of importers by CPCB. Dealers, who are key stakeholders in these roles have to file half yearly returns to manufacturers, who in turn have to file compiled half yearly returns to SPCBs. Manufacturers are required to manage channelization through their dealer network and also through their collection centres. One of the main responsibilities of manufacturers is also to create awareness among the consumers and to implement take-back system for the end of life batteries. produced by them.

The Gas Cylinder Rules 2016 (Amended in 2019)

The Department of Labour, Government of India has declared compressed gas filled in metallic containers as explosives under Section 17 of the Explosives Act, 1884 (IV of 1884) ("Act"). The Central Government in exercise of powers under Section 5 and Section 7 of the said Act had promulgated the Gas Cylinder Rules, 2016 ("Rules") to regulate filling, possession, transport and import of such gases. The objective of these Rules is to ensure safety of the public engaged in the activity of filling, possession, transport and import of such gases in compressed or liquefied state. A person can fill or possess such cylinders filled with compressed gas only unless they have duly obtained the license from Chief Controller certifying the compliance with the construction standards along with availability of necessary test and inspection certificates. It is further stated that if a compressed gas filling station acts in a manner dangerous and defective to endanger public safety or bodily safety of any person in opinion of the Chief Controller, then the Chief Controller can order for such act to be remedied within the period so specified in the order. The licenses can be transferred or amended by Chief Controller on application with fee submitted by the licensee. The license shall be suspended or cancelled if there is any non-compliance with the provisions of Explosives Act, 1884, the Gas Cylinder Rules and other rules framed under the said Act or the conditions of the licence or any order by Central Government.

The Electricity Act, 2003, ("Electricity Act") and The Electricity Rules, 2005 ("Electricity Rules")

The Electricity Act regulates and governs the generation, transmission and distribution of electricity in India, including by specification of safety standards in relation to the same. The Electricity Act also controls the transmission and use of electricity, including through specifying action to be taken in relation to any electric line or appliance under the control of a consumer, for the purpose of eliminating or reducing the risk of personal injury and damage to property. Pursuant to the Electricity Act, every licensee must supply electricity only through the installation of a correct meter in accordance with the regulations as prescribed by the Central Electricity Authority. The Central and State Electricity Regulatory Commissions, are empowered to adjudicate upon matters relating to any non-compliance in this regard. Additionally, the Electricity Act levies penalties, including imprisonment, for tampering with electricity meters and for the use of unauthorized electricity meters.

Foreign Exchange Laws

Foreign Exchange Management Act, 1999 (the "FEMA")

The primary exchange control legislation in India is the FEMA. Pursuant to FEMA, the GoI and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of foreign exchange control.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto.

As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; and (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette.

FTA read with the Indian Foreign Trade Policy 2015 – 2020 (extended up to September 30, 2021) provides that no export or import can be made by a company without an Importer-Exporter Code "IEC" Number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Export Promotion Capital Goods Scheme ("The EPCG Scheme")

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by physical exports or by way of "deemed exports", which are transactions deemed to be exports.

Customs Act, 1962 ("Customs Act")

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance.

Environmental laws

The Environment (Protection) Act, 1986 ("EPA") read with The Environment (Protection) Rules, 1986

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emit any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the relevant state pollution control boards. Under the Water Act, any individual, industry or institution discharging industrial or domestic waste into water must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Additionally, consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant.

The Noise Pollution (Regulation and Control) Rules, 2000 (Amended 2017) ("Noise Regulation Rules")

The Noise Regulation Rules regulate noise levels in industrial (75 decibels in day time and 70 decibels in night time), commercial (65 decibels in day time and 55 decibels in night time), residential zones (55 decibels in day time and 45 decibels in night time) and silence zone (50 decibels in day time and 40 decibels in night time) and set ambient air quality standards in respect of noise for different areas/ zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near hospitals, educational institutions, courts etc. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the EPA.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 1989 (Amended in 2016) ("Hazardous Waste Management Rules 2016")

The Hazardous Wastes Rules set out the regulations for management and disposal of environmental waste. It mandates that every facility generating hazardous waste must obtain prior approval from the relevant state pollution control board. Particular attention must be paid to the recycling the hazardous waste. In the case of improper handling and disposal, every occupier transporter and the operator of a facility generating hazardous waste are liable for environmental damage and penalties thereunder.

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 ("Hazardous Chemical Rules")

Pursuant to the Environment Protection Act, the Central Government is empowered to make rules pertaining to any industry which deals with any hazardous chemical, including flammable gases and liquids. An elaborate list of chemicals, and the quantity limits is provided under the Schedules of the rules. The Hazardous Chemical Rules also deal with the procedure to be followed in the case a major accident occurs, including whom to notify and how. Further, a full safety report on the concerned activity must be submitted with the information specified to the concerned authority, within the time limit.

Bio Medical Waste (Management & Handling) Rules (Amended 2016)

The Bio Medical Waste (Management & Handling) Rules (hereinafter "BMW") apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle biomedical waste in any form. We are required to obtain an authorization under the BMW Rules for the generation of bio-medical waste to ensure that such waste is handled without any adverse effect to human health and the environment and to set up bio–medical waste treatment facilities as prescribed under the BMW Rules, including pre-treating laboratory and microbiological waste, and proving training to health care workers and others involved in handling bio-medical waste. We are also required to submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of biomedical waste in accordance with the BMW Rules and the guidelines issued thereunder. The prescribed authority may cancel, suspend or refuse to renew an authorization, if for reasons to be recorded in writing, the occupier/operator has failed to comply with any of the provisions of Environment Protection Act, 1986 or BMW Rules.

E-Waste (Management), 2016 ("E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must obtain an authorisation from the state pollution control board and also submit annual returns to the same Authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

The Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act, along with the Public Liability Insurance Rules, 1991, require the owner to contribute towards the environment relief fund of a sum equal to the insurance premium paid to the insurer. Further, a liability is imposed on the owner or controller of hazardous substances, in relation to death/injury of a person, or any damage to property arising out of an accident involving such hazardous substances. Vide notification, the Central Government has enumerated a list of hazardous substances covered by the legislation

Special Economic Zones Act, 2005 ("SEZ Act") and Special Economic Zones Rules, 2006 ("SEZ Rules")

The SEZ Act provides for the establishment, development and management of special economic zones for the promotion of exports. The SEZ Act constitutes a Board of Approval to whom any person wishing to establish a special economic zone may make a proposal. The Central Government has the power to notify specially identified areas as special economic zones, based on communications received from the Board of Approval regarding such a proposal and the fulfilment of certain requirements by the person making such a proposal. The SEZ Act empowers the Central Government to appoint a development commissioner to ensure the speedy development of a special economic zone and the promotion of exports therefrom. Any person intending to set up a unit for carrying on authorised operations in a special economic zone may submit a proposal to the development commissioner. Any goods or services exported out of, or imported into, or procured from the rest of India excluding special economic zones, by a unit in a special economic zone or a developer of a special economic zone, shall, subject to the terms and conditions prescribed, be exempt from the payment of taxes, duties or cess under the specified enactments. The SEZ Rules prescribe the procedure for the establishment of a special economic zone, the procedure for the establishment of a unit within a special economic zone, and the terms and conditions for the grant of permission to operate within a special economic zone by the development commissioner.

Plastic Waste Management Rules, 2016

The Ministry of Environment, Forest and Climate Change published the Plastic Waste Management Rules, 2016 with the aim of facilitating collection and recycling of plastic waste. It delegates responsibility to the waste generators for waste segregation and disposal. Plastic Waste Management (Amendment) Rules, 2018 prescribed a central registration system for the registration of the producer/importer/brand owner. Recently, the government has proposed draft Plastic Waste Management Rules, 2021 which aims to ban the manufacture, import, stocking, distribution, sale and use of specific single use plastic from January 1,2022. The draft has also extended the applicability of rules to brand owner, plastic waste processor, including the recycler and co-processor etc.

Labour laws

Factories Act, 1948

The Factories Act, 1948, as amended (the "Factories Act"), defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Other Employment Laws

In order to rationalize and reform labour laws in India, the Government has enacted four labour codes that would subsume primarily all of the central labour laws and would collectively form the governing labour legislations, as and when brought into effect. These four codes are:

(a) **Code on Wages, 2019**, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of

Bonus Act, 1965, Professional Tax Act, 1975, Workmen Compensation Act, 1923, and the Equal Remuneration Act, 1976. It regulates, *inter alia*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

(b) **Industrial Relations Code, 2020**, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

(c) **Code on Social Security, 2020**, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act,1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

(d) **The Occupational Safety, Health and Working Conditions Code, 2020**, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and received the presidential assent on 28 September 2020.

(e) **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Prevention of Sexual Harassment Act") and rules thereunder**: In order to curb the rise in sexual harassment of women at workplace, the Prevention of Sexual Harassment Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination, to allow for women to file complaints with ease.

These codes shall become effective on the day that the Government shall notify for this purpose.

Intellectual Property Law

The Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or compounds, among others. It also provides for infringement, falsifying and falsely applying trademarks.

Taxation related Laws

The Goods and Services Tax ("GST") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 ("CGST"), relevant state's Goods and Services Act, 2017 ("SGST"), Union Territory Goods and Services Act, 2017 ("UTGST"), Integrated Goods and Services Act, 2017 ("IGST"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the "Income Tax Act") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated on March 28, 2008 at Mysore, Karnataka as a private limited company under the Companies Act, 1956, with the name 'Kaynes Technology India Private Limited' 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 company pursuant to a special resolution passed by our Shareholders on March 24, 2022 and the fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on March 31, 2022.

Changes in the Registered Office of our Company

There has been no change in the registered office of our Company since incorporation.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. *To takeover the business of Kaynes Technology (Proprietary concern) with all its assets & liabilities as a going concern.*

2. *To carry on the business as designers, developers, manufacturers, subcontractors, assemblers, consultants, outsourcing agents, marketing agents, advisors, procurers, traders and any other function in mechanical, electrical, electromechanical, electro-pneumatic, electronic, semiconductor and/or hybrid technology equipments, subassemblies, components, parts, consumables etc.*

3. *To carry on the business of designers, developers, manufacturers, contract manufacturers, assemblers, proto-type developers, integrators, subcontractors, market consultants, agents, advisors, suppliers, procurer, traders, importers, exporters and any other functionary in all kinds of Software, analog and digital signal generation, processing, measurement, transmission, storage and display devices including but not restricted to Hardware, software, peripherals, Auxiliary and ancillary equipment for; computers, computer peripherals, software, process equipment, defence, strategic electronics, logistics, transportation, avionics, space and satellite equipments, telecommunication (fixed line and mobile), radio, wireless communication, satellite communication, test and measurement equipments, industrial control and signalling, audio & video equipments, entertainment and gaming equipments etc., used in Industrial, home, government, defence sector, etc, for domestic and overseas customers.*

4. *To undertake system design, system architecting, prototyping, development, computer aided design, programming, maintenance, integration, system implementation, program/data compilation, data validation and verification, system security, network & data security, statistical analysis, testing, certifications, etc. of Hardware & software for domestic and overseas customer on assignment and/or turnkey basis and to set up, acquire, operate manufacturing, assembling, programming, development facilities or plants in India and other countries for the above activities and to undertake & act as consultants, technical advisors, service providers, etc. for the activities listed above.*

5. *To provide, establish, maintain, run, develop and manage or take over and administer institutions or other bodies of all descriptions to impart education and to aid, assist in the establishment, maintenance of all types of industrial, technical, vocational and other arts, crafts, science schools and colleges and institutions, hostels, book banks, and libraries for the benefit of the students and generally, all acts of educational institutions, whether general, technical, vocational, professional or of all description whatsoever for the welfare and uplift of the general public and for this purpose, to provide greater educational opportunities to the growing needs of the community by developing full-fledged school, college or polytechnic and establish auxiliary institutions such as automobile workshop, training school, printing press, canteen, hostels, mess and facilitate up-gradation of skill.*

6. *To promote, establish, run, support, manage and administrate entrepreneur development initiatives to support entrepreneurs/other institutions to foster entrepreneurial abilities and to help foster industrialization and provide employment through such initiatives, and to associate with foreign research institutions and to promote research and development, to do such other lawful things as are incidental and ancillary or conducive to the attainment of any of the objects.*

7. *To promote, establish, run, support, manage, and administrate centres of excellence, training and research institutions, institutions for management studies and business schools and education, polytechnic institutions, college of engineering and technology, vocation and industrial training institutions, college of arts, science, schools, and research institutions for the activities in the above area.*

8. *To institute, establish, run and maintain a separate research and development wing/s for the purpose of conducting research and development of appropriate curriculum material in various subject areas including environmental protection with a view to increase the general level of education among the interior rural public and in various trades like machinist, mechanical, electrical, electronic, computers, dye and tool making metal work, manufacturing systems, software and information technology, which would lead to improved and effective manufacturing processes and systems of any industry in India and promotion of action research projects in all subject areas, trades and technical fields.*

The main objects clause as contained in the Memorandum of Association enables our Company to undertake its existing business.

Amendments to the Memorandum of Association

Set out below are the amendments that have been made to our Memorandum of Association in the ten years preceding the date of this Draft Red Herring Prospectus.

Date of Shareholders' Resolution	Nature of Amendment
July 2, 2012	Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company from ₹25,000,000 divided into 2,500,000 Equity Shares of ₹10 each, to ₹ 500,00,000 divided into 5,000,000 Equity Shares of ₹10 each
March 14, 2016	Clause V of the MoA was amended to reflect the increase in the authorized share capital of our Company from ₹50,000,000 divided into 5,000,000 Equity Shares of ₹10 each, to ₹70,000,000 divided into 7,000,000 Equity Shares of ₹10 each
September 28, 2018	Clause III of the MoA was amended by addition of the following new sub clauses after the existing sub-clause 4: *5. To provide, establish, maintain, run, develop, and manage or takeover and administer institutions or other bodies of all descriptions to impart education and to aid, assist in the establishment, maintenance of all types of industrial, technical, vocational, and other arts, crafts, science, schools, and colleges and institutions, hostels, banks, libraries for the benefit of the students and generally, all acts of educational institutions, whether general, technical, vocational, professional, or of all description whatsoever for the welfare and uplift of the general public and for this purpose, to provide greater educational opportunities to the growing needs of the community by developing full-fledged school, college, polytechnic and establish auxiliary institutions such as automobile workshop, training school, printing press, canteen, hostel, mess, and facilitate upgradation of skill.* *6.To promote, establish, run, support, manage, and administrate entrepreneur development initiatives to support entrepreneurs/other institutions to foster entrepreneurial abilities and to help foster industrialization and provide employment through such initiatives, and to associate with foreign research institutions and to promote research and development, to do such other lawful things as are incidental and ancillary or conducive to the attainment of any of the objects.* *7.To promote, establish, run, support, manage and administrate centres of excellence, training, and research institutions for management studies and business schools and education, polytechnic*

	institutions, college of engineering and technology, vocation and industrial training institutions, college of arts, science, schools and research institutions for the activities in the above areas. *8.To institute, establish, run, and maintain a separate research and development wing for the purpose of conducting research and development of appropriate curriculum material in various subject areas including environmental protection with a view to increase the general level of education among the interior rural public and in various traits like mechanist, mechanical, electrical, electronic, computers, dye and tool making metal work, manufacturing systems, software and information technology which would lead to improved and effective manufacturing processes and systems of any industry in India and promotion of action research projects in all subject areas, trades, and technical fields."*
June 5, 2020	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹70,000,000 divided into 7,000,000 Equity Shares of ₹10 each, to ₹100,000,000 divided into 9,000,000 Equity Shares of ₹10 each and 1,000,000 Preference Shares of ₹10 each.
November 11, 2020	Clause V of the MoA was amended to reflect the reclassification in the authorized share capital of the Company from ₹100,000,000 divided into 9,000,000 Equity Shares of ₹10 each and 1,000,000 Preference Shares of ₹10 each to 8,000,000 Equity Shares of ₹ 10 each and 2,000,000 Preference Shares of ₹10 each.
February 21, 2022	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹100,000,000 divided into 8,000,000 Equity Shares of ₹10 each and 2,000,000 Preference Shares of ₹10 each to ₹65,000,000 divided into 63,000,000 Equity Shares of ₹10 each and 2,000,000 Preference Shares of ₹10 each.
March 24, 2022	The name of our Company was changed from "*Kaynes Technology India Private Limited*" to "*Kaynes Technology India Limited*", consequent upon conversion of our Company from a private limited company to a public limited company.
April 8, 2022	Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹65,000,000 divided into 63,000,000 Equity Shares of ₹10 each and 2,000,000 Preference Shares of ₹10 each to ₹72,000,000 divided into 70,000,000 Equity Shares of ₹10 each and 2,000,000 Preference Shares of ₹10 each.

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Calendar Year	Particulars
1988	Established as a manufacturing enterprise
1995	Obtained ISO 9001:2000 certification for printed circuit board assemblies and electronic manufacturing services.
2000	Obtained approval for setting up of 100% hardware export oriented unit under the electronic hardware technology park scheme of government of India for manufacture of populated printed circuit boards
2001	Commenced our exporting operations
2004	New unit in Himachal Pradesh for resale of printed circuits board assemblies
2006	Established manufacturing facility (micro enterprise) in Uttarakhand
2006	Entered into memorandum of understanding with NS-SBU Bharat Electronics Limited, Bengaluru for contract manufacturing of PCB assemblies, modules and sub-units
2008	Incorporation of our Company
2008	Established our Subsidiary, Kaynes Technology Europe GmbH, a limited liability corporation at Hunenberg, Switzerland
2008	Takeover of Kaynes Technology, a Proprietorship firm of Ramesh Kunhikannan, by our Company
2009	Established unit in Chennai for undertaking services related to solenoids, electromagnetic relays, inductors, transformers and electro mechanical parts
2009	Expanded our customer base in Europe in line of the purchase orders received.
2010	Received Industry Vertical Specific Quality Management System Certifications for manufacturing and servicing of populated printed circuit boards, electromechanical assemblies and transformer for electronic assemblies
2010	Established a unit at Bengaluru, Karnataka, India
2010	Received Industry Vertical Specific Quality Management System Certifications for manufacturing and servicing of populated printed circuit boards, electromagnetic assemblies and cable harness for electronic assemblies for aerospace application
2011	Received Industry Vertical Specific Quality Management System Certifications for the custom manufacture of populated printed circuit board assemblies, electromechanical assemblies and Patient Monitoring Systems

Calendar Year	Particulars
2012	Established manufacturing facility in Mysore, Karnataka, India
2013	Commenced exporting of our products to Australia and Malaysia
2016	Established manufacturing facility in Manesar, Gurugram, Haryana, India
2016	Collaboration with Qualcomm Technologies Incorporation for design and manufacturing of software tools and hardware tools for various devices
2020	Impetus towards embedded system, design and IOT solutions and design skills enhancement
2021	Commenced exporting of sensor electric assembly to Phoenix, Arizona
2021	Growth in aerospace, defence, power electronics and expansion into consumer electronics

Key Awards, Accreditations and Recognition

The table below sets forth the some of the key awards, accreditation, and recognition:

Calendar Year	Particulars
2005-2006	State Export Excellence Award, Government of Karnataka presented by the Visvesvaraya Industrial Trade Centre
2007-2008	State Export Excellence Award, Government of Karnataka presented by the Visvesvaraya Industrial Trade Centre
2007	Special recognition Award "National Award – 2007 for outstanding entrepreneurship efforts" by Ministry of Micro, Small and Medium Enterprises, Government of India
2013	Plaque of honour for outstanding achievements in manufacturing and corporate social responsibility by the Mysore District Parents association for empowering developmentally disabled
2014	Platinum Award for being rated as the highest scoring SMEs in India by the SKOCH Group
2014	SKOCH merit certificate for qualifying amongst India's Best SMEs by the SKOCH-2014 Group
2015	Award for Best Electronics Manufacturing Company at the IESA- Technovation Awards by India Electronics & Semiconductor Association
2015- 2016	Award for High Growth in Electronic Hardware Exports - Tier II & III region at the STPI Export Awards 2015-2016 by Software Technology Parks of India
2016	Make in India -Emerging Entrepreneur Award by India Today Group
2016	Excellence Award by NCQC, Raipur Quality Circle Forum of India
2017-2018	Export Excellence Award for highest exports in electronics hardware sector presented by Ministry of Commerce & Industry, Government of India
2018	First Prize (MSE) in the Excellence in Manufacturing component at the Elcina defEnnovation Awards
2018	Winner at the Hand Soldering Competition by IPC India
2018	Award for Entrepreneur of the Year (Trendsetter-Manufacturing) by CII Connect
2018	ELCINA defEnnovation Award for Excellence in Manufacturing – Components, MSME Category by Elcina

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years

Our Company has not acquired any business/ undertakings, and has not undertaken any mergers, amalgamations or any revaluation of assets, in the last ten years.

Details of Guarantees given to third parties by a promoter participating in the Offer for Sale

As on the date of this Draft Red Herring Prospectus, Ramesh Kunhikannan, the Promoter Selling Shareholder, has issued the following guarantees to third parties. These guarantees are in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by our Company and our Subsidiaries:

Sr. No.	Lender	Borrower (s)	Type of facility	Sanctioned amount (₹ in million)
1	Canara Bank	Kaynes Technology India Limited	Working capital - Fund based	560.00
			Working capital - Non-fund based	100.00
			Vehicle Loan	0.72
				2.45
2	Saraswat Co-	Kaynes Technology India Limited	Working capital - Fund based	370.00

Sr. No.	Lender	Borrower (s)	Type of facility	Sanctioned amount (₹ in million)
	Operative Bank Limited		Working capital - Non-fund based	50.00
			Covid Term Loan	112.00
			Vehicle Loan	1.19
				1.19
				0.69
				1.04
				3.54
3	State Bank of India	Kaynes Technology India Limited	Working capital - Fund based	170.00
			Covid Term Loan	33.40
				16.80
4	South India Bank	Kaynes Technology India Limited	Vehicle Loan	2.98
6	HDFC Bank Limited	Kaynes Technology India Limited	Working capital - Fund based	400.00
			Working capital – Non-fund based	100.00
7	IL& FS Infra Asset Management	Kaynes Technology India Limited	Non- Convertible Debentures	170.00
8	Sundaram Finance Limited	Kaynes Technology India Limited	Machinery Term Loan	21.90
				6.30
				3.91
9	State Bank of India	Kaynes International Design & Manufacturing Private Limited (Wholly Owned Subsidiary)	Working capital - Fund based	40.00
			Covid Term Loan	4.00

The abovementioned guarantees are typically effective for a period till the underlying loan is repaid by the respective borrower. The financial implications in case of default by the relevant borrower would entitle the lenders to invoke the personal guarantee given by respective guarantors to the extent of outstanding loan amount.

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

For further information of our financing arrangements, please see the section entitled "*Financial Indebtedness*" on page 353.

Lock-out and strikes

As on the date of this Draft Red Herring Prospectus, there have been no lockouts or strikes at any time in our Company.

Accumulated Profits or Losses

There are no accumulated profits and losses of any Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Significant financial and strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Details of shareholders' agreements

Except as disclosed below, there are no subsisting shareholders' agreements as on the date of this Draft Red Herring

Prospectus.

Share subscription cum shareholders' agreement dated October 22, 2021 between the Company, Ramesh Kunhikannan, Savitha Ramesh, Freny Firoze Irani ("Investor 1") and Ganesh Cherapuram Balasubramanian ("Investor 2" and together with Investor 1 "Investors")

Our Company has entered into a share subscription cum shareholders' agreement dated October 22, 2021 ("**SHA 1**"), for subscription and allotment of securities' of our Company to the Investors. Pursuant to the terms of the SHA 1, certain investments were made in our Company aggregating to ₹ 200 million: (i) Investor 1 subscribed to 250,000 CCPS and (ii) Investor 2 subscribed to 10 Equity Shares of face value of ₹10 each and 83,323 CCPS.

Under the SHA 1, the Investors have been provided certain rights relating to the Company including information right, right to appoint a nominee director, right to appoint observer, transfer restrictions on the Promoters and tag along rights.

Certain provisions of the SHA 1 have been amended by the amendment agreement dated March 22, 2022 ("**SHA Amendment Agreement 1**"). Pursuant to the SHA Amendment Agreement, the Investors have agreed to waive and/or suspend certain rights, obligations and restrictions under the SHA 1 including (i) information rights; (ii) the right to disclose confidential information; (iii) right to appoint a nominee director or observer and (iv) transfer restrictions including the tag-along rights. Additionally, the Investors have consented to certain matters and actions to be undertaken in relation to the Offer. The SHA 1 terminates upon listing of the Equity Shares and all rights thereunder fall away.

Under the SHA Amendment Agreement 1, unless otherwise agreed in writing, in the event the grant of final approval by the Stock Exchanges for listing and trading of the Equity Shares pursuant to the Offer does not occur on or before July 31, 2023 or an earlier date on which the Board decides not to undertake the Offer or such other date as may be agreed by the parties to the SHA Amendment Agreement in writing or if the Offer process has been formally abandoned or cancelled or discontinued or withdrawn or postponed by the Board, the SHA 1 , existing as of the date immediately prior to the SHA Amendment Agreement, will continue to be valid.

Share subscription cum shareholders' agreement dated December 24, 2021 between the Company, Ramesh Kunhikannan, Savitha Ramesh, and Bharadwaj Turlapati ("Investor 3")

Our Company has entered into a share subscription cum shareholders' agreement dated December 24, 2021 ("**SHA 2**") for subscription and allotment of securities of our Company to Investor 3. Pursuant to the terms of the SHA 2, certain investments were made in our Company by Investor 3 aggregating to ₹ 2,75,00,000 by subscribing to (i) 10 Equity Shares of face value of ₹. 10 each and (ii) 45,823 compulsorily convertible cumulative participating preference shares of face value of ₹ 10 each ("**CCPS**").

Under the SHA 2, the Investors have been provided certain rights relating to the Company including information right, transfer restrictions on the Promoters and tag along rights.

Certain provisions of the SHA 2 have been amended by the amendment agreement dated March 22, 2022 ("**SHA Amendment Agreement 2**"). Pursuant to the SHA Amendment Agreement, the Investor 3 has agreed to waive and/or suspend certain rights, obligations and restrictions under the SHA 2 including (i) information rights; (ii) the right to disclose confidential information; and (iii) transfer restrictions including the tag-along rights. Additionally, the Investor 3 has consented to certain matters and actions to be undertaken in relation to the Offer. The SHA 2 terminates upon listing of the Equity Shares.

Under the SHA Amendment Agreement 2, unless otherwise agreed in writing, in the event the grant of final approval by the Stock Exchanges for listing and trading of the Equity Shares pursuant to the Offer does not occur on or before July 31, 2023 or an earlier date on which the Board decides not to undertake the Offer or such other date as may be agreed by the parties to the SHA Amendment Agreement in writing or if the Offer process has been formally abandoned or cancelled or discontinued or withdrawn or postponed by the Board, the SHA 2, existing as of the date immediately prior to the SHA Amendment Agreement, will continue to be valid.

Other material agreements

Except as disclosed below, our Company has not entered into any subsisting material agreements, other than in the ordinary course of business of our Company. For details on business agreements of our Company, see "*Our Business*" on page 161.

Joint venture agreement dated October 17, 2018 between our Company, Mohlenhoff GMBH and Business Guardia (together referred to as the "Parties" and individually as "Party") (the "JV Agreement 1")

Our Company has entered into the JV Agreement 1 with Mohlenhoff GMBH and Business Guardia to set up a joint venture as per the terms and conditions stipulated in the JV Agreement 1. In terms of the JV Agreement 1, our Company along with Mohlenhoff GMBH and Business Guardia shall incorporate a new company namely Kaynes International Design & Manufacturing Private Limited, which is designated as our Subsidiary for manufacturing exclusively for the international market. In accordance with the terms of the JV Agreement 1, our Company initially shall hold 100% of the equity share capital but on completion of 24 months, if Mohlenhoff GMBH decides the equity will be allotted to Mohlenhoff GMBH on converting its trade advance as mentioned in the JV Agreement 1. Further, the total stake to be held by Mohlenhoff GMBH and Business Guardia shall not exceed 33.16% and 60.81% will be with our Company. The board of directors shall be nominated by the Parties in accordance with the JV Agreement. During the term of the JV Agreement, the Parties shall be governed by the non-compete clauses which prohibit them, including, among other things, from directly or indirectly investing or participating in any business or activity as that of the joint venture.

Joint venture agreement dated May 17, 2018 between our Company and Radha Madhav Inc. (together referred to as the "Parties" and individually as "Party") (the "JV Agreement 2")

Our Company has entered into the JV Agreement 2 with Radha Madhav Inc to set up a joint venture as per the terms and conditions stipulated in the JV Agreement 2. In terms of the JV Agreement 2, our Company along with Radha Madhav Inc shall incorporate a new company to undertake business activities in the United States of America. We have incorporated a company namely Kaynes Technology Inc. in USA. This Company has not yet been funded. In accordance with the terms of the JV Agreement 2, our Company shall hold 51% of the equity share capital and 49% of the equity share capital shall be held by Radha Madhav Inc. The board of directors shall be nominated by the Parties in accordance with the JV Agreement 2. During the term of the JV Agreement 2, the Parties shall be governed by the non-compete clauses which prohibit them, including, among other things, from directly or indirectly investing or participating in any business or activity as that of the joint venture.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For information on key products or services launched by our Company, or entry into new geographies, capacity/ facility creation or location of plants, please see the section entitled "*Our Business*" on page 161.

Agreements with Key Managerial Personnel, Promoter, Director, or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Inter-se Arrangement/ Agreement

Except as disclosed in *"– Other Material Agreements*" on page 210, there are no other subsisting inter-se agreements/ arrangements and clauses / covenants which are material and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders. Also, that there are no other subsisting agreements, deed of assignments, acquisition agreements, shareholders' agreement, inter-se agreements, agreements of like nature other than disclosed in this Draft Red Herring Prospectus.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has five Subsidiaries including one foreign subsidiary (incorporated pursuant to a joint venture agreement). For details, see "*Our Subsidiaries*" on page 213.

Joint Ventures

One of our Subsidiaries, Kaynes International Design & Manufacturing Private Limited, has been incorporated pursuant to a joint venture agreement. Additionally, our Company has entered into a joint venture agreement with Radha Madhav Inc., a company based in the United States to form a joint venture, Kaynes Technology Inc. in the United States and the joint venture is engaged in the business of IT staffing, SAP implementation and consultation and product development. For details, see "- *Joint venture agreement dated October 17, 2018 between our Company, Mohlenhoff GMBH and Business Guardia and - Joint venture agreement dated May 17, 2018 between our Company and Radha Madhav Inc"* on page 211.

Associate Companies

As on the date of this Draft Red Herring Prospectus, our Company does not have an associate company.

OUR SUBSIDIARIES

As of the date of this Draft Red Herring Prospectus, in terms of the Companies Act, 2013, our Company has the following five Subsidiaries including one foreign Subsidiary:

1. Kemsys Technologies Private Limited;
2. Kaynes Embedded Systems Private Limited;
3. Kaynes International Design & Manufacturing Private Limited;
4. Kaynes Technology Europe GMBH; and
5. Kaynes Electronics Manufacturing Private Limited

(1) Kemsys Technologies Private Limited ("KTPL")

Corporate Information

KTPL was incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu, Andaman and Nicobar Islands at Chennai on October 20, 2009. Its corporate identification number is U72900KA2009PTC101281 and currently its registered office is situated at 2nd Floor, L.K.S. Complex 309, 10th Main, 1st Block, Kalyan Nagar, HRBR Layout, Bengaluru, Karnataka, India – 560043.

KTPL is authorized to be engaged in the business of information technology, engineering services, solution provider and other related services for companies engaged in field of telecom, defense, automotive, embedded technology, product engineering, and to undertake data processing, data acquisition, data transmission, including development, implementation and of software, customised software development and other related activities.

Capital Structure

The capital structure of KTPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No of equity shares of face value of ₹1 each
Authorised share capital	10,000,000
Issued, subscribed and paid-up share capital	5,000,000

Shareholding Pattern

The shareholding pattern of KTPL as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Shareholder	Number of shares	entage of total shareholding (%)
Kaynes Technology India Limited	4,999,990	100.00
Ramesh Kunhikannan (Nominee of Kaynes Technology India Limited)	10	Negligible
Total	**5,000,000**	**100**

Accumulated Profits or Losses

There are no accumulated profits and losses of KTPL, not accounted for, by our Company in the Restated Consolidated Financial Statements.

(2) Kaynes Embedded Systems Private Limited ("KESPL")

Corporate Information

KESPL was incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore on December 16, 2009. Its corporate identification number is U72200KA2009PTC051856. It has its registered office at 23-25, Belagola, Food Industrial Estate, Metagalli – PO, Mysore, Karnataka, India – 570016.

KESPL is authorized to be engaged in dealing in embedded computer software technology allied equipment including for computer aided design, manufacturing and telecommunications and to install or hire computer and allied equipment and to run and conduct bureau of computer service and in particular develop, design, programme, conduct feasibility studies and act as advisors in matters relating to management, marketing, manufacturing, etc.

Capital Structure

The capital structure of KESPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No of equity shares of face value of ₹100 each
Authorised share capital	50,000
Issued, subscribed and paid-up share capital	50,000

Shareholding Pattern

The shareholding pattern of KESPL as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Shareholder	Number of shares	Percentage of total shareholding (%)
Kaynes Technology India Limited	30,000	60.00
Ramarathinam Ramakrishnan	20,000	40.00
Total	**50,000**	**100.00**

Accumulated Profits or Losses

There are no accumulated profits and losses of KESPL, not accounted for, by our Company in the Restated Consolidated Financial Statements.

(3) Kaynes International Design & Manufacturing Private Limited ("KIDM")

Corporate Information

KIDM was incorporated as a private limited corporation under the laws of the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre on November 21, 2018. Its corporate identity number is U74999KA2018PTC118692. It has its registered office 23-25, Belagola, Food Industrial Estate, Metagalli PO, Mysore, Karnataka, India - 570016.

KIDM is authorized to be engaged in the business of exporting of mechanical, electrical, electromechanical, semi-conductor, and/or hybrid technology equipments, sub assembles, components, parts, consumables, designing, developing, manufacturing, all kinds of software, including analog and digital signal generation as authorized under the objects clause of its memorandum of association.

Capital Structure

The capital structure of KIDM as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No of equity shares of face value of ₹10 each
Authorised share capital	10,000,000
Issued, subscribed and paid-up share capital	157,533

Shareholding Pattern

The shareholding pattern of KIDM as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Shareholder	Number of shares	Percentage of total shareholding (%)
Kaynes Technology India Limited	149,990	95.21

Ramesh Kunhikannan	10	Negligible
Moehlenhoff GMBH	3,709	2.35
Business Guardians GMBH	3,824	2.42
Total	**157,533**	**100.00**

For further details, please see "*Our History and Certain Corporate Matters - Joint venture agreement dated October 17, 2018 between our Company, Mohlenhoff GMBH and Business Guardia*".

Accumulated Profits or Losses

There are no accumulated profits and losses of KIDM, not accounted for, by our Company in the Restated Consolidated Financial Statements.

(4) Kaynes Technology Europe GMBH

Corporate Information

Kaynes Technology Europe GMBH was incorporated on May 30, 2008 as a limited liability corporation under Swiss Law. Its corporate identification number is CH-170.4.008.122-2. It has its registered office at Schulhausgässli, 4, CH-3098, Köniz-Bern, Suisse, Switzerland.

Kaynes Technology Europe GMBH is authorised to be engaged in consultancy and sales of manufacturing services and related technical services for the electronic manufacturing services industry, as authorized under the incorporation certificate.

Capital Structure

The capital structure of Kaynes Technology Europe GMBH as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No of common shares of face value of CHF 100 each
Authorised share capital	450
Issued, subscribed and paid-up share capital	450

Shareholding Pattern

The shareholding pattern of Kaynes Technology Europe GMBH as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Shareholder	Number of shares	Percentage of total shareholding (%)
Kaynes Technology India Limited	243	54.00
Sharath Kumar Bhat	27	6.00
Martin Jahrling	180	40.00
Total	**450**	**100.00**

Accumulated Profits or Losses

There are no accumulated profits and losses of Kaynes Technology Europe GMBH, not accounted for, by our Company in the Restated Consolidated Financial Statements.

(5) Kaynes Electronics Manufacturing Private Limited ("Kaynes Electronics Manufacturing")

Corporate Information

Kaynes Electronics Manufacturing was incorporated as a private limited corporation under the laws of the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre on March 30, 2022. Its corporate identity number is U29299KA2022PTC159417. It has its registered office 23-25, Belagola, Food Industrial Estate, Metagalli PO, Mysore, Karnataka, India - 570016.

Kaynes Electronics Manufacturing is authorized to be engaged in the business as manufacturers, traders, dealers, wholesalers, retailers, importers, and exporters of electronics and electrical, electro-mechanical, electro-pneumatic, electronic, semiconductor and/or hybrid technology equipments, subassemblies, components, parts, consumables etc.

Capital Structure

The capital structure of Kaynes Electronics Manufacturing as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No of common shares of face value of ₹ 10 each
Authorised share capital	100,000
Issued, subscribed and paid-up share capital	100,000

Shareholding Pattern

The shareholding pattern of Kaynes Electronics Manufacturing as on the date of this Draft Red Herring Prospectus is as follows:

Name of the Shareholder	Number of shares	Percentage of total shareholding (%)
Kaynes Technology India Limited	9,999	100.00
Ramesh Kunhikannan (Nominee of Kaynes Technology India Limited)	1	Negligible
Total	**10,000**	**100.00**

Accumulated Profits or Losses

There are no accumulated profits and losses of Kaynes Electronics Manufacturing, not accounted for, by our Company in the Restated Consolidated Financial Statements.

Interest in our Company

Except as disclosed in the section "*Related Party Transactions*" on page 314, our Subsidiaries do not have or propose to have any business interest in our Company.

Common Pursuits

KIDM and Kaynes Electronics Manufacturing, our Subsidiaries are/will be engaged in lines of business that are similar to our Company. However, we do not perceive any conflict of interest with our Subsidiaries as our Subsidiaries are owned and controlled by us. For details, see "*Our Business*" on page 161. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 8 (eight) Directors including 3 (three) Executive Director, 5 (five) Independent Directors, 2 (two) of whom are woman Directors.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Red Herring Prospectus:

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
1.	**Ramesh Kunhikannan** ***Designation****:* Managing Director ***Address:*** 128/11, Rukmini, Emerald Enclave, Belavadi, Mandya – 571606, Karnataka, India ***Date of birth:*** February 28, 1964 ***Occupation****:* Business ***Current Term****:* Period of five years from April 1, 2019 to March 31, 2024 ***Period of Directorship:*** Since March 28, 2008 ***DIN****:* 02063167	58	• Kemsys Technologies Private Limited • Kaynes Interconnection Systems India Private Limited • Kaynes Embedded Systems Private Limited • Mvsore ESDM Cluster • Kaynes Electro-Plast Private Limited • Wendorhub Solutions Private Limited • Kaynes International Design &Manufacturing Private • Limited • Kaynes Circuits Private Limited • Kaynes Electronics Manufacturing Limited
2.	**Savitha Ramesh** ***Designation****:* Chairperson and Whole-time Director ***Address****:* Rukmani, Emerald Enclave, Belavadi Post, Mandya -571606, Karnataka, India ***Date of birth:*** March 4, 1972 ***Occupati****on:* Business ***Current Term****:* Period of five years from April 1, 2019 to March 31, 2024. ***Period of Directorship:*** Since March 28, 2008 ***DIN****:* 01756684	50	• Kemsvs Technologies Private Limited • Kaynes Interconnection Systems India Private Limited • Chevvur Real Estates Private Limited • Cheyyur Properties Private Limited • Nambi Reality Private Limited • Kaynes International Design & Manufacturing Private Limited • Kaynes Circuits Private Limited • Kaynes Electronics Manufacturing Limited
3.	**Jairam Paravastu Sampath** ***Designation***: Whole-time Director and Chief Financial Officer ***Address****:* 103, Bougainvilla, Sankalp Central Park, Jawa Main Road, Old Jawa Factory, Yadavagiri, Mysuru- 570020, Karnataka, India ***Date of birth:*** December 9, 1964	57	• Kavnes Electro-P1ast Private Limited • Kaynes Embedded Systems Private Limited

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Occupation: Service ***Current Term:*** Period of five years from March 31, 2022 to March 30, 2027 ***Period of Directorship:*** Since March 10, 2018 ***DIN:*** 08064368		
4.	**Anup Kumar Bhat** ***Designation*****:** Independent Director ***Address:*** 361, Rainbow Drive, Doddakennahalli, Sarjapur Road, Bengaluru Rural – 560035, Karnataka, India ***Date of birth:*** February 21, 1957 ***Occupation***: Professional ***Current Term:*** Period of five years from January 12, 2022 to January 11, 2027 ***Period of Directorship:*** Since January 12, 2022 ***DIN:*** 06470857	65	• Metlok Precoat Services Private Limited • Metlok Private Limited • Prathama Vidyalaya Private Limited • Kems Forgings Limited
5.	**Vivekanandah Ramasamy** ***Designation*****:** Independent Director ***Address:*** Plot no 16 & 17, Maruthi Nagar, Krishnagiri Main Road Hosur, Krishnagiri – 635109, Tamil Nadu, India ***Date of birth:*** June 15, 1959 ***Occupation***: Professional ***Current Term:*** Period of five years from January 12, 2022 to January 11, 2027 ***Period of Directorship:*** Since January 12, 2022 ***DIN:*** 06563820	62	• Tata Electronics Private Limited
6.	**Koshy Alexander** ***Designation*****:** Independent Director ***Address:*** 59, 2nd Main, Jaladarshini Bel Layout, New Bel Road, Bengaluru – 560094, Karnataka ***Date of birth:*** July 15, 1960 ***Occupation***: Professional ***Current Term:*** Period of five years from February 21, 2022 to February 20, 2027	61	Nil

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	Period of Directorship: Since February 21, 2022 ***DIN****:* 07896084		
7.	**Murali S G** ***Designation*****:** Independent Director ***Address***: No 8 Shruthi, 515 Housing Colony, Hal 3rd Stage, Bengaluru – 560075, Karnataka ***Date of birth:*** September 26, 1950 ***Occupation***: Professional ***Current Term****:* Period of five years from February 21, 2022 to February 20, 2027 ***Period of Directorship:*** Since February 21, 2022 ***DIN****:* 00348902	71	• Sundaram Auto Components Limited • Green Infra BTV Limited • Green Infra Wind Energy Theni Limited • Emerald Haven Development Limited • Emerald Haven Realty Limited • Emerald Haven Town and Country Private Limited • TVS Motor Services Limited • Emerald Haven Towers Limited • TVS Housing Limited • Emerald Haven Realty Developers (Paraniputhur) Private Limited
8.	**Poornima Ranganath** ***Designation*****:** Independent Director ***Address***: No. 187, 37th Cross, 18th Main, 4th T Block, Jayanagar, Bangalore – 560 041, Karnataka, India ***Date of birth:*** March 23, 1970 ***Occupation***: Professional ***Current Term****:* Period of five years from March 31, 2022 to March 30, 2027 ***Period of Directorship:*** Since March 31, 2022 ***DIN****:* 00349450	52	• Nestoria India Property Search Services Private Limited • Xitadel CAE Technologies India Private Limited • MCNK Consulting Services Private Limited • Avigna Consultancy Services Private Limited

Relationship between our Directors

Except Ramesh Kunhikannan who is the spouse of Savitha Ramesh, none of our Directors are related to each other as on the date of this Draft Red Herring Prospectus.

Brief Biographies of Directors

Ramesh Kunhikannan, is the Promoter and 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, Mysore. 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.

Savitha Ramesh, is the Promoter, 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.

Jairam Paravastu Sampath, is the 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's 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 (subsidiary support).

Vivekanandah Ramasamy, is an Independent Director of our Company. He has been associated with our Company since 2022. He holds a bachelor's degree of engineering in electrical and electronics from University of Madras. He has over 30 years of experience and was previously associated with the Titan Engineering and Automation Limited.

Koshy Alexander 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 post graduate degree of commerce from Bangalore University. He is also an associate member of the Institute of Chartered Accountants of India. He has approx. 34 years of experience in finance. He was previously associated with Bharat Electronics Limited as Director (Finance).

Murali S G 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.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded on any of the stock exchanges during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Confirmations

Except in their capacity as Promoters of the Company and their shareholding in our Subsidiaries as disclosed in this Draft Red Herring Prospectus, our Directors are not interested as a member in any firm or company which has any interest in our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they are interested as a member by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

Terms of appointment of Executive Directors and Non – Executive Directors and Independent Directors

(1) Remuneration to Executive Directors

Ramesh Kunhikannan

Ramesh Kunhikannan was re-appointed as the Managing Director pursuant to the board resolution dated March 28, 2019. The details of remuneration as approved by the Board in their meeting held on March 31, 2022 and the Shareholders in their meeting held on April 1, 2022 are as follows:

(₹ in million)

Particulars	Remuneration
Gross Remuneration (including fixed salary, incentives & increments thereto and retirement benefits)	18.00 per annum

Savitha Ramesh

Savitha Ramesh was re-appointed as the Whole-time Director pursuant to the board resolution dated March 28, 2019. The details of remuneration as approved by the Board in their meeting held on March 31, 2022 and the Shareholders in their meeting held on April 1, 2022 are as follows:

(₹ in million)

Particulars	Remuneration
Gross Remuneration (including fixed salary, incentives & increments thereto and retirement benefits)	18.00 per annum

Jairam Paravastu Sampath

Jairam Paravastu Sampath was appointed as the Whole-time Director pursuant to the Board resolution dated March 10, 2018 and shareholders resolution dated June 26, 2018. He was reappointed as the Whole- time Director pursuant to Board resolution dated March 31, 2022 and Shareholders resolution dated April 1, 2022. Later, he was also appointed as the Chief Financial Officer pursuant to the Board resolution dated April 8, 2022 The details of remuneration as approved by the Board in their meeting held on March 31, 2022 and the Shareholders in their meeting held on April 1, 2022 are as follows:

(₹ in million)

Particulars	Remuneration
Fixed component	4.80
Variable component	1.20
Total	**6.00**

(2) Remuneration to Non - Executive Directors

Pursuant to the Board resolution dated March 31, 2022, each Independent Director is entitled to receive sitting fees of ₹ 0.04 million per meeting for attending meetings of the Board and sitting fees of ₹ 0.02 million per meeting for attending meetings of committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

Payments or benefits to Directors

In Fiscal 2022, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2022 is as follows:

(1) Executive Directors

The managerial remuneration paid to our Executive Directors, for the Financial Year 2022 is as follows:

(₹ in million)

Name of Director	Remuneration for Financial Year 2022
Ramesh Kunhikannan	13.14
Savitha Ramesh	11.54
Jairam Paravastu Sampath	4.80

(2) Non-Executive and Independent Directors

Anup Kumar Bhat, Vivekanandah Ramasamy, Koshy Alexander, Murali S G and Poornima Ranganath were appointed Independent Directors on January 12, 2022, January 12, 2022, February 21, 2022, February 21, 2022 and March 31, 2022, respectively. Accordingly, they were not paid any sitting fees in Financial Year 2022.

Remuneration paid or payable to our Directors by our Subsidiary

There is no remuneration, sitting fees or commission paid or payable by our Subsidiaries to our Directors during Fiscal 2021.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have any arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board or as a member of the senior management.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Other than as disclosed under "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 90, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Interest of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof. Further, our Directors may also be deemed to be interested to the extent of any variable pay as per the terms of their appointment, as applicable. For further details, see "*– Terms of appointment of Executive Director*" and "*– Payment or benefit to Directors*" above.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them or their relatives or entities in which they are associated, directly or indirectly, as promoters, directors, partners, proprietors or trustees or held by their relatives.

Some of our Directors may hold positions as directors on the board of directors of our Subsidiaries. In consideration for these services, they may be paid managerial remuneration in accordance with the provisions of the applicable law.

Except for the loans given to Ramesh Kunhikannan and Savitha Ramesh under a scheme of loan to Managing Director and Whole-time Director, approved pursuant to the Shareholders resolution dated March 28, 2016, no other loans have been availed by our Directors from our Company or the Subsidiaries.

None of our Directors are interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity. For details, see "*Related Party Transactions*" on page 31.

Except as mentioned in DRHP, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

Interest in property

Except as disclosed below, none of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, etc.

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. 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 " *Risk Factors- Certain of our manufacturing facilities, design facility, service centres and offices are located on leased premises"* on page 52.

Interest in the promotion and formation of our Company

Other than Ramesh Kunhikannan and Savitha Ramesh who are interested in the promotion of our Company as disclosed in "*Our Promoters and Promoter Group*" on page 233, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Business interest

Except as stated in "*Related Party Transactions*" on page 314, and to the extent set out above under " *– Interests of Directors*" on page 222, our Directors do not have any other interest in our business.

Contingent and deferred compensation payable to the Directors

There is no contingent or deferred compensation accrued for Financial Year 2022 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Bonus or profit-sharing plan for the Directors

None of the Directors is party to any bonus or profit-sharing plan of our Company.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of Appointment/Change/ Cessation (1)	Reason
Sateesh Kumar Gopakumar	March 3, 2021	Appointment as the Whole-time Director
Sateesh Kumar Gopakumar	October 21, 2021	Resigned as the Whole-time Director due to medical emergencies
Anup Kumar Bhat	January 12, 2022	Appointed as the Independent Director
Vivekanandah Ramasamy	January 12, 2022	Appointed as the Independent Director

Name	Date of Appointment/Change/ Cessation (1)	Reason
Lakshminarayana Nutheti	January 12, 2022	Appointed as the Independent Director
Lakshminarayana Nutheti	February 1, 2022	Resigned as the Independent Director due to personal and certain other pre-occupation
Koshy Alexander	February 21, 2022	Appointed as the Independent Director
Murali S G	February 21, 2022	Appointed as the Independent Director
Poornima Ranganath	March 31, 2022	Appointed as the Independent Director

(1) Does not include regularisation by our Shareholders, re-appointment or change in designation

Borrowing Powers of Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their extra ordinary general meeting held on April 1, 2022, our Board has been authorized to borrow any sum or sums of monies (including by way of advances, loans, issue of debentures or bonds and/or other instruments), notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), will or may exceed our Company's aggregate paid-up capital, free reserves and securities premium, provided that the total amount of money so borrowed by the Board shall not at any time together with interest payable exceed a sum of ₹ 5,000 million.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board has 8 Directors comprising of 3 Executive Directors and 5 Non – Executive and Independent Directors including 2 woman Directors of which 1 is woman Independent Director.

Committees of the Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

Audit Committee

The Audit Committee was constituted by a meeting of the Board of Directors held on February 21, 2022.

The members of the Audit Committee are:

1. Murali S G, Independent Director (Chairperson);
2. Koshy Alexander, Independent Director (Member);
3. Anup Kumar Bhat, Independent Director (Member); and
4. Ramesh Kunhikannan, Managing Director (Member).

The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;
(2) to seek information from any employee;
(3) to obtain outside legal or other professional advice; and
(4) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given

(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions; and
   g. Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company to take up steps in this matter;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

(11) laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature

(12) scrutiny of inter-corporate loans and investments;

(13) valuation of undertakings or assets of the Company, wherever it is necessary;

(14) evaluation of internal financial controls and risk management systems;

(15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(16) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(17) discussion with internal auditors of any significant findings and follow up there on;

(18) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(19) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(21) reviewing the functioning of the whistle blower mechanism;

(22) monitoring the end use of funds raised through public offers and related matters;

(23) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

(26) to consider the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company's shareholders; and

(27) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted as the Compensation Committee by a meeting of the Board of Directors held on February 21, 2022.

The members of the Nomination and Remuneration Committee are:

1. Anup Bhat, Independent Director (Chairperson);
2. Koshy Alexander, Independent Director (Member); and
3. Vivekanandah Ramasamy, Independent Director (Member).

The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");

2. Formulation of criteria for evaluation of independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. making recommendations to the Board in relation to the appointment, promotion and removal of the senior management;
   Recommend to the board, all remuneration, in whatever form, payable to senior management;

7. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

8. The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that —

   - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

9. Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the following:

   (a) administering the employee stock option schemes (the "**Plan**");
   (b) determining the eligibility of employees to participate under the Plan;
   (c) granting options to eligible employees and determining the date of grant;
   (d) determining the number of options to be granted to an employee;
   (e) determining the exercise price under the Plan; and
   (f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

10. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

    (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
    (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

11. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on February 21, 2022.

The members of the Stakeholders' Relationship Committee are:

1. Koshy Alexander, Independent Director (Chairperson);
2. Vivekanandah Ramasamy, Independent Director (Member); and
3. Jairam Paravastu Sampath, Whole-time Director and Chief Financial Officer (Member).

The scope and functions of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee include the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares or debentures including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, depository receipt, non-receipt of annual report, balance sheet or profit and loss account, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

5. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and

6. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on April 2, 2014 and was last reconstituted by the Board at their meeting held on February 21, 2022.

The members of the Corporate Social Responsibility Committee are:

1. Savitha Ramesh, Whole Time Director and Chairperson (Chairperson);
2. Murali S G, Independent Director (Member); and
3. Anup Bhat, Independent Director (Member).

The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, including:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of Companies Act, 2013.

(b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) assist the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;

(d) provide explanation to the Board if the Company fails to spend the prescribed amount within the financial year;

(e) provide updates to our Board at regular intervals of six months on the corporate social responsibility activities;

(f) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

(g) any other matter as the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and as may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

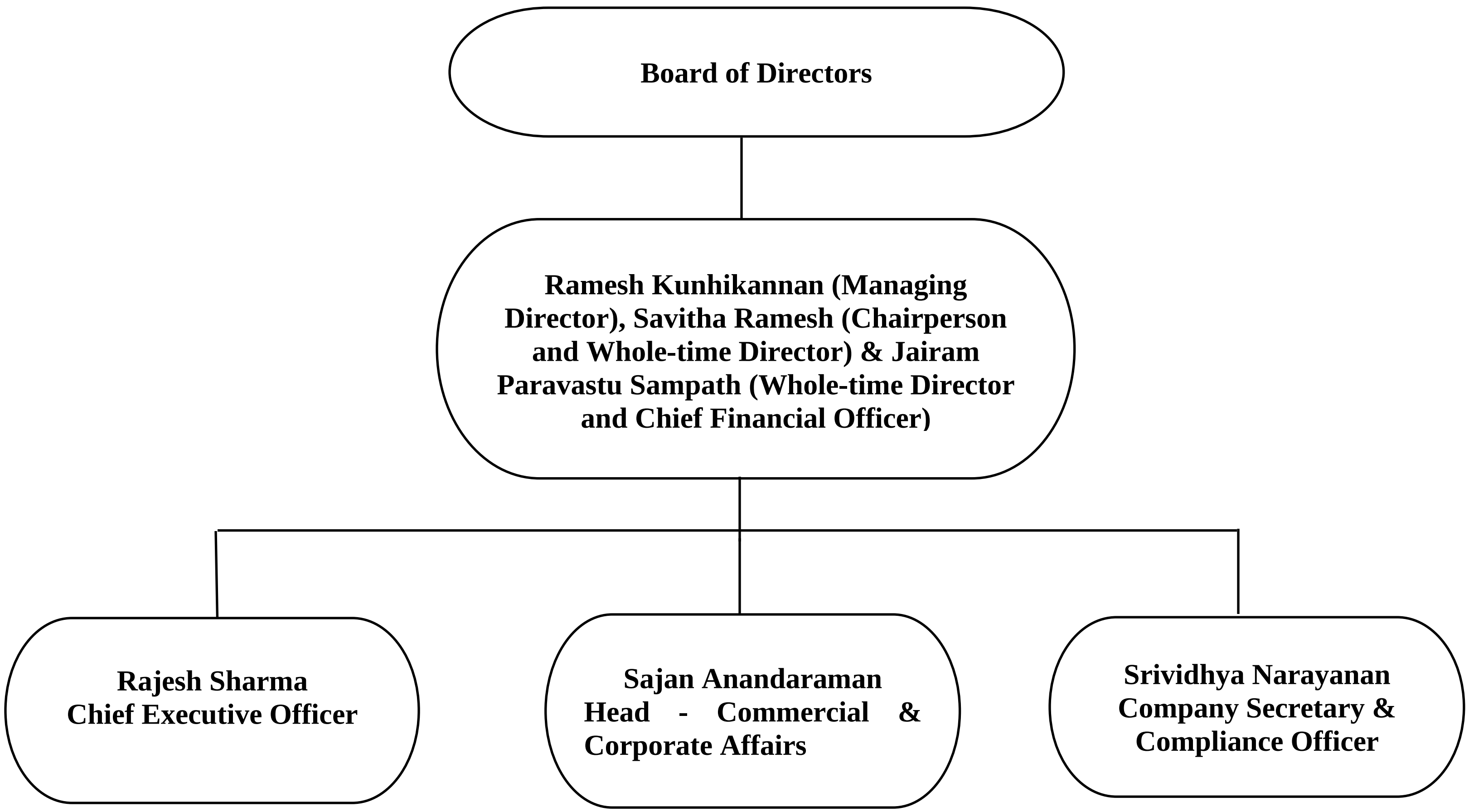
IPO Committee

The IPO Committee was constituted by our Board of Directors on April 4, 2022.

The members of the IPO Committee are:

1. Ramesh Kunhikannan, Managing Director (Chairperson);
2. Savitha Ramesh, Whole Time Director and Chairperson (Member) and;
3. Jairam Paravastu Sampath, Whole-time Director and Chief Financial Officer (Member).

Management Organization Chart



Key Managerial Personnel

Ramesh Kunhikannan, Savitha Ramesh and Jairam Paravastu Sampath are Key Managerial Personnel of our Company. For details, see "– *Brief Biographies of Directors*" on page 219. For details of compensation paid during Financial Year 2022, see "– *Payment or benefit to Directors*" on page 221. The details of the Key Managerial Personnel, in addition to Ramesh Kunhikannan, Savitha Ramesh and Jairam Paravastu Sampath are set out below:

Rajesh Sharma, is the Chief Executive Officer of our Company. He has been a part of our Company since December 20, 2021. He holds a bachelor's degree in commerce from Bangalore University. He is also an associate member of the Institute of Chartered Accountants of India. He has over 15 years of experience in accounting and finance. He was previously associated with the Syngene International Limited as the vice-president, Allergan India Private Limited as director-finance, Cryo Save (India) Private Limited as the managing director, Siemens VDO Automotive Limited. During Fiscal 2022, he was paid a gross remuneration of ₹ 3.35 million.

Srividhya Narayanan, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since January 31, 2018. She holds a bachelor's degree in commerce from University of Madras. She is also a member of the Institute of Company Secretaries of India. She has over 11 years of experience in legal and secretarial matters. She was previously associated with the Beta Wind Farm Private Limited. During Fiscal 2022, She was paid a gross remuneration of ₹ 0.85 million.

Sajan Anandaraman, is the Head of Commercial and Corporate Affairs of our Company. He has been associated with our Company since April 10, 1995. He holds a bachelor's degree in electronical and electronics engineering from University of Calicut and has also completed executive general management program from the Indian Institute of Management, Bangalore. In his twenty years of experience in our Company, he has been involved in various functions like business management system & audit, commercial operations, export & import, indirect taxation, MIS and management audit. During Fiscal 2022, he was paid a gross remuneration of ₹ 2.00 million.

Except Ramesh Kunhikannan and Savitha Ramesh, none of our Key Managerial Personnel are related to each other or to the Directors of our Company.

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Other than as disclosed under "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 90, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Payment or Benefit to our Key Managerial Personnel

No non – salary amount or benefit has been paid or given to any of our Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Bonus or profit sharing plan of the Key Managerial Personnel

Other than as disclosed in "*Our Management – Bonus or profit-sharing plan for our Directors*", our Company does not have a performance linked bonus or profit sharing plan for our Executive Directors.

None of our Key Managerial Personnel (other than our Director) is party to any bonus or profit-sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Interests of Key Managerial Personnel

For details of the interest of our Executive Directors in our Company, see "*Our Management - Interest of Directors*" on page 222.

Our Key Managerial Personnel (other than our Directors and Promoter) do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per the terms of their appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel.

The Key Managerial Personnel 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. Except as disclosed in "*Our Management - Interest of Directors*" on page 222, none of the Key Management Personnel have been paid any consideration of any nature from our Company other than their remuneration.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as a Key Managerial Personnel or member of senior management.

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form a part of their remuneration.

Payment or Benefit to officers of our Key Managerial Personnel (non-salary related)

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given as on the date of this Draft Red Herring Prospectus.

Attrition rate of Key Managerial Personnel

The attrition of the Key Managerial Personnel of our Company is not high compared to the industry.

Changes in the Key Managerial Personnel

Except as disclosed under "—*Changes in the Board during the Last Three Years*" on page 223, the changes in the Key Managerial Personnel in the last three years is as follows:

Name of Key Managerial Personnel	Date	Reason
Rajesh Sharma	December 20, 2021	Appointed as the Chief Executive Officer
Venkata Ramana Manapragada	December 20, 2021	Appointed as the Chief Financial Officer
Venkata Ramana Manapragada	April 8, 2022	Resigned as the Chief Financial Officer
Jairam Paravastu Sampath	April 8, 2022	Appointed as the Chief Financial officer

Note: The table above does not include change in designations

Employee Stock Option Plans

For details of our Company's employee stock option plan, see "*Capital Structure – Employee Stock Option Scheme*" on page 91.

OUR PROMOTERS AND PROMOTER GROUP

Ramesh Kunhikannan, Savitha Ramesh and RK Family Trust are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 40,799,820 Equity Shares, equivalent to 88.39% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details on shareholding of our Promoters and Promoter Group, see the section entitled "*Capital Structure - Shareholding of our Promoters and Promoter Group*" on page 86.

Our Promoters

1. Ramesh Kunhikannan

	Ramesh Kunhikannan, aged 58 years, is one of our Promoters and is the Managing Director of our Company. *Residential address:* 128/11, Rukmini, Emerald Enclave, Belavadi, Mandya – 571606, Karnataka, India *Date of Birth:* February 28, 1964 *Permanent account number:* AGSPK2014Q For the complete profile of Ramesh Kunhikannan along with details of his educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, his business and financial activities, see "*Our Management – Brief Biographies of Directors*" on page 219

2. Savitha Ramesh

	Savitha Ramesh, aged 50 years, is one of our Promoters and is the Whole-time Director and Chairperson of our Company. *Date of Birth:* March 4, 1972 *Residential address:* Rukmani, Emerald Enclave, Belavadi Post, Mandya - 571606, Karnataka, India *Permanent account number:* AHQPS3290P For the complete profile of Savitha Ramesh along with details of her educational qualification, experience in the business/employment, positions/posts held in past, directorship, special achievements, her business and financial activities, "*Our Management – Brief Biographies of Directors*" on page 219

Our Company confirms that the PAN details, bank account numbers, passport numbers, driving licence numbers and aadhaar card numbers of Ramesh Kunhikannan and Savitha Ramesh shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

3. RK Family Trust

RK Family Trust, a private and irrevocable trust was formed pursuant to deed of trust dated January 27, 2022 in accordance with the provisions of the Indian Trust Act, 1882 between Ramesh Kunhikannan and Kotak Mahindra Trusteeship Services Limited ("**Trust Deed**").

The principal place of office of RK Family Trust is situated at 27 BKC, 6th Floor, Plot Number C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

The Trustees of RK Family Trust consists of:

1. Kotak Mahindra Trusteeship Services Limited is the Managing Trustee; and
2. Ramesh Kunhikannan is the Family Trustee

Beneficiaries and Settlor

Beneficiaries of RK Family Trust consists of:

1. Savitha Ramesh
2. Premita Ramesh
3. Govind S Menokee

Ramesh Kunhikannan, is the Settlor of RK Family Trust

Objects and Function

The purpose of RK Family Trust is to provide, inter-alia, a suitable succession planning structure to ensure seamless intergenerational transfer of the trust fund amongst the beneficiaries and to ensure harmony and avoid conflicts between the beneficiaries of RK Family Trust.

Our Company confirms that the permanent account number and bank account number(s) of RK Family Trust shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Experience of our Promoters

Our Promoters have adequate experience in the business activities undertaken by our Company. For further details please see section titled "*Our Management*" beginning on page 217.

Other ventures of our Promoters

Other than as disclosed in "– *Our Promoter Group*" below and in section "*Our Management – Other Directorships*" on page 217, our Promoters are not involved in any other ventures.

Interests of our Promoters

Interest of our Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our individual promoters are interested to the extent of any remuneration, or reimbursement received by them from our Company or its Subsidiaries, in the capacity of Directors of our Company and our Subsidiaries and payments made for services rendered by entities in which are our Promoters have been interested in. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities including Subsidiaries (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. For details regarding the shareholding of our Promoters and other interests in our Company, see the sections entitled "*Capital Structure*", "*Our Management*" and "*Financial Statements – Annexure VI- Note 30- Related Party Disclosures*" on pages 79, 217 and 287, respectively.

Interest of our Promoters in the property of our Company

Except as disclosed below, our Promoters have no interest in any property acquired in the three years preceding the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

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. 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 " *Risk Factors- Certain of our manufacturing facilities, design facility, service centres and offices are located on leased premises"* on page 52.

Interest of our Promoters in the promotion of our Subsidiaries

Further, our Promoters are interested in our Subsidiaries (i) to the extent of the equity shares held by them in our Subsidiaries, directly or indirectly and the benefits accruing therefrom; and (ii) to the extent that they are a director on the board of directors of our Subsidiaries. For details on how these business interests may impact the interest of our Company, please see the section entitled "*Risk Factors*" on page 29**.**

Interest of our Promoters in our Company arising out of being a member of a firm or company

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as members, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify them as a director or promoter, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in "*Financial Statements –Related party disclosures*" and "*Our Management*" on pages 287 and 217 respectively, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

Pursuant to the resolution dated April 1, 2022, our Shareholders have approved the appointment of Premita Ramesh, member of the Promoter Group, holding an office or place of profit as contemplated under applicable provisions of the Companies Act, 2013, as Head - Human Resource of the Company with effect from January 1, 2022 at a remuneration for an amount not exceeding ₹ 5.40 million per annum.

Material Guarantees

Except as disclosed below, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus 2,239,250 and 680,000 Equity Shares held by Ramesh Kunhikannan, our Promoter, are pledged in favour of Vistra ITCL (India) Limited and Saraswat Co-operative Bank Limited, respectively pursuant to sanction letter dated July 12, 2018 and February 17, 2022, respectively, to secure the borrowing obligations of our Company with the respective lender. Owing to the dematerialization process, the Company has taken steps to re-pledge 1,019,999 Equity Shares in the dematerialized form in the favour of Canara Bank which shall constitute 2.21 % of the pre-offer capital prior to CCPS Conversion and 2.18 % of the pre-offer capital post CCPS Conversion and undertakes to complete it before the RHP. The total pledged Equity Shares shall constitute 8.53 % of the pre-offer capital prior to CCPS Conversion and 8.42 % of the pre-offer capital post CCPS Conversion of the shareholding of Ramesh Kunhikannan, our Promoter and the Company confirms that 20% of the post-Offer Equity Share capital of our Company shall be available for the promoter contribution post completion of the pledge.

For details of guarantees given by the Promoters, in relation to certain borrowings of our Company, as on the date of this Draft Red Herring Prospectus, see "*History and Certain Corporate Matters - Details of Guarantees given to third parties by a promoter participating in the Offer for Sale*" on page 208.

Companies or Firms with which our Promoters have disassociated in the last three years

Except as stated below, our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus:

Sr.No.	Name of the company/firm disassociated from	Name of the Promoter	Date of disassociation	Reasons for and circumstances leading to disassociation and terms of disassociation
1.	A-ID Systems (India) Private Limited	Savitha Ramesh	March 22, 2021	Dissociation due to sale of investment
2.	Atlab Education India Private Limited	Savitha Ramesh	March 22, 2021	Dissociation due to sale of investment
3.	Centena International Services Private Limited	Savitha Ramesh	March 22, 2021	Dissociation due to sale of investment
4.	Maritronics India Private Limited	Savitha Ramesh	March 22, 2021	Dissociation due to sale of investment
5.	Screen Check (India) Private Limited	Savitha Ramesh	March 22, 2021	Dissociation due to sale of investment

Change in the control of our Company

While there has been no change in control of our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus. RK Family Trust has been identified as the Promoter of our Company pursuant to the resolution dated March 31, 2022 approved by our Board.

Our Promoter Group

Details of the Promoter Group of our Company (excluding our Promoters and Subsidiaries) are provided below:

A. Natural persons who are forming part of the Promoter Group

Name of Promoter	Name of Relative	Relationship with Promoter
Ramesh Kunhikannan	Savitha Ramesh	Spouse
	Kandoth Puthemveettil Shantha	Mother
	Suresh Kunhikannan	Brother
	Vijaya Jayaprakash	Sister
	Premita Ramesh	Daughter
	Leela Raghunath	Spouse's Mother
	Sanjay Raghunath	Spouse's Brother
Savitha Ramesh	Ramesh Kunhikannan	Spouse
	Leela Raghunath	Mother
	Sanjay Raghunath	Brother
	Premita Ramesh	Daughter
	Kandoth Puthemveettil Shantha	Spouse's Mother
	Suresh Kunhikannan	Spouse's Brother
	Vijaya Jayaprakash	Spouse's Sister

B. Entities forming part of the Promoter Group

(i) Kaynes Interconnection Systems India Private Limited
(ii) Kaynes Circuits Private Limited
(iii) Wendorhub Solutions Private Limited
(iv) Cheyyur Real Estates Private Limited
(v) Cheyyur Properties Private Limited
(vi) Nambi Reality Private Limited
(vii) A-ID Systems (India) Private Limited
(viii) Atlab Education India Private Limited
(ix) Centena International Services Private Limited
(x) Maritronics India Private Limited
(xi) Screen Check (India) Private Limited
(xii) Emphor Industrial Systems India Private Limited

Other Confirmations

Our Promoters and members of our Promoter Group have not been declared 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 Reserve Bank of India.

None of our Promoters has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Consolidated Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in this Draft Red Herring Prospectus if: (i) such company is a member of the Promoter Group; and (ii) our Company has entered into one or more transactions with such company during the last completed Financial Year and the most recent period (if applicable) of the Restated Consolidated Financial Statement, which individually or cumulatively in value exceeds 10% of the total restated revenue of our Company as per the Restated Consolidated Financial Statements of the last financial year.

Accordingly, in terms of the Materiality Policy adopted by our Board for determining group companies pursuant to its resolution February 21, 2022, Kaynes lnterconnection Systems India Private Limited, Kaynes Technology Inc. and Kemsys Technologies Inc. have been identified as the group companies.

The details of our Group Companies are provided below:

A. Details of our Group Companies

In terms of the SEBI ICDR Regulations, the following information based on the audited financial statements, in respect of Group Companies, for the last three years shall be hosted on the website of our Company:

- reserves (excluding revaluation reserve)
- sales
- profit after tax
- earnings per share
- diluted earnings per share; and
- net asset value

1. Kaynes Interconnection Systems India Private Limited *("Kaynes Interconnection")*

Registered Office

The registered office of Kaynes Interconnection is situated at Survey No. 8, Khatha No. 3, Vijinapura Extension Near Ramamurthy Nagar PS, Doorvaninagar Bangalore-- 560016, Karnataka.

Financial Information

The financial information derived from the audited financial statements of Kaynes Interconnection for the last three financial years, as required by the SEBI ICDR Regulations, are available on https://kaynestechnology.co.in/investors.

2. Kaynes Technology Inc ("Kaynes Technology")

Registered Office

The registered office of Kaynes Technology at 39 Jaime CT, Morris Plains, NJ – 07950

Financial Information

The financial information derived from the audited financial statements of Kaynes Technology for the last three financial years, as required by the SEBI ICDR Regulations, are available on https://kaynestechnology.co.in/investors..

3. Kemsys Technologies lnc ("Kemsys")

Registered Office

The registered office of Kemsys is situated at 539, W Commerce St # 2943, Dallas, TX 75208.

Financial Information

The financial information derived from the audited financial statements of Kemsys for the last three financial years, as required by the SEBI ICDR Regulations, are available on https://kaynestechnology.co.in/investors..

It is clarified that such details available on the websites of our Company do not form part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including the websites of our Group Companies, would be doing so at their own risk.

Nature and extent of interest of our Group Companies

a. ***Interest in the promotion of our Company***

Our Group Companies do not have any interest in the promotion of our Company.

b. ***Interest in the properties acquired by our Company in the preceding three years before filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Companies are not interested, directly or indirectly, in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus.

c. ***Interest in transactions for acquisition of land, construction of building and supply of machinery***

Our Group Companies are not interested, directly or indirectly, in any transaction for the acquisition of land, construction of building, supply of machinery, or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements, by any of our Group Companies.

Common Pursuits between our Group Companies and our Company

None of the Group Companies are involved in the same line of business as our Company and accordingly none of our Group Companies have any common pursuits with our Company.

Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Except as disclosed in "*Related Party Transactions*" on page 314, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Except in the ordinary course of business and "*Related Party Transactions*" on page 314, our Group Companies have no business interest in our Company.

Litigation involving our Group Companies

As on the date of this Draft Red Herring Prospectus, our Group Companies are not party to any pending litigation which will have a material impact on our Company.

Other confirmations

None of our Group Companies have securities listed on any stock exchange in India or abroad. Our Group Companies have not made any public / rights / composite issue of securities (as defined under the SEBI ICDR Regulations) in the last three years.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, is recommended by the Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association, Companies Act and other applicable law. The dividend policy of our Company was adopted pursuant to the resolution of our Board dated February 21, 2022 ("**Dividend Policy**")**.** The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, our Company's liquidity position and future cash flow needs, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, prevailing macroeconomic and business conditions, and overall financial position of our Company and other factors considered relevant by our Board. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As on the date of this Draft Red Herring Prospectus, our Company has no formal dividend policy. For further details, see "*Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 48.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 353. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Our Company has not declared any dividends on the Equity Shares during the last three Fiscals, preceding the filing of this Draft Red Herring Prospectus, the nine months period ended December 31, 2021, and the period from January 1, 2022, until the date of this Draft Red Herring Prospectus. Further, cumulative dividend on CCPS has been mentioned in "*Financial Statements – Note no. 29. - Contingent Liabilities and Commitments*" on page 287, amounting to ₹ 0.15 million for the period ended December 31, 2021 and ₹ 0.11 million for year ended March 31, 2021. However, these dividends were not declared by our Board and were provided based on the instrument which were issued by our Company pursuant to SHA-1 and SHA-2 (collectively referred to as "**SHAs**"). Subsequently, both SHAs were amended vide Waiver and Termination Agreements each dated March 22, 2022, the investors (as stated therein) have given up their right to receive such dividend on preference shares and accordingly there is no such dividend paid by our Company.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To
The Board of Directors
Kaynes Technology India Limited
(Formerly known as Kaynes Technology India Private Limited)
23-25, Belagola, Food Industrial Estate
Metagalli P.O., Mysore– 570016
Karnataka, India

Dear Sirs,

1) We, K. P. Rao & Co, Chartered Accountants have examined the attached Restated Consolidated Financial Information of Kaynes Technology India Limited (formerly known as Kaynes Technology India Private Limited) (the "Company" or the "Holding Company") and its subsidiaries (the Company and its subsidiaries are together referred to as the "Group" as listed in Annexure 1), comprising the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for nine months period ended December 31, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on April 04, 2022 for the purpose of inclusion in the draft red herring prospectus ("DRHP") prepared by the Company in connection with its proposed initial public offering ("IPO") of equity shares of face value of ₹ 10 of the Company ("Offering").

   The Restated Consolidated Financial Information has been prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
   c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
   d. E-mail dated 28 October 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years and stub period (hereinafter referred to as the "SEBI E-mail").

Management's Responsibility for the Restated Financial Information

2) The management of the Company is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with the Securities and Exchange Board of India ("SEBI"), the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the Basis of Preparation as stated in Note 1 to the Restated Consolidated Financial Information. The respective board of directors of the companies included in the Group has a responsibility which includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management of the Company is also responsible for identifying and ensuring that the Group complies with the Act, SEBI ICDR Regulations, Guidance Note and the SEBI E-mail.

Auditors Responsibility

3) We have examined the Restated Consolidated Financial Information taking into consideration:

a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 15, 2021, in connection with the proposed IPO of equity shares of the Company;
b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
d. The requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations, the Guidance Note, and the aforesaid directions in connection with the IPO.

4) These Restated Consolidated Financial Information have been compiled by the management of the Company from:

a. Audited special purpose interim IND AS consolidated financial statements of the Group as at and for the nine month period ended 31 December 2021 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on April 04, 2022; and

b. Audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2021 prepared by the management in accordance with 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 (the "2021 Special Purpose Consolidated Ind AS Financial Statements"), which has been approved by the Board of Directors at their meeting held on April 04, 2022; and

c. Audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2020 prepared by the management in accordance with 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 (the "2020 Special Purpose Consolidated Ind AS Financial Statements"), which has been approved by the Board of Directors at their meeting held on April 04, 2022; and

d. Audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2019 prepared by the management in accordance with 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 (the "2019 Special Purpose Consolidated Ind AS Financial Statements"), which has been approved by the Board of Directors at their meeting held on April 04, 2022.

5. For the purpose of our examination, we have relied on:

a. Auditors' report issued by us dated April 04, 2022, on the Special Purpose Interim Consolidated Financial Statements of the Group as referred in Paragraph 4 (a) above;

b. Auditor's report issued by us dated April 04, 2022, on the 2021 Special Purpose Consolidated Ind AS Financial Statements of the Group, as referred in Para 4 (b) above;

c. Auditor's report issued by us dated April 04, 2022, on the 2020 Special Purpose Consolidated Ind AS

Financial Statements of the Group, as referred in Para 4 (c) above;

d. Auditor's report issued by us dated April 04, 2022, on the 2019 Special Purpose Consolidated Ind AS Financial Statements of the Group, as referred in Para 4 (d) above

e. As informed to us by the management, M/s. Varma & Varma, Chartered Accountants ("Previous Auditor") completed their tenure as Auditors as per Section 139(2) of The Companies Act, 2013. Accordingly, in accordance with SEBI ICDR Regulations and the Guidance Note, and the SEBI E-mail, as shared with us subsequently, we have audited the financial statements for the year ended March 31, 2021, March 31, 2020, and for the year ended March 31, 2019, as referred in Para 4(b), 4(c) and 4(d) above and issued our special purpose IND AS audit reports thereon.

5) As indicated in our audit reports referred above,

We did not audit the financial statements / financial information of the subsidiaries whose share of total assets, total revenues, net worth, net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant periods/years is tabulated below. The 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 the same.

INR in Millions

Name of the Company	Nature of the relationship	Year / nine months period ended	Total assets	Net worth	Total revenues	Net cash inflow/ (outflows)
Kemsys Technologies Private Limited	**Subsidiary**	December 31, 2021	105.35	-83.98	24.94	0.09
		March 31, 2021	108.53	-45.38	43.46	2.27
		March 31, 2020	103.12	-25.84	69.11	(3.51)
		March 31, 2019	67.18	-26.08	125.09	2.92
Kaynes Embedded Systems Private Limited	**Subsidiary**	December 31, 2021	-	-	-	-
		March 31, 2021	-	-	0.03	-
		March 31, 2020	-	-	3.79	-
		March 31, 2019	8.5	4.78	-	-
Kaynes Technology Europe GMBH	**Subsidiary**	December 31, 2021	22.32	20.11	12.90	
		March 31, 2021	19.41	17.48	16.42	
		March 31, 2020	17.61	13.06	8.62	
		March 31, 2019	16.34	12.22	11.12	

6) We report that:

a. the Restated Consolidated Financial Information has been prepared after incorporating adjustments for the changes in accounting policies, any material errors, and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months period ended December 31, 2021, as more fully described in Note 1 of Annexure V to the Restated Consolidated Financial Information;

b. there are no qualifications in the auditor’s reports which require any adjustments to the Restated Consolidated Financial Information; and

c. the Restated Consolidated Financial Information has been prepared in accordance with the Act, the SEBI ICDR Regulations, Guidance Note and the SEBI E-mail.

7) The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated financial statement and special purpose consolidated financial statements mentioned in paragraph 4 above, except as disclosed in relation to bonus issuance mentioned in para 32 of notes to accounts.

8) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9) Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, NSE and BSE in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with prior intimation. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For K. P. Rao & Co
Chartered Accountants
Firm Registration No: 003135S

Mohan R Lavi
Partner

Membership Number: 029340

UDIN: **22029340AGYTTJ8634**

Place: Bengaluru
Date: 4 April 2022

Annexure 1:

List of entities included in the Special Purpose Consolidated Ind AS Financial Statements for the period/year ended 31 December 2021, 31 March 2021, 31 March 2020, and 31 March 2019

Subsidiaries:

1. Kemsys Technology Private limited
2. Kaynes International Design and Manufacturing Private Limited
3. Kaynes Embedded Private Limited
4. Kaynes Technology Europe GMBH

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Annexure I-Restated Consolidated Statement of Assets and Liabilities
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	3(a)	587.66	570.65	502.22	453.29
Intangible assets	3(a)	101.06	126.94	45.14	49.52
Capital work-in-progress	3(b)	26.45	10.06	49.75	21.96
Intangible under development	3(c)	191.18	116.17	69.70	-
Rights-of-Use Assets	3(d)	66.46	78.58	86.40	-
Goodwill		23.44	23.44	23.44	23.44
Financial assets					
i)Investments	4	15.18	16.89	15.97	21.36
ii)Loans and deposits	5(a)	42.02	31.48	26.14	29.47
iii)Other financial assets	5(b)	27.79	13.00	12.96	9.15
Other non-current assets	6	54.28	14.51	44.90	22.11
Total Non-Current Assets (A)		**1,135.52**	**1,001.72**	**876.62**	**630.30**
CURRENT ASSETS					
Inventories	7	2,171.25	1,638.65	1,511.10	1,217.82
Financial asset					
i)Trade receivables	8(a)	1,563.74	1,217.48	936.49	1,229.61
ii)Cash and cash equivalents	8(b)	162.13	30.50	7.43	8.35
iii)Bank balances other than cash and cash equivalents	8(c)	130.58	112.05	115.37	315.32
iv)Loans and deposits	8(d)	33.90	18.20	51.18	63.76
v)Other financial assets	8(e)	2.84	2.02	6.79	3.26
Other current assets	9	230.64	173.05	276.17	164.61
Total Current Assets (B)		**4,295.08**	**3,191.95**	**2,904.53**	**3,002.73**
TOTAL ASSETS (A + B)		**5,430.60**	**4,193.67**	**3,781.15**	**3,633.03**
EQUITY AND LIABILITIES					
EQUTIY					
Equity Share Capital	10(a)	76.93	68.00	68.00	68.00
Instruments entirely equity in nature	10(b)	3.79	10.80	-	-
Other Equity	11	1,742.54	1,307.78	958.98	859.43
Non-controlling Interest	12	11.32	9.05	5.49	6.62
Total Equity (A)		**1,834.58**	**1,395.63**	**1,032.47**	**934.05**
LIABILITIES					
NON-CURRENT LIABILITIES					
Financial Liabilities					
- Borrowings	13	300.26	170.86	97.96	295.46
- Lease liabilities	35	56.61	64.36	90.17	-
Deferred Tax Liabilities (Net)	14	56.33	52.41	79.06	76.61
Long Term Provisions	15	51.50	32.01	27.14	23.41
Total Non-current Liabilities (B)		**464.70**	**319.64**	**294.33**	**395.48**

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN No: U29128KA2008PLC045825
Annexure I-Restated Consolidated Statement of Assets and Liabilities
(All amounts are in INR Millions, unless otherwise stated)

CURRENT LIABILITIES					
Financial Liabilities					
- Short-term borrowings	16 (a)	1,375.40	1,223.81	1,340.31	1,260.92
- Trade payables	16 (b)				
- Total outstanding dues of micro enterprises and small enterprises		69.45	66.34	52.90	6.67
- Total outstanding dues to other than micro enterprises and small enterprises		1,232.65	887.98	867.91	892.65
- Other financial liabilities	16 (c)	88.40	65.90	59.89	52.32
- Lease liabilities	34	22.31	25.43	3.57	-
Current tax liabilities (net)	17	86.18	16.45	7.85	7.32
Other current liabilities	18	247.44	185.82	119.36	77.23
Short-term provisions	19	9.49	6.67	2.56	6.39
Total Current Liabilities (C)		**3,131.32**	**2,478.40**	**2,454.35**	**2,303.50**
Total Liabilities (B+C)		**3,596.02**	**2,798.04**	**2,748.68**	**2,698.98**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**5,430.60**	**4,193.67**	**3,781.15**	**3,633.03**
Significant accounting policies and notes to financial statements	**1 to 2**				

Note: The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Mohan R Lavi
Partner
Membership No.029340

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director
(DIN: 08064368)

Place: Bengaluru
Date: April 04, 2022

Rajesh Sharma
Chief Executive Officer

Ramana Manapragada
Chief Financial Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: April 04, 2022

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Annexure II: Restated Consolidated Statement of Profit and Loss
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Income					
Revenue from operations	20	4,677.75	4,206.27	3,682.38	3,642.31
Finance Income	21	8.14	10.62	11.97	11.41
Other Income	22	33.40	29.74	7.31	12.25
Total Income (A)		**4,719.29**	**4,246.63**	**3,701.66**	**3,665.97**
Expenses					
Cost of materials consumed	23	3,306.01	2,822.99	2,603.38	2,463.15
Changes in inventories of Finished goods and traded goods	24	(39.14)	38.23	(186.58)	(46.58)
Employee Benefit Expenses	25	452.66	458.99	424.31	434.03
Depreciation and amortization expense	26	94.35	100.76	83.79	51.31
Finance Cost	27	184.43	239.79	236.02	187.19
Other Expenses	28	421.68	477.15	427.94	441.23
Total Expenses (B)		**4,419.99**	**4,137.91**	**3,588.86**	**3,530.33**
Restated profit before tax (A-B)=C		**299.30**	**108.72**	**112.80**	**135.64**
Tax Expenses					
Income taxes - Current tax		75.33	36.23	19.55	30.27
- Earlier year tax adjustments			-	(0.47)	(0.73)
Deferred tax Charge/ (Credit)		5.74	(24.84)	0.17	8.82
Total tax expense (D)		**81.07**	**11.39**	**19.25**	**38.36**
Restated profit after tax (C - D)=E		**218.23**	**97.33**	**93.55**	**97.28**
Related other comprehensive income / (loss)					
Items that will not be reclassified subsequently to profit or loss					
Re-measurement gains/ (losses) on defined benefit plans		(8.79)	(5.41)	9.16	(0.39)
Exchange differences in translating financial statements of foreign operations		(0.95)	(1.70)	0.06	(0.94)
Income tax effect		2.45	1.79	(3.22)	0.37
Other comprehensive income for the period/year, net of tax (F)		**(7.29)**	**(5.32)**	**6.00**	**(0.96)**
Restated total comprehensive income for the period / year, net of tax (E+F)		**210.94**	**92.01**	**99.55**	**96.32**
Less: Share of Profit /(Loss) of minority interest		2.27	3.56	(1.20)	0.27
Total comprehensive income for the period/year, net of tax		**208.67**	**88.45**	**100.75**	**96.05**
Earnings per share (nominal value of Rs. 10 each)					
Basic*	32	5.19	2.28	2.32	2.38
Diluted	32	4.66	2.15	2.32	2.38
Significant accounting policies and notes to financial statement	1 to 2				

*The above EPS computation is after considering post bonus issue.
The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Mohan R Lavi
Partner
Membership No.029340

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director
(DIN: 08064368)

Place: Bengaluru
Date: April 04, 2022

Rajesh Sharma
Chief Executive Officer

Ramana Manapragada
Chief Financial Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: April 04, 2022

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Annexure III: 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, 2018	67,99,992	68.00
Change during the year		-
As at March 31, 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
Change during the year	8,92,999	7.68
As at December 31, 2021	76,93,001	75.68

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, 2018	-	-				
Change during the year		-				
As at March 31, 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**	**-**	**-**	**-**	**-**
Change during the year	(10,79,990)	(10.80)	3,33,323	**3.33**	45,823	**0.46**
As at December 31, 2021	**-**	**-**	**3,33,323**	**3.33**	**45,823**	**0.46**

C. Other Equity

For the 9 months period ended December 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, 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	-	-	215.96			(7.29)	208.67	2.27	210.94
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	(1.25)						(1.25)		(1.25)
On conversion of Preference shares into equity	3.11						3.11		3.11
Foreign currency translation difference					0.71		0.71		0.71
Utilized towards redemption of debentures				(14.99)			(14.99)		(14.99)
Transfer from Debenture redemption reserve		14.99					14.99		14.99
Other Adjustments			0.79				0.79		0.79
Fair value adjustments of investments			(0.98)				(0.98)		(0.98)
As at December 31, 2021	**492.28**	**125.87**	**1,112.77**	**4.13**	**3.07**	**4.42**	**1,742.54**	**11.32**	**1,753.86**

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**

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Annexure III: Restated Consolidated Statement of Changes in Equity
(All amounts are in INR Millions, unless otherwise stated)

A. Equity Share Capital
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**

For the year ended March 31, 2019

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, 2018	7.51	50.00	671.35	37.50	0.43	11.99	778.78	6.35	785.13
Restated Profit for the year	-	-	97.00	-		(0.96)	96.04	0.27	96.31
Foreign Currency translation reserve					(0.05)		(0.05)		(0.05)
Ind AS 101 Effect			(16.04)		0.75		(15.30)		(15.30)
Utilized towards redemption of debentures				42.50			42.50		42.50
Other Adjustments			(0.05)				(0.05)		(0.05)
Transfer from Debenture redemption reserve	-	-	(42.50)				(42.50)		(42.50)
As at March 31, 2019	**7.51**	**50.00**	**709.76**	**80.00**	**1.13**	**11.03**	**859.42**	**6.62**	**866.04**

The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Mohan R Lavi
Partner
Membership No.029340

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director
(DIN: 08064368)

Place: Bengaluru
Date: April 04, 2022

Rajesh Sharma
Chief Executive Officer

Ramana Manapragada
Chief Financial Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: April 04, 2022

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Annexure IV - Restated Consolidated statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars		For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating Activities					
Net profit before extraordinary items and tax		299.30	108.72	112.80	135.64
Adjustments for :					
Depreciation and Amortisation Expense		94.35	100.76	83.79	51.31
Provision for doubtful debts		-	-	-	-
Lease straightlining adjustment					
Provision for Withholding tax receivable					
Fair valuation impact of Security deposit					
Unrealised foreign exchange gain (net)		0.79	(0.13)	1.63	-
Interest expense		184.43	239.79	236.02	187.19
Interest on Income tax					
Interest income		(6.82)	(6.71)	(7.63)	(6.38)
Operating profit before working capital changes, extraordinary items		**572.05**	**442.43**	**426.61**	**367.76**
Adjustments for:					
(Increase)/ decrease in Inventories		(532.60)	(127.55)	(293.28)	(356.10)
(Increase)/Decrease in Trade receivables		(346.26)	(280.99)	293.12	129.20
(Increase)/Decrease in Loans and Advances and other assets		(145.94)	160.48	(120.26)	(76.88)
Increase/(Decrease) in Trade payable and other liabilities		421.03	102.03	164.93	(83.76)
Increase/(Decrease) in Provisions		22.31	8.98	(0.10)	8.70
Cash Generated (used in) / From Operations		**(9.41)**	**305.38**	**471.02**	**(11.08)**
Income tax Received / (Paid)		(8.27)	(28.08)	(18.55)	(64.73)
Net Cash from Operating Activities	**(A)**	**(17.68)**	**277.30**	**452.47**	**(75.81)**
B. Cash Flow from Investing Activities					
Purchase of fixed assets		(164.76)	(249.95)	(312.23)	(105.37)
Sale of fixed assets					
Interest Received		6.82	6.71	7.63	6.38
Proceeds from Sale of investments / fixed deposits matured		(16.82)	2.40	205.34	(309.85)
Net Cash used in Investing activities	**(B)**	**(174.76)**	**(240.84)**	**(99.26)**	**(408.84)**
C. Net Cash from/(used) in Financing Activities					
Proceeds from issue of Share Capital :					
- Equity		0.00	0.00	-	-
- Preference		3.79	10.80	-	-
Share Premium received :					
- Equity		0.01	-	-	-
- Preference		223.70	259.20	-	-
Repayment of long term borrowings		129.40	72.90	(197.50)	109.82
Proceeds from short term borrowings		151.59	(116.50)	79.39	563.38
Interest expense		(184.43)	(239.79)	(236.02)	(187.19)
Net Cash from/(used) in Financing Activities	**(C)**	**324.06**	**(13.39)**	**(354.13)**	**486.01**
Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**131.63**	**23.07**	**(0.92)**	**1.37**
Cash and cash equivalents as on April 1		30.50	7.43	8.35	6.98
Cash and cash equivalents at the end of period		**162.13**	**30.50**	**7.43**	**8.35**

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Annexure IV - Restated Consolidated statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Components of cash and cash equivalents				
Balance with scheduled banks on:				
- on Current Account	161.60	30.19	4.51	8.01
- on deposit accounts	0.15	0.18	0.15	0.13
Cash on Card	-	-	-	-
Cash on Hand	0.38	0.13	2.77	0.21
	162.13	**30.50**	**7.43**	**8.35**

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 above Annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

As per our report of even date
For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

For and on behalf of the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Mohan R Lavi
Partner
Membership No.029340

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director
(DIN: 08064368)

Place: Bengaluru
Date: April 04, 2022

Rajesh Sharma
Chief Executive Officer

Ramana Manapragada
Chief Financial Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: April 04, 2022

Notes to Restated Consolidated Financial Statements
Annexure V - Basis of Preparation and Summary of Significant Accounting Policies

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 information

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %			
			As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
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

1.1 Basis of preparation

A. Statement of compliance
The Restated Consolidated Statement of Assets and Liabilities of the Group as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the nine months period ended December 31, 2021 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Summary Statement of Significant Accounting Policies and other explanatory information (together referred to as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus('DRHP') to be filed by the Company with the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with proposed Initial Public Offering ("IPO") of its equity shares.

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) The audited special purpose interim consolidated financial statements of the Group as at and for the nine months period ended December 31, 2021 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 04, 2022.

b) Audited Special purpose consolidated financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 being prepared by the management in accordance with the Indian Accounting Standard (Ind AS) (the "Special Purpose Ind AS Consolidated Financial Statements") by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 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, December 17, 2020 and September 16, 2019, respectively. Special Purpose Ind AS Consolidated Financial Statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 are approved by the Board of directors at their meeting held on April 04, 2022.

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).

c) In pursuance to general directions received from Securities and Exchange Board of India (SEBI) vide their email dated October 28, 2021 received by the BRLMs of the Company through Association of Investment Bankers of India (AIBI), as shared with us, these Special Purpose Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in Offer Documents in relation to the proposed IPO. As such these Special Purpose Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended.

d) The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the Nine months period ended December 31, 2021. This Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting held to approve and adopt the audited special purpose interim consolidated financial statements, audited consolidated financial statements and audited special purpose consolidated financial statements as mentioned above.

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

1.2 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.

1.3 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.

1.4 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.
The Financial statements of Kemsys Technologies Private limited and Kaynes Technology Europe GmbH have been prepared as per previous 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 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;

1.5 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).

1.6 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 / period ended December 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 December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
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

1.7 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).

1.8 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.

1.9 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.

2.0 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 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.

2.12 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);

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.

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 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	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.

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.

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.

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 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. Hence, the opening balance of 'other equity', 'right-of-use' and 'lease liabilities' as at April 01, 2019 in these Restated Financial Information are as per the audited standalone financials statements as at and for year ended March 31, 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, 2018**	**18.85**	**89.39**	**447.03**	**31.18**	**12.62**	**13.24**	**19.55**	**37.41**	**7.00**	**8.48**	**684.75**	**17.00**	**10.07**	**27.07**	**711.82**
													-			**-**	**-**
	2018-19	Additions during the year	-	-	31.47	4.48	1.17	0.38	5.64	17.00	2.27	3.99	**66.41**	0.85	31.37	**32.22**	**98.63**
		Deletions during the year	-	-	-	-	-	-	-	(2.89)	-	-	**(2.89)**	-	-	**-**	**(2.89)**
		Capitalised	-	-	-	-	-	-	-	-	-	-	**-**	-	-	**-**	**-**
		As at March 31, 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)**
		Capitalised	-	-	-	-	-	-	-	-	-	-	**-**	-	-	-	**-**
		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	97.49	**226.30**
		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**	**163.05**	**1,141.93**
	2021-22	Additions during the year	7.60	-	43.31	6.36	0.59	1.67	4.48	0.57	0.86	0.25	**65.69**	-	-	-	**65.69**
		Deletions during the year / Written off	-	-	-	-	-	-	-	(1.22)	-	-	**(1.22)**	-	-	-	**(1.22)**
		Capitalised	-	-	-	-	-	-	-	-	-	-	**-**	-	-	-	**-**
		As at December 31, 2021	**32.47**	**170.63**	**625.19**	**52.50**	**17.71**	**20.30**	**33.27**	**62.41**	**11.59**	**17.28**	**1,043.35**	**18.26**	**144.80**	**163.05**	**1,206.40**

		Particulars	Tangible Assets											Intangible Assets			
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	Sub Total (A)	Software	Technical know-how	Sub Total (B)	Grand Total (A)+(B)
Accumulated Depreciation		**As at April 01, 2018**	**-**	**11.55**	**151.29**	**17.67**	**9.06**	**8.94**	**17.24**	**19.74**	**5.68**	**7.22**	**248.38**	**5.89**	**1.21**	**7.10**	**255.48**
	2018-19	Charge for the year	-	2.26	29.65	2.86	1.67	1.15	3.57	5.06	0.81	1.61	48.64	2.21	0.46	2.67	51.31
		Deletions during the year / Adjustments	-	-	-	-	-	-	-	(2.04)	-	-	(2.04)	-	-	-	(2.04)
		As at March 31, 2019	**-**	**13.81**	**180.94**	**20.53**	**10.73**	**10.08**	**20.81**	**22.76**	**6.49**	**8.83**	**294.98**	**8.10**	**1.67**	**9.77**	**304.75**
	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	2.86	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**	**10.96**	**9.46**	**20.42**	**368.27**
	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**	**13.90**	**22.22**	**36.12**	**444.35**
	2021-22	Charge for the year	-	4.34	29.76	2.81	0.85	0.85	2.19	4.81	0.71	1.64	47.96	1.64	24.23	25.87	73.83
		Deletions during the year / written off	-	-	-	-	-	-	-	(0.50)	-	-	(0.50)	-	-	-	(0.50)
		As at December 31, 2021	**-**	**24.27**	**284.11**	**30.21**	**14.56**	**12.69**	**28.30**	**37.24**	**9.07**	**15.24**	**455.69**	**15.54**	**46.45**	**61.99**	**517.68**
Net Block		**Net Block**															
		As at December 31, 2021	**32.47**	**146.36**	**341.08**	**22.29**	**3.15**	**7.61**	**4.97**	**25.17**	**2.52**	**2.04**	**587.66**	**2.72**	**98.35**	**101.06**	**688.72**
		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**	**4.36**	**122.58**	**126.93**	**697.58**
		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**	**6.89**	**38.25**	**45.14**	**547.36**
		As at March 31, 2019	**18.85**	**75.58**	**297.56**	**15.13**	**3.06**	**3.54**	**4.38**	**28.76**	**2.79**	**3.64**	**453.29**	**9.75**	**39.77**	**49.52**	**502.81**
		As at April 01, 2018	**18.85**	**77.84**	**295.74**	**13.51**	**3.56**	**4.31**	**2.31**	**17.67**	**1.32**	**1.26**	**436.37**	**11.11**	**8.86**	**19.97**	**456.34**

** Note: Deletion represents removal of fully depreciated assets from the books of account

3(a) Capitalised Expenditure
Borrowing cost:

Particulars	**As at December 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Balance brought down	1.38	3.86	-	-
Interest expenses	-	9.91	3.86	-
Sub-Total	**1.38**	13.77	3.86	**-**
Less: Allocated to property, plant and equipment	-	(12.39)	-	-
Balance carried over (included in capital work in progress)	**1.38**	**1.38**	**3.86**	**-**

3(b) Capital Work in Progress

Particulars	Tangible Assets under Construction or Installation	Total
As at March 31, 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**
Additions/Adjustment	16.39	16.39
Capitalization of Interest	-	-
Capitalized till Dec-21	-	-
As at December 31, 2021	**26.45**	**26.45**

Capital work in progress ageing schedule
As at December 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	16.39	10.06	-	-	26.45
Project temporarily suspend	-	-	-	-	-
Total	**16.39**	**10.06**	**-**	**-**	**26.45**

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
Project temporarily suspend	-	-	-	-	-
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
Project temporarily suspend	-	-	-	-	-
Total	**27.80**	**21.96**	**-**	**-**	**49.75**

As at March 31, 2019

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	21.96	-	-	-	21.96
Project temporarily suspend	-	-	-	-	-
Total	**21.96**	**-**	**-**	**-**	**21.96**

3(c) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at March 31, 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**
Additions/Adjustment	-	75.00	75.00
Capitalization of Interest	-	-	-
Capitalized till Dec-21	-	-	-
As at December 31, 2021	**15.70**	**175.48**	**191.18**

Intangible Assets under Development Ageing Schedule
As at December 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	177.31	13.87	-	-	191.18
Project temporarily suspend	-	-	-	-	-
Total	**177.31**	**13.87**	**-**	**-**	**191.18**

*Total shall tally with CWIP amount in the balance sheet.

As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	91.66	24.53	-	-	116.18
Project temporarily suspend	-	-	-	-	-
Total	**91.66**	**24.53**	**-**	**-**	**116.18**

*Total shall tally with CWIP amount in the balance sheet.

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
Project temporarily suspend	-	-	-	-	-
Total	**45.17**	**10.82**	**8.28**	**5.42**	**69.70**

*Total shall tally with CWIP amount in the balance sheet.

As at March 31, 2019

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	-	-	-	-
Project temporarily suspend	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

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 December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	78.58	86.40	68.64	-
Additions during the year	8.40	16.88	36.55	-
Deletions during the year	-	-	-	-
Depreciation during the year	(20.52)	(24.69)	(18.80)	-
Closing Balance	**66.46**	**78.58**	**86.40**	**-**

(All amounts are in INR Millions, unless otherwise stated)

	NON-CURRENT ASSETS	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	FINANCIAL ASSET				
4	**Non-Current Financial Assets - Investments**				
	Unquoted				
	Investments - Non-Trade				
	Investments in Equity instruments	10.83	10.83	10.83	10.83
	Investments in Others	4.35	6.06	5.14	10.53
	Total	**15.18**	**16.89**	**15.97**	**21.36**
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	10.80	10.80
	Mysore ESDM Cluster	0.03	0.03	0.03	0.03
	(ii)Financial assets measured at FVTPL				
	Investments in Mutual Funds (Quoted)	4.35	6.06	5.14	10.53
4.2	**Additional disclosure**				
	Aggregate carrying value of unquoted investments	10.83	10.83	10.83	10.83
	Aggregate amount of impairment in value of investments	-	-	-	-
	Aggregate amount of quoted investments	4.35	6.06	5.14	10.53
	Aggregate amount of Cost of quoted investments	3.73	4.73	4.73	9.20

Investments in equity instruments- Others

a) Investment in Winfoware Technologies Limited 14,87,120 equity shares (2021: 14,87,120, 2020: 14,87,120, 2019: 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: 0.18%, 2020:14.29%, 2019:14.29%) of the capital of that company.

Investments in Mutual Funds

Particulars	As at December 31, 2021		As at March 31, 2021	
	Units	Total NAV	Units	Total NAV
Canara Robeco Capital Protection Oriented Regular Growth Fund	-	-	-	-
Canara Robeco Capital Protection Oriented Regular Growth Fund	-	-	4,00,000.00	4.98
Canara Robeco Emerging Equities - Regular Growth Fund	2,273.13	0.38	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	2.52	-	-

(All amounts are in INR Millions, unless otherwise stated)

Particulars	As at March 31, 2020 Units	As at March 31, 2020 Total NAV	As at March 31, 2019 Units	As at March 31, 2019 Total NAV
Canara Robeco Capital Protection Oriented Regular Growth Fund	-	-	4,49,980.00	5.48
Canara Robeco Capital Protection Oriented Regular Growth Fund	4,00,000.00	4.48	4,00,000.00	4.29
Canara Robeco Emerging Equities - Regular Growth Fund	2,273.13	0.17	2,273.13	0.21
Canara Robeco Emerging Equities - Regular Growth Fund	315.66	0.02	315.66	0.03
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	976.67	0.14	789.65	0.13
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	135.30	0.02	135.30	0.02
Canara Robeco Infrastructure - Regular Growth Fund	1,711.00	0.06	1,711.00	0.08
Canara Robeco Blue Chip Equity Fund	6,474.13	0.14	6,474.13	0.16
Canara Robeco Large Capital Fund - Regular Growth Fund	1,320.41	0.03	1,320.41	0.03
Canara Robeco Consumer Trends Fund - Regular Growth	1,083.76	0.04	1,083.76	0.04
Canara Robeco Flexi Cap Fund - Regular Growth	404.53	0.05	404.53	0.05

5 FINANCIAL ASSET
NON-CURRENT

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
5(a) Loans and deposits, carried at amortized cost				
Unsecured considered good (Unless Otherwise stated)				
Rental Deposits	23.29	17.42	16.77	19.87
Loans to related party	12.14	7.76	-	-
Utility Deposits	3.56	3.17	3.17	3.14
EMD Deposits	3.03	3.13	6.20	6.45
	42.02	**31.48**	**26.14**	**29.47**
5(b) Other non current financial assets (At Amortised Cost)				
Unsecured considered good (Unless Otherwise stated)		13.00	12.96	9.15
Advances recoverable in cash, kind or to value to be received	27.79			
	27.79	**13.00**	**12.96**	**9.15**

6 OTHER NON-CURRENT ASSETS

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good				
Capital Advances	40.71	5.53	35.22	18.30
Balance with government authorities	0.35	0.35	3.97	2.48
Deposits against performance guarantee	5.48	5.48	1.97	-
Prepaid Rent	7.74	3.15	3.74	1.33
	54.28	**14.51**	**44.90**	**22.11**

CURRENT ASSETS

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
7 Inventories (at cost or net realisable value whichever is lower)*				
Raw materials	1,710.71	1,208.90	1,055.37	948.19
Work-in-progress	244.39	212.73	203.63	143.61
Finished Goods	149.38	141.90	189.22	62.66
Goods-in-transit	23.41	35.96	31.68	40.76
Consumables, stores and spares	43.36	39.16	31.20	22.62
Less: Provision for Diminution in value	-	-	-	-
	2,171.25	**1,638.65**	**1,511.10**	**1,217.82**

*The inventory of the company has been pledged with banks for availing working capital and other facilities

(All amounts are in INR Millions, unless otherwise stated)

8 Current Financial Assets

8(a) Trade receivables

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good(Unless otherwise stated)	1,640.38	1,285.24	977.96	1,259.75
Unsecured, Considered Doubtful				
Less - expected credit loss allowance	(76.64)	(67.76)	(41.47)	(30.14)
	1,563.74	**1,217.48**	**936.49**	**1,229.61**
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	30.14	5.53
Add: Provided during the year / period	8.88	26.29	11.33	24.61
Less: Amount written off				
Balance at the end of the year / period	**76.64**	**67.76**	**41.47**	**30.14**

8(a) (i)Trade Receivables Ageing Schedule:

Undisputed Trade receivables – considered good	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Less than 6 months	1,416.95	1,098.74	835.36	1,127.19
6 months - 1 year	48.87	20.84	38.54	25.59
1 -2 years	27.75	34.74	30.01	47.15
2 -3 years	25.77	33.14	17.04	15.27
More than 3 years	127.21	97.79	57.01	44.54
Total	**1,646.54**	**1,285.24**	**977.96**	**1,259.75**

Disputed Trade Receivables – considered good

Less than 6 months	-	-	-	-
6 months - 1 year	-	-	-	-
1 -2 years	-	-	-	-
2 -3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	**-**	**-**	**-**	**-**

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 December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balance with banks				
- In Current accounts	161.60	30.19	4.51	8.01
- In EEFC accounts	0.15	0.18	0.15	0.13
Cash on hand	0.38	0.13	2.77	0.21
	162.13	**30.50**	**7.43**	**8.35**

8(c) Other Bank Balances

Debit Balance in Cash Credit	-	0.01	0.01	189.23
Deposits with original maturity for less than 12 months	93.69	87.80	77.76	62.61
Margin Money and Other Deposits	36.89	24.24	37.59	63.48
	130.58	**112.05**	**115.37**	**315.32**

*Deposits held with banks for issue of bank guarantees, letters of credit and guarantees to customs authorities.

(All amounts are in INR Millions, unless otherwise stated)

8(d) Loans and deposits, carried at amortized cost	**As at December 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Unsecured, Considered Good(Unless otherwise stated)				
Loans to related party				
Loans to related party	17.98	15.89	42.03	53.76
Loans to employees	15.91	2.31	9.15	10.00
Total	**33.90**	**18.20**	**51.18**	**63.76**

8(e) Other current financial assets (At Amortised Cost)	**As at December 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Unsecured, Considered Good(Unless otherwise stated)				
Interest accrued	2.39	2.02	3.20	3.26
Grant Receivable	-	-	3.59	-
Insurance claim receivable	0.45	-	-	-
	2.84	**2.02**	**6.79**	**3.26**

9 OTHER CURRENT ASSETS

	As at December 31, 2021	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Unsecured, considered good				
Advances for supply of goods	138.60	87.04	191.08	102.71
Prepaid Expenses	20.36	15.15	32.11	40.33
Balance with Government Authority	66.19	66.97	52.98	19.23
Contract Asset- Unbilled revenue	5.50	3.89	-	2.34
	230.64	**173.05**	**276.17**	**164.61**

(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 April01, 2018	**70,00,000**	**70.00**
Increase during the year	-	-
Balance as at March31, 2019	**70,00,000**	**70.00**
Increase during the year	-	-
Balance as at March31, 2020	**70,00,000**	**70.00**
Increase during the year	10,00,000	10.00
Balance as at March31, 2021	**80,00,000**	**80.00**
Increase during the year	-	-
Balance as at December31, 2021	**80,00,000**	**80.00**

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. 70 millions consisting of 70,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs.80 millions consisting of 80,00,000 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
As at April 01, 2018	**67,99,992**	**68.00**
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at March 31, 2019	**67,99,992**	**68.00**
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
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	-	-
Less: Share bought back during the year	-	-
As at March 31, 2021	**68,00,002**	**68.00**
Add: Shares issued during the year	20	0.00
Add: Conversion of Preference shares into equity	7,67,866	7.68
Add: Bonus shares issued during the year	1,25,113	1.25
Less: Share bought back during the year	-	-
As at December 31, 2021	**76,93,001**	**76.93**

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 December 31, 2021**	**As at Mar 31, 2021**	**As at Mar 31, 2020**	**As at Mar 31, 2019**
Mr. Ramesh Kunhikannan	67,96,670	67,96,670	67,96,670	67,96,670
% of Share holding	88.35%	99.95%	99.95%	99.95%
Ms. Freny Firoz Irani	8,92,989	10	-	-
% of Share holding	11.61%	0.00%	-	-

Note: For the period of five years immediately preceding December 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) Period Ended December 31, 2021		
a) 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
b) 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
(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 December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Mr. Ramesh Kunhikannan				
- No. of Shares held	67,96,670	67,96,670	67,96,670	67,96,670
- Percentage of holding	88.35%	99.95%	99.95%	99.95%
- Changes during the year	(11.61%)	-	-	-
Mrs. Savitha Ramesh				
- No. of Shares held	3,300	3,300	3,300	3,300
- Percentage of holding	0.04%	0.05%	0.05%	0.05%
- Changes during the year	(11.61%)	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, 2018	-	-
Increase during the year	-	-
Balance as at March 31, 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**
Increase during the year	-	-
Balance as at December 31, 2021	**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 April 01, 2018	-	-
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at March 31, 2019	**-**	**-**
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
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	-	-
As at March 31, 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
Balance as at December 31, 2021	**3,79,146**	**3.79**

Terms/rights attached to Preference shares:
During the period ended December 31, 2021, 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.

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 December 31, 2021:
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

CCPS series B 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 B 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 December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
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%	-	-	-

v) Shareholding of Promoters

Name of the promoter	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
Mr. Ramesh Kunhikannan	-	-	-	-
Mrs. Savitha Ramesh	-	-	-	-

(All amounts are in INR Millions, unless otherwise stated)

11 OTHER EQUITY	**As at December 31, 2021**	**As at Mar 31, 2021**	**As at Mar 31, 2020**	**As at Mar 31, 2019**
Securities premium (refer note i)	492.28	266.71	7.51	7.51
General Reserve (refer note ii)	125.87	110.88	61.69	50.00
Surplus in the profit and loss statement (refer note iii)	1,112.77	897.00	803.35	709.76
Foreign currency translation reserve (refer note iv)	3.07	2.36	1.09	1.13
Debenture redemption reserve (refer note v)	4.13	19.12	68.31	80.00
Other Comprehensive income (refer note vi)	4.42	11.71	17.03	11.03
	1,742.54	**1,307.78**	**958.98**	**859.43**

i) Securities Premium	**As at December 31, 2021**	**As at Mar 31, 2021**	**As at Mar 31, 2020**	**As at Mar 31, 2019**
At beginning of the period / year	266.71	7.51	7.51	7.51
Changes during the period	225.57	259.20	-	-
As at end of the Period/year	**492.28**	**266.71**	**7.51**	**7.51**

ii) General Reserve	**As at December 31, 2021**	**As at Mar 31, 2021**	**As at Mar 31, 2020**	**As at Mar 31, 2019**
At beginning of the period / year	**110.88**	**61.69**	**50.00**	**50.00**
Add: Transfer from Retained earnings	-	-	-	
Add: Transfer from Debenture redemption reserve	14.99	49.19	11.69	
As at end of the Period/year	**125.86**	**110.88**	**61.69**	**50.00**

iii) Surplus in the profit and loss statement	**As at December 31, 2021**	**As at Mar 31, 2021**	**As at Mar 31, 2020**	**As at Mar 31, 2019**
At beginning of the period / year	**897.00**	**803.35**	**709.76**	**671.35**
Add: Profit for the year	215.96	93.78	94.75	97.00
Less: Other Comprehensive Loss	-			
Less Effect of adoption of Ind AS 116 Leases	-	-	(1.81)	-
Ind AS 101	-	-	-	(16.04)
Fair Value adjustment of Investment			(0.98)	
Other Adjustments	**0.79**	**(0.13)**	1.63	(0.05)
Less: Transfer to General Reserve	(0.98)	-	-	(42.50)
As at end of the Period/year	**1,112.77**	**897.00**	**803.35**	**709.76**

v) Debenture Redemption Reserve	**As at December 31, 2021**	**As at Mar 31, 2021**	**As at Mar 31, 2020**	**As at Mar 31, 2019**
At beginning of the period / year	**19.13**	**68.31**	**80.00**	**37.50**
Add : Additions during the year (refer note below)	-	-	-	42.50
Less : Transferred to General Reserve on utilisation for redemption of debentures	(14.99)	(49.19)	(11.69)	-
As at end of the Period/year	**4.14**	**19.13**	**68.31**	**80.00**

iv) Foreign currency translation reserve	**As at December 31, 2021**	**As at Mar 31, 2021**	**As at Mar 31, 2020**	**As at Mar 31, 2019**
At beginning of the period / year	**2.36**	**1.09**	**1.13**	**0.43**
Translation as per Non Integral Foreign Operations	0.71	1.27	(0.04)	0.70
As at end of the Period/year	**3.07**	**2.36**	**1.09**	**1.13**

vi) Remeasurement of defined benefit obligations	**As at December 31, 2021**	**As at Mar 31, 2021**	**As at Mar 31, 2020**	**As at Mar 31, 2019**
At beginning of the period / year	**11.71**	**17.03**	**11.03**	**11.99**
Add: Changes during the period/year	(7.29)	(5.32)	6.00	(0.96)
As at end of the Period/year	**4.42**	**11.71**	**17.03**	**11.03**

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.

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 December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
12	**Non Controlling Interest**	11.32	9.05	5.49	6.62

NON-CURRENT LIABILITIES

13	**FINANCIAL LIABILITIES**	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
	Borrowings				
	Term loans from banks & financial institutions				
	- Secured	322.31	215.51	15.48	8.73
	- Unsecured	-	-	5.53	22.55
	Non-Convertible Debenture				
	- Secured	41.44	76.50	123.25	170.00
	- Unsecured	-	-	150.00	150.00
	Vehicle loan - Secured	20.13	22.10	8.44	17.74
	Less: Current maturities of Long term borrowings				
	Term loans from banks & financial institutions				
	- Secured	(43.01)	(90.64)	(7.55)	(7.04)
	- Unsecured		-	(5.53)	(15.74)
	Non-Convertible Debenture				
	- Secured	(34.00)	(46.75)	(46.75)	(46.75)
	- Unsecured		-	(150.00)	-
	Vehicle loan - Secured	(6.61)	(5.86)	5.09	(4.04)
		300.26	**170.86**	**97.96**	**295.46**

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 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 December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
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.	30.57	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.	12.51	32.99	-	49.64
	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 - Term Loan (Covid)		112.00	-	-	-
	Canara Bank	Repayable in 60 months in 48 equal monthly instalments after a moratorium of 12 months from date of disbursement.	112.49	-	-	-
	Saraswat Bank		-	152.45	-	-
	State Bank of India		-	-	-	-
Term loans - From Financial Institutions - Secured	Sundaram Finance Machinery Loan	Repayable in 47 monthly instalments from the date of loan.	-	0.78	1.69	2.85
	Hero Fincorp	Repayable in 48 monthly instalments from the date of loan.	-	-	5.53	21.75
	Sundaram Finance Machinery Loan		6.25	12.98	13.79	4.48
	Siemens Financials (Tranche 1)		-	-	-	-
	Siemens Financials (Tranche 2)		-	-	-	1.40
	State Bank of India	Repayable in 48 monthly instalments from the date of loan.	3.49	4.00	-	-
Term loans - From Financial Institutions - Unsecured	Bajaj Finserv - PSBL	Repayable in 48 monthly instalment from the date of loan.	-	-	-	0.81

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. First 12 Instalment of Rs.1,16,87,500/- and last 4 instalments of Rs. 74,37,500/-.	41.44	76.50	123.25	170.00
Non-Convertible Debentures - Unsecured	Anicut 18% Unsecured Non-Convertible Debentures	30 Months from the deemed date of Allotment.	-	-	150.00	150.00
Vehicle Loan - From Bank - Secured	HDFC Bank - Zest	Repayable in 60 monthly instalments from date of Loan.	-	-	0.02	0.22
	Jeep Loan		0.21	0.32	0.40	0.53
	Hdfc Car Loan - Tata Nexon		0.44	0.61	0.70	0.90
	Hdfc Car Loan - Jeep Compas		1.11	1.50	1.72	2.19
	Hdfc Car Loan - Innova		1.07	1.43	1.64	2.07
	Hdfc Car Loan - Benz		3.78	5.13	5.91	7.53
	Hdfc Car Loan - Verna		0.00	0.70	0.80	1.01
	SBI Loan - Mini Cooper		1.77	2.25	2.29	2.78
	Saraswat Car Loan-Seltos		0.90	1.07	1.12	-
	Saraswat Car Loan-Nex		-	1.03	1.09	-
	Saraswat Car Loan - Bmw		0.87	4.13	-	-
	Saraswat Car Loan - Ertiga		3.57	0.99	-	-
	Saraswat Car Loan - Santro		0.86	0.62	-	-
	Car Loan		0.53	-	-	0.24
	Canara Car Loan - Omini		3.32	-	-	0.27
	Canara Car Loan-Skoda Octavia	Repayable in 72 monthly instalments from date of loan.	1.70	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 December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
Deferred Tax Liability				
Property plant and equipment: timing differences on account of depreciation allowance.	77.30	72.39	95.12	91.32
Actuarial Gain/Loss	-	1.71	3.07	-
Fair Valuation of Mutual Funds	0.78	0.72	0.49	0.46
Gross deferred tax liability	**78.08**	**74.82**	**98.68**	**91.78**
Deferred Tax Asset				
Security Deposits	(0.08)	(0.07)	(0.05)	(0.02)
Actuarial Gain/Loss	(0.50)	-	-	(0.13)
Effect of foreign exchange difference	(0.90)	(0.66)	(0.22)	(0.24)
Provision for ECL	(7.04)	(7.04)	(4.68)	(2.42)
Leases	(3.20)	(3.52)	(2.55)	-
Expenses: timing differences on expenses allowable on payment basis.	(10.03)	(11.12)	(12.11)	(12.36)
Gross deferred tax asset	**(21.75)**	**(22.41)**	**(19.62)**	**(15.17)**
Net deferred tax liability	**56.33**	**52.41**	**79.06**	**76.61**

15 LONG TERM PROVISIONS	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
Provision for Gratuity	37.45	26.56	22.73	18.78
Provision for compensated absences	14.05	5.45	4.41	4.63
	51.50	**32.01**	**27.14**	**23.41**

CURRENT LIABILITIES

16 FINANCIAL LIABILITIES	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
16 (a) Current borrowings (At Amortised Cost)				
Credit Balance - Cash credit from banks (Secured)	1,102.76	912.21	961.48	657.85
Loans from Bank (Secured)	-	-	-	-
Loans from Others (Unsecured)	50.13	18.72	14.20	73.80
Rupee demand loan (Secured)	-	29.62	29.60	33.50
Foreign Currency Bills Discounted (Secured)	-	-	-	55.42
Foreign Currency Packing Credit (Secured)	-	-	20.00	42.68
Rupee Packing Credit (Secured)	138.89	120.01	100.12	324.10
Current maturities of Long term borrowings				
- Term loans from banks & financial institutions				
- Secured	43.01	90.64	7.55	7.04
- Unsecured	-	-	5.53	15.74
- Non-Convertible Debenture_Secured	34.00	46.75	46.75	46.75
- Non-Convertible Debenture_Unsecured	-	-	150.00	-
- Vehicle loan	6.61	5.86	5.09	4.04
Total	**1,375.40**	**1,223.81**	**1,340.31**	**1,260.92**

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 31-12-2021	As at 31-03-2021	As at 31-03-2020	As at 31-03-2019
Cash credit from banks (secured)	SBI Parwanoo	Repayable on Demand	0.14	-	-	-
	Kotak Mahindra Bank		-	-	-	(189.23)
	Canara Bank		315.24	367.13	370.97	338.03
	Saraswat Bank		369.54	373.47	423.74	270.17
	State Bank of India		167.85	171.61	166.77	-
Term Loans from others - Unsecured	Loans from Others	12M or 10M Months differs by Party	50.13	18.72	18.42	81.19
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	29.60	-
Rupee Revolving Loan - Unsecured	Bajaj-Short Term Revolving Loan (STRL)		-	-	-	33.50
Rupee Packing Credit - Secured	Canara Bank - FBE		-	-	-	-
	Canara Bank - Packing Credit FBE		99.25	100.02	100.12	99.88
	Kotak Post Shipment Euro		-	-	-	13.94
	Kotak Post shipment USD		-	-	-	9.25
	Kotak Post-Shipment GBP		-	-	-	32.24
	Kotak Pre-Shipment GBP		-	-	-	42.68
	Kotak Sales Bills Discounting		-	-	-	224.22
	State of India - EPC		39.64	19.99	20.00	-

16 (b) Trade payables (At Amortised Cost)

	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
Dues to micro enterprises and small enterprises (refer note 46)	69.45	66.34	52.90	6.67
Dues to Related Party				
Dues to other than micro enterprises and small enterprises	1,232.65	887.98	867.91	892.65
Total trade payables	**1,302.10**	**954.32**	**920.81**	**899.32**

Ageing Schedule

As at December 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	65.23	1.60	2.62	-	69.45
Others	1,209.35	10.46	3.59	9.25	1,232.65
Disputed dues - MSME					
Disputed dues - Others					

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	64.63	1.19	0.37	0.15	66.34
Others	856.69	21.27	4.95	5.07	887.98
Disputed dues - MSME					
Disputed dues - Others					

As at March 31, 2020 **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	51.88	0.74	0.05	0.22	52.90
Others	852.18	8.44	3.89	3.39	867.91
Disputed dues - MSME					
Disputed dues - Others					

As at March 31, 2019 **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	6.48	0.05	0.01	0.14	6.67
Others	963.81	(22.62)	(54.47)	5.93	892.65
Disputed dues - MSME					
Disputed dues - Others					

16 (c) Other current financial liabilities carried at amortized cost

	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
Employee benefits payable*	66.63	52.15	42.20	52.16
Interest accrued and due on borrowings	3.91	1.78	1.68	0.16
Payables - Capital Goods	17.86	11.97	16.01	-
	88.40	**65.90**	**59.89**	**52.32**

*Refer Related party disclosure for details on dues to employees

17 CURRENT TAX LIABILITIES (NET)

	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
Provision for income taxes (net of advance income taxes)	87.14	17.41	16.96	8.28
Less: MAT Credit	(0.96)	(0.96)	(9.11)	(0.96)
	86.18	**16.45**	**7.85**	**7.32**

18 OTHER CURRENT LIABILITIES

	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
Advance from customers	159.37	87.34	16.58	30.72
Security Deposit	-	-	-	1.50
Statutory dues and related liabilities	22.63	50.49	31.14	20.86
Other payables	65.45	47.99	71.64	24.15
	247.44	**185.82**	**119.36**	**77.23**

19 SHORT-TERM PROVISIONS

	As at December 31, 2021	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2019
Provision for employee benefits				
Provision for Gratuity	7.50	6.19	2.21	5.83
Provision for Compensated absence	1.98	0.48	0.35	0.56
	9.49	**6.67**	**2.56**	**6.39**

(All amounts are in INR Millions, unless otherwise stated)

20 REVENUE FROM OPERATIONS

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Goods	4,499.50	3,983.64	3,367.80	3,372.40
Sale of services	178.25	222.63	314.58	269.91
	4,677.75	**4,206.27**	**3,682.38**	**3,642.31**
The Group derives revenue from the transfer of goods & services in the following geographical regions				
India	3,670.64	3,127.79	2,927.14	3,067.79
Outside India	1,007.11	1,078.47	755.24	574.52
	4,677.75	**4,206.26**	**3,682.38**	**3,642.31**
Timing of Revenue Recognition				
Goods transferred at a point in time	4,499.50	3,983.64	3,367.80	3,372.40
Service transferred at a point in time	178.25	222.63	314.58	269.91
Service transferred over a period of time				
	4,677.75	**4,206.27**	**3,682.38**	**3,642.31**

21 FINANCE INCOME

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income				
Interest received on deposits with banks	6.82	6.71	7.63	6.38
Interest received on Advances with others	-	1.84	3.52	3.26
Interest on Income Tax refund	0.01	0.03	-	0.25
Interest on Security Deposit	1.06	1.12	0.75	0.19
Gain On Fair Valuation of Mutual Funds	0.25	0.92	0.07	1.33
	8.14	**10.62**	**11.97**	**11.41**

22 OTHER INCOME

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit on sale of investment	-	-	1.02	-
Profit on sale of property, plant & equipment (net)	0.06	-	0.05	-
Liabilities no longer required, written back	0.08	2.85	0.49	0.13
Export Incentives	0.23	12.62	5.51	9.63
Rent Received	-	-	-	1.87
Other non-operating income	0.60	0.63	0.24	0.62
Exchange Differences (net)	32.42	13.64	-	-
	33.40	**29.74**	**7.31**	**12.25**

23 Cost of materials consumed

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year	1,208.90	1,055.37	948.19	654.98
Add: Purchase	3,836.49	3,030.51	2,731.29	2,756.35
Less : Inventory at the end of the year	(1,710.71)	(1,208.90)	(1,055.37)	(937.07)
Less: R&D exp - considered separately	(28.66)	(53.99)	(20.73)	(11.11)
Cost of materials consumed	**3,306.01**	**2,822.99**	**2,603.38**	**2,463.15**

24 Changes in inventories of finished goods and traded goods

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year				
Finished goods				
Closing stock	149.38	141.90	189.22	62.66
Opening stock	141.90	189.22	62.66	64.57
Sub total (A)	(7.48)	47.32	(126.56)	1.91
Work-in-progress				
Closing stock	244.39	212.73	203.63	143.61
Opening stock	212.73	203.64	143.61	95.12
Sub total (B)	(31.66)	(9.09)	(60.02)	(48.49)
Total Changes in Inventories	**(39.14)**	**38.23**	**(186.58)**	**(46.58)**

(All amounts are in INR Millions, unless otherwise stated)

25 EMPLOYEE BENEFITS EXPENSES

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and incentive	435.31	457.26	415.51	373.62
Contribution to provident fund	15.80	19.21	14.67	13.18
Gratuity contribution scheme (Refer note 36)	11.06	2.19	3.07	7.50
Staff welfare expenses	36.88	45.03	41.76	39.73
Less: Capitalized (R&D)	(46.39)	(64.70)	(50.70)	-
	452.66	**458.99**	**424.31**	**434.03**

26 DEPRECIATION AND AMORTIZATION EXPENSE

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant & equipment (Refer Note 3)	47.96	60.37	54.35	48.64
Amortization of Intangible Assets (Refer Note 3)	25.87	15.70	10.64	2.67
Depreciation of Right To Use Assets (Refer Note 34)	20.52	24.69	18.80	-
	94.35	**100.76**	**83.79**	**51.31**

27 FINANCE COSTS

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on borrowings	166.71	220.39	203.15	177.93
Interest to Vendors	5.89	6.94	2.08	-
Interest on others	0.11	8.03	19.40	1.97
Other borrowing costs	4.77	4.17	5.98	7.29
Interest on lease liabilities (Refer Note 34)	6.95	10.17	9.27	-
Less: Capitalized	-	(9.91)	(3.86)	-
	184.43	**239.79**	**236.02**	**187.19**

28 OTHER EXPENSES

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Amortisation of Prepaid Rent	1.10	1.19	0.86	0.24
Rent	2.01	4.12	8.16	28.31
Rates and taxes	7.71	12.10	24.93	14.92
Printing and stationery	2.63	4.64	4.38	4.80
Insurance	6.40	5.62	4.09	3.91
Discount Allowed	2.19	4.91	4.66	0.35
Donation	2.17	14.45	1.24	12.59
Power and fuel	28.86	30.03	28.10	30.25
Contract Labour	108.82	92.42	78.98	77.92
Consumption of stores and spares	110.08	93.40	79.58	72.57
Repairs and maintenance - Plant & Machinery	5.96	10.37	11.12	15.54
Repairs and maintenance - Buildings	3.38	3.52	2.30	7.98
Repairs and maintenance - Others	12.13	14.88	12.79	16.04
Security maintenance expenses	5.98	8.41	7.12	5.33
Research and Development Expenses	-	12.08	16.25	0.75
Legal and professional fees	18.04	19.28	17.73	17.24
Audit Fees	1.50	2.17	1.89	1.48
Commission Expenses	0.15	0.16	4.68	0.50
LD/Claim Settled	0.36	0.22	0.85	6.11
Bank charges	9.77	11.85	9.93	11.18
Communication expenses	3.57	5.85	7.36	5.37
Travelling and conveyance	13.70	14.85	29.60	31.00
Business Promotion	4.01	8.40	13.31	18.43
Freight and forwarding charges	57.90	75.67	22.45	15.60
CSR expenditure	-	2.92	3.11	2.98
Provision for ECL	8.88	26.29	11.33	24.61
Exchange Differences (Loss)	-	-	7.91	12.43
Loss on sale of tangible assets		-	8.54	0.47
Software Expense	-	-	2.64	1.29
Hire charges	2.03	-	-	-
Miscellaneous expenses	2.35	2.09	4.16	1.04
Less: Capitalized	-	(4.74)	(2.11)	-
	421.68	**477.15**	**427.94**	**441.23**

(All amounts are in INR Millions, unless otherwise stated)

29 Contingent Liabilities and Commitments

	Particulars	As at December 31, 2021 (Rs.)	As at March 31, 2021 (Rs.)	As at March 31, 2020 (Rs.)	As at March 31, 2019 (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	7.56	7.56	-
	Disputed Income Tax Demand - CPC Demand [refer note 29.3]	3.32	12.98	5.48	1.96
	Disputed Income Tax Demand - CPC demand [refer note 29.4]	4.00	4.48	-	
	Disputed Indirect taxes Demand (Refer note 29.5)	56.92	-	154.86	-
b)	Bank Guarantees for contractual performance	28.54	19.69	15.87	32.36
c)	Letter of Credit issued by bank	10.47	5.95	13.48	-
d)	Bond Executed for Customs/Central Excise. (Covered by Bank guarantee to the extent of Rs 5.5 Millions)	250.00	248.21	288.21	235.00
e)	On account of Bills Discounted with Banks set off against Trade Receivable	430.97	171.48	-	-
f)	Corporate Guarantee to Subsidiary Company	44.00	24.00	20.00	-
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.	21.39	33.03	30.19	51.03
(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 INR 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 INR 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.

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 (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

(All amounts are in INR Millions, unless otherwise stated)

[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
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 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)
Mr Venkata Ramana Mannapragada	Chief Financial Officer
Ms Narayanan Srividhya	Company Secretary

[B.] Transactions with KMPs

Transactions / Balances	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
[i] Purchase of Property				
Savitha Ramesh	-	-	13.63	-
[ii.] Remuneration and Commission:				
Mr. Ramesh Kunhikannan				
-Remuneration	8.64	14.55	6.82	14.32
Ms. Savitha Ramesh				
-Remuneration	7.04	14.55	6.82	14.32
Mr. Jairam Paravasthu Sampath	3.60	4.38	4.80	7.15
Mr. Satheesh Kumar Gopa Kumar	2.00	1.68	-	-
Ms. Premita Ramesh	2.20	1.60	1.95	2.40
Mr. Govind Shasiprasad Menokee	3.30	3.20	3.00	-
Mr. Sai Kamalesh	-	1.67	4.10	4.10
Mr. Manoj Rajnarain Pandey	6.60	8.61	-	-
Mr Venkata Ramana Mannapragada	0.87	-	-	-
Ms Narayanan Srividhya	0.47	0.70	0.70	0.70
Mr Rajesh Sharma	1.35	-	-	-
Reimbursement of expenses				
Mr. Sai Kamalesh	-	0.26	0.09	0.29
Mr. Manoj Rajnarain Pandey	0.10	0.09	-	-
Mr Venkata Ramana Mannapragada	0.00	-	-	-
Mr Rajesh Sharma	0.04	-	-	-
Ms Narayanan Srividhya	0.00	-	-	-
[iii.] Transaction in current account (net)				
Mr. Ramesh Kunhikannan	-	3.56	(3.37)	0.20
Ms. Savitha Ramesh	0.01	4.18	(6.24)	0.34

(All amounts are in INR Millions, unless otherwise stated)

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 December 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
[i.] Amount Receivable from/ Due to directors:				
Mr. Ramesh Kannan (Dr. Balance)	7.12	7.12	10.69	14.25
Ms. Savitha Ramesh (Dr. Balance)	8.34	8.36	12.54	16.72
Mr. Jairam P Sampath (Dr. Balance)	1.18	(0.11)	0.00	0.57
Mr. Govind Shasiprasad Menokee	0.08	-	-	-
Ms. Premita Ramesh (Dr. Balance)	1.13	-	-	-
[ii.] Salaries payable				
Mr. Ramesh Kunhikannan	0.79	0.27	0.65	0.32
Ms. Savitha Ramesh	0.55	0.38	0.33	0.38
Mr. Jairam Paravasthu Sampath	0.29	0.29	0.34	0.10
Mr. Satheesh Kumar Gopa Kumar	-	0.36	-	-
Mr. Manoj Rajnarain Pandey	0.50	0.50	-	-
Ms. Premita Ramesh	0.23	0.12	0.08	0.15
Mr. Govind Shasiprasad Menokee	0.35	0.22	0.24	-
Mr Rajesh Sharma	0.51	-	-	-
Mr Venkata Ramana Mannapragada	0.38	-	-	-
Ms Narayanan Srividhya	0.06	0.06	0.02	0.05
Mr. Sai Kamalesh	-	-	-	0.27
Mr. Sai Kamalesh-Advance	-	-		(0.12)

[D.] Transactions with Related Parties other than subsidiaries & Associates

Name of the related party	**Nature of the transaction**	**For the period ended December 31, 2021**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Kaynes Interconnection Systems India Private Limited					
	Sale of material	9.33	16.26	4.15	2.44
	Services Received	0.07	3.53	0.14	0.03
	Purchase of Material	18.89	16.51	10.21	8.17
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 December 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Kaynes Interconnection Systems India Private Limited					
	Loans and Advances	3.20	4.04	16.43	20.33
	Trade Payables	-	0.26	0.26	4.74

(All amounts are in INR Millions, unless otherwise stated)

Mysore ESDM Cluster					
	Investments	0.03	0.03	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 December 31, 2021 and years ended March 31, 2021, March 31, 2020 and March 31, 2019

Name of the related party	Nature of the transaction	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Kaynes International Design & Manufacturing Private Limited	Received towards Marketing, Distribution, Administration, Management & Other Support Services	-	45.49	24.88	-
	Sale of material	5.56	10.86	68.22	-
	Purchases	2.62	-	-	-
Kemsys Technologies Private Limited	Loans and Advances given to	48.23	64.68	-	10.74
	Loans and Advances repaid by	24.52	10.90	-	10.74
	Services Received from	3.73	5.50	-	0.01
	Interest on loan advanced	8.50	5.93	3.14	3.03
	Purchases	0.03	0.69	2.17	3.58
	Sale of material	8.89	10.66	6.94	5.23
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	9.24	17.11	13.13	(13.38)

[G.] The following are the details of the balances that were eliminated during the period ended December 31, 2021 and years ended March 31, 2021, March 31, 2020 and March 31, 2019

Name of the related party	Nature of the transaction	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Kaynes International Design & Manufacturing Private Limited	Loans and Advances received	66.81	28.70	9.88	27.16
	Investments	1.50	1.50	1.50	1.50
Kemsys Technologies Private Limited	Loans and Advances	143.86	107.09	47.83	45.00
	Investments	5.00	5.00	5.00	5.00
	Trade payable	-	1.13	-	-
	Trade receivable	-	22.98	14.28	4.77
	Advances towards supply of materials	-	-	9.74	-
Kaynes Embedded Systems Private Limited	Loans and Advances given	-	-	3.79	3.70
	Investments	3.00	3.00	3.00	3.00
Kaynes Technology Europe GMBH	Loans and Advances given	-	-	6.59	6.14
	Investments	9.24	9.24	9.24	9.24
	Trade payable	-	-	1.14	1.20

(All amounts are in INR Millions, unless otherwise stated)

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 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 period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Outside India	1,007.11	1,078.47	755.24	574.52
In India	3,670.64	3,127.79	2,927.14	3,067.79
	4,677.75	**4,206.26**	**3,682.38**	**3,642.31**

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)

32 Earnings per share (EPS)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Earnings				
Restated profit after tax for the year	218.23	97.33	93.55	97.28
Less: Profit attributable to the minority shareholders	(2.27)	(3.56)	1.20	(0.27)
Restated profit after tax for the year attributable to equity shareholders	**215.96**	**93.78**	**94.75**	**97.00**
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	68,00,002	67,99,992	67,99,992	67,99,992
Add : Shares Issued during the year/period	20	10	-	-
Add : Shares Issued during the year/period on conversion of CCPS	7,67,866	-	-	-
Add : Bonus Shares Issued during the year/period *	1,25,113	1,25,113	-	-
Number of Shares outstanding at the end of the year / period	76,93,001	69,25,115	67,99,992	67,99,992
Add : Post Bonus issue #	3,84,65,005	3,46,25,575	3,39,99,960	3,39,99,960
Number of Shares outstanding at the end of the year / period (Post bonus issue #)	**4,61,58,006**	**4,15,50,690**	**4,07,99,952**	**4,07,99,952**
Weighted average number of equity shares For calculating Basic EPS	4,16,34,474	4,12,08,813	4,07,99,952	4,07,99,952
Restated profit after tax for the year attributable to equity shareholders	215.96	93.78	94.75	97.00
Basic EPS (Rs. per share)	**5.19**	**2.28**	**2.32**	**2.38**
Diluted :				
Number of shares considered as basic weighted average shares outstanding	4,16,34,474	4,12,08,813	4,07,99,952	4,07,99,952
Add: Effect of diluted equity shares relating to CCPS issued during the year	46,73,516	24,87,511	-	-
Number of shares considered as diluted weighted average shares outstanding	4,63,07,990	4,36,96,324	4,07,99,952	4,07,99,952
No. of equity shares on conversion of preference shares		-	-	-
Total shares outstanding including dilution	4,63,07,990	4,36,96,324	4,07,99,952	4,07,99,952
Diluted EPS (Rs. per share)	4.66	2.15	2.32	2.38
Restated Earnings per equity share (Face Value INR 10/- per share)				
- Basic	5.19	2.28	2.32	2.38
- Diluted	4.66	2.15	2.32	2.38

* The Company has issued bonus shares during the period ended December 31, 2021. 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 December 31, 2021.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.

33 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 Group and its subsidiaries on a net basis. The Group has also assessed various scenarios and assumptions and based on the current estimates, the management of the Group expects that the carrying amount of these assets, as reflected in the balance sheet as at December 31, 2021, net of provisions made are fully recoverable and that no further provision is required.

Considering the present liquidity position of the group, its ability to raise funds if required and its order book position the management of the group 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.

34 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 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 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.

(All amounts are in INR Millions, unless otherwise stated)

Information about Leases Assets for which the Group is a lessee is presented below

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the period/year	78.58	86.40	68.64	-
Additions	8.40	16.88	36.55	-
Deletions	-	-	-	-
Depreciation*	(20.52)	(24.69)	(18.80)	-
Balance as at end of the period/year	66.46	78.58	86.40	-

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Restated Consolidated Statement of Profit and Loss.

The changes/movement in Lease Liabilities of the Group are as follows:

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the period/year	89.79	93.74	71.40	-
Additions	8.40	16.88	36.55	-
Deletions	-	-	-	-
Payment of lease liabilities	(26.22)	(31.01)	(23.48)	-
Accreditation of interest	6.95	10.17	9.27	-
Balance as at end of the period/year	78.92	89.79	93.74	-
Current Liabilities	22.31	25.43	3.57	-
Non-Current Liabilities	56.61	64.36	90.17	-
Total cash outflow for leases	26.22	31.01	23.48	-

The table below provides details regarding amounts recognised in the Restated Consolidated Statement of Profit and Loss:

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Expenses relating to short-term leases and/or leases of low-value items	2.01	4.12	8.16	-
Interest on lease liabilities	6.95	10.17	9.27	-
Depreciation expense	20.52	24.69	18.80	-
Total	29.48	38.99	36.23	-

Contractual maturities of lease liabilities on undiscounted basis

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Less than one year	29.89	34.54	31.02	-
One to five years	57.77	69.20	97.91	-
More than five years	13.73	12.07	18.53	-
	101.39	115.81	147.46	-

35 **Taxes**
(a) Income tax expense:
Components of Income Tax Expense

(i) Income tax recognised in Profit or Loss:

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Tax expense recognised in the Statement of Profit and Loss				
A. Net current tax expense	75.33	36.23	19.55	30.27
B. Deferred tax (credit)/charge	5.74	(24.84)	0.17	8.82
Net deferred tax	**5.74**	**(24.84)**	**0.17**	**8.82**
Total income tax expense recognised in statement of Profit & Loss	**81.07**	**11.39**	**19.72**	**39.09**

C. Tax recognised in Other Comprehensive Income:

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Origination and reversal of temporary differences - OCI	2.45	1.79	(3.22)	0.37
Total	**2.45**	**1.79**	**(3.22)**	**0.37**

Current tax assets / liabilities (net)

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
D. Advance tax (net of provision for tax)				
E. Provision for tax (net of advance payment of taxes)	86.18	16.45	7.85	7.32

Deferred tax assets / liabilities (net)

	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
F.Deferred tax asset	21.75	22.41	19.62	15.17
G.Deferred tax liability	(78.08)	(74.82)	(98.68)	(91.78)
Deferred tax Liability (net)	**(56.33)**	**(52.41)**	**(79.06)**	**(76.61)**

(All amounts are in INR Millions, unless otherwise stated)

H. Reconciliation of tax expense and the Accounting Profit

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit Before Tax	299.30	108.72	112.80	135.64
Enacted tax rate in India (B)	25.17%	29.12%	21.55%	21.55%
Expected tax expense using the Company's applicable rate	75.33	31.66	24.31	29.23
Deferred tax effect	5.74	(24.84)	0.17	8.82
Deferred tax effect on all amounts debited to other comprehensive income (OCI) in the stateme	2.45	1.79	(3.22)	0.37
Income tax expense recognised in statement of profit or loss	81.07	11.39	19.72	39.09

Note: The tax rate used for the period ended December 31, 2021 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.

(All amounts are in INR Millions, unless otherwise stated)

36 Employee benefit plans

[a.] Defined Contribution Plans

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Employers' contribution to Provident Fund	3.41	5.15	2.80	2.42
Employers' contribution to Employee State Insurance	3.21	3.99	3.98	4.60
Employers' contribution to Employee's Pension Scheme 1995	7.74	8.58	6.36	5.48

[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 period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate (per annum)	7.00%	7.00%	7.00%	7.00%
Expected return on plan assets	7.00%	7.00%	7.00%	7.00%
Salary escalation rate*	5.00%	5.00%	5.00%	5.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	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 period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of obligation at the beginning of the year	**37.64**	**31.02**	**31.38**	**24.42**
Current Service Cost	5.55	6.01	5.03	4.93
Past Service cost	-	-	-	-
Interest Cost	1.98	2.17	2.20	1.89
Actuarial (gain)/ loss	2.14	5.95	(7.00)	1.55
Benefits Paid	(3.75)	(7.51)	(0.59)	(1.41)
Present value of obligation at the end of the year	**43.55**	**37.64**	**31.02**	**31.38**

iii. Reconciliation of fair value of plan assets

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets at the beginning of the year	**6.07**	**7.51**	**7.60**	**8.39**
Actual return of plan assets	0.32	0.53	0.53	0.65
Actuarial gain/ (loss)	(0.32)	(0.05)	(0.02)	(0.03)
Contributions	1.24	5.59	-	-
Benefits paid	(3.75)	(7.51)	(0.59)	(1.41)
Assets distributed on settlement	-	-	-	-
Charges Deducted	-			
Fair value of plan assets at the end of the year	**3.55**	**6.07**	**7.51**	**7.60**

iv. Description of Plan Assets

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Insured Managed Funds(LIC India)	0.00	6.07	7.51	7.60

v. Net (Asset)/ Liability recognized in Restated consolidated statement of assets and liabilities

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of obligation at the end of the year	43.55	37.64	31.02	31.38
Fair value of plan assets at the end of the year	3.55	6.07	7.51	7.60
Net (asset)/ liability recognised in Restated consolidated statement of assets and liabilities	40.00	31.57	23.50	23.78

(All amounts are in INR Millions, unless otherwise stated)

vi) (Income)/ Expense recognized in Restated consolidated statement of profit and loss

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	5.55	6.01	5.03	4.93
Interest Cost	1.98	2.17	2.20	1.89
Expected return on plan assets	(0.32)	(0.53)	(0.53)	(0.65)
(Income)/ Expenses recognized in Restated consolidated statement of profit and loss	7.21	7.66	6.69	6.17

vii) Sensitivity analysis of the defined benefit obligation:

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact of the change in Discount Rate				
Present Value of Obligation at the end of the period	43.55	37.64	31.02	31.38
Impact due to increase of 1%	40.16	34.71	28.56	29.21
Impact due to decrease of 1%	47.56	41.08	33.88	33.90
Impact of the change in salary increase				
Present Value of Obligation at the end of the period	43.55	37.64	31.02	31.38
Impact due to increase of 1%	47.60	41.12	33.80	33.82
Impact due to decrease of 1%	40.07	34.64	28.59	29.25
Impact of the change in Withdrawal Rate				
Present Value of Obligation at the end of the period	43.55	37.64	31.02	31.38
Impact due to increase of 1%	44.02	38.06	31.32	31.59
Impact due to decrease of 1%	42.99	37.12	30.65	31.13

Sensitivities due to mortality is insignificant & hence ignored.

viii) Maturity profile of defined benefit obligation:

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Year 1	7.39	6.11	2.12	5.76
Year 2	1.71	1.66	1.30	1.51
Year 3	1.73	1.42	2.13	1.10
Year 4	1.61	1.61	1.64	1.65
Year 5	1.52	1.22	1.59	1.24
Years 6 to 10	29.59	25.62	22.25	20.12

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 period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(6.47)	(12.47)	(5.49)	(7.07)
Actuarial (gain)/loss - obligation	2.14	5.95	(7.00)	1.55
Actuarial (gain)/loss - plan assets	0.32	0.05	0.02	0.03
Total Actuarial (gain)/loss	2.46	6.00	(6.97)	1.58
Cumulative total actuarial (gain)/loss. C/F	(4.01)	(6.47)	(12.47)	(5.49)

<u>Compensated Absences- Unfunded obligation</u>

i. Actuarial Assumptions

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate (per annum)	7.00%	7.00%	7.00%	7.00%
Expected return on plan assets	NA	NA	NA	NA
Salary escalation rate*	5.00%	5.00%	5.00%	5.00%

ii. Reconciliation of Obligation

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of obligation at the beginning of the year	**5.64**	**4.54**	**5.01**	**4.21**
Current Service Cost	4.01	1.38	1.33	1.66
Past Service cost	-	-	-	-
Interest Cost	0.27	0.32	0.35	0.33
Actuarial (gain)/ loss	6.32	(0.60)	(2.19)	(1.19)
Benefits Paid	-	-	-	-
Present value of obligation at the end of the year	**16.24**	**5.64**	**4.50**	**5.01**

(All amounts are in INR Millions, unless otherwise stated)

iii. Reconciliation of fair value of plan assets

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of plan assets at the beginning of the year	-	-	-	-
Actual return of plan assets	-	-	-	-
Actuarial gain/ (loss)	6.32	(0.60)	(2.14)	(1.19)
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Assets distributed on settlement	-	-	-	-
Charges Deducted	-	-	-	-
Fair value of plan assets at the end of the year	**6.32**	**(0.60)**	**(2.14)**	**(1.19)**

iv. Description of Plan Assets

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Insured Managed Funds(LIC India)	-	-	-	-

v. Net (Asset)/ Liability recognized in Restated consolidated statement of assets and liabilities

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of obligation at the end of the year	16.24	5.64	4.50	5.01
Fair value of plan assets at the end of the year	-	-	-	-
Net (asset)/ liability recognised in Restated consolidated statement of assets and liabilities	16.24	5.64	4.50	5.01

vi) (Income)/ Expense recognized in Restated consolidated statement of profit and loss

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	4.01	1.38	1.37	1.66
Interest Cost	0.27	0.32	0.35	0.33
Actuarial (gain)/ loss recognized for the period	6.32	(0.60)	-	-
Expected return on plan assets	-	-	-	-
(Income)/ Expenses recognized in Restated consolidated statement of profit and loss	10.60	1.10	1.72	1.99

vii) Sensitivity analysis of the defined benefit obligation:

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact of the change in Discount Rate				
Present Value of Obligation at the end of the period	15.70	5.64	4.50	5.01
Impact due to increase of 1%	14.36	5.09	4.08	4.58
Impact due to decrease of 1%	17.29	6.30	5.00	5.51
Impact of the change in salary increase	-			
Present Value of Obligation at the end of the period	15.70	5.64	4.50	5.01
Impact due to increase of 1%	17.31	6.31	5.00	5.51
Impact due to decrease of 1%	14.32	5.08	4.07	4.57
Impact of the change in Withdrawal Rate	-			
Present Value of Obligation at the end of the period	15.70	5.64	4.50	5.01
Impact due to increase of 1%	15.97	5.76	4.58	5.08
Impact due to decrease of 1%	15.38	5.50	4.40	4.92

Sensitivities due to mortality is insignificant & hence ignored.

viii) Other comprehensive (income) / expenses (Remeasurement)

	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(9.38)	(8.79)	(6.60)	(5.41)
Actuarial (gain)/loss - obligation	6.32	(0.59)	(2.19)	(1.19)
Actuarial (gain)/loss - plan assets	-	-	-	-
Total Actuarial (gain)/loss	6.32	(0.59)	(2.19)	(1.19)
Cumulative total actuarial (gain)/loss. C/F	(3.06)	(9.38)	(8.79)	(6.60)

37 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 December 31, 2021 and March 31, 2021. For the financial years ended March 31, 2020 and March 31, 2019, 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 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 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 December 31, 2021		As at March 31, 2021	
		Foreign Currency	INR (Millions)	Foreign Currency	INR (Millions)
Financial assets					
Trade receivable	EURO	9,47,966	80.78	11,38,075	96.85
Trade receivable	GBP	5,36,972	53.60	5,36,972	53.60
Trade receivable	JPY			-	-
Trade receivable	CHF			1,39,843	10.88
Trade receivable	USD	21,40,303	156.22	22,25,571	162.45
Advance to suppliers	EURO	54,015	4.70	54,430	4.73
Advance to suppliers	GBP	1,39,266	14.25	1,39,266	14.25
Advance to suppliers	JPY	37,10,178	2.49	37,10,178	2.49
Advance to suppliers	USD	20,62,188	153.12	20,80,902	154.27
Financial Liabilities					
Trade payables	EURO	1,36,193	11.82	4,14,723	36.25
Trade payables	GBP	1,76,036	17.95	1,76,036	17.95
Trade payables	JPY	2,02,50,875	13.57	2,02,50,875	13.57
Trade payables	CHF			2,101	0.16
Trade payables	USD	63,39,764	469.19	68,52,827	507.20
Net Exposure in financial asset			(47.38)		(75.60)

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	INR(Millions)	Foreign Currency	INR(Millions)
Financial assets					
Trade receivable	EURO	6,13,408	46.76	10,73,936	82.35
Trade receivable	GBP	3,55,947	30.93	4,17,581	37.23
Trade receivable	JPY	-	-	9,10,940	0.57
Trade receivable	CHF	1,88,331	14.80	2,12,702	14.59
Trade receivable	USD	15,00,802	103.73	13,90,474	95.21
Advance to suppliers	EURO	6,41,180	53.09	1,00,000	7.67
Advance to suppliers	GBP	90,598	7.52	-	-
Advance to suppliers	JPY	1,29,11,617	9.01	-	-
Advance to suppliers	USD	11,84,323	88.82	-	-
Financial Liabilities					
Trade payables	EURO	2,94,032	24.53	4,52,785	35.46
Trade payables	GBP	1,02,941	8.54	9,63,973	88.03
Trade payables	JPY	15,74,212	1.10	-	-
Trade payables	CHF	3,105	0.24	2,631	0.18
Trade payables	USD	53,02,905	397.98	73,77,073	513.59
Net Exposure in financial asset			(77.71)		(399.65)

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.

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 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 December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	67.76	41.47	30.14	5.53
Provisions created	8.88	26.29	11.33	24.61
Adjustments	-	-	-	-
Closing at the end of the period / year	**76.64**	**67.76**	**41.47**	**30.14**

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.

(All amounts are in INR Millions, unless otherwise stated)

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of December 31, 2021:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,375.40	300.26	1,675.66
Trade Payables	1,302.10	-	1,302.10
Other financial liabilities	88.40	-	88.40
Lease liabilities	22.31	56.61	78.92
Total	**2,788.21**	**356.87**	**3,145.08**

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**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,260.92	295.46	1,556.38
Trade Payables	899.32	-	899.32
Other financial liabilities	52.32	-	52.32
Other financial liabilities	-	-	-
Total	**2,212.55**	**295.46**	**2,508.01**

38 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 December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Gross debt	1,675.66	1,394.67	1,438.27	1,556.38
Less: Cash and Cash equivalents	(162.13)	(30.50)	(7.43)	(8.35)
Net debt	**1,513.53**	**1,364.17**	**1,430.84**	**1,548.03**
Equity	1,819.47	1,375.78	1,026.98	927.43
Total capital	**1,819.47**	**1,375.78**	**1,026.98**	**927.43**
Gearing ratio	**83.19%**	**99.16%**	**139.33%**	**166.92%**

(All amounts are in INR Millions, unless otherwise stated)

39 Financial instruments: Fair values

	As at December 31, 2021				As at March 31, 2021				As at March 31, 2020				As at March 31, 2019			
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	**Total Carrying amount**	**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	-	10.83	-	10.83	-	10.83	-	10.83	-	10.83	-	10.83	-	10.83	-	10.83
Investments - Mutual Funds	4.35	-	-	4.35	6.06	-	-	6.06	5.14	-	-	5.14	10.53	-	-	10.53
At amortised cost:																
a) Trade receivables	-	-	1,563.74	1,563.74	-	-	1,217.48	1,217.48	-	-	936.49	936.49	-	-	1,229.61	1,229.61
b) Cash and cash equivalents	-	-	162.13	162.13	-	-	30.50	30.50	-	-	7.43	7.43	-	-	8.35	8.35
c) Bank balances other than cash and cash equivale	-	-	130.58	130.58	-	-	112.05	112.05	-	-	115.37	115.37	-	-	315.32	315.32
d) Loans and deposits	-	-	75.92	75.92	-	-	49.68	49.68	-	-	77.32	77.32	-	-	93.23	93.23
e) Other financial assets	-	-	30.63	30.63	-	-	15.02	15.02	-	-	19.75	19.75	-	-	12.41	12.41
Total Financial Assets	**4.35**	**10.83**	**1,963.00**	**1,978.18**	**6.06**	**10.83**	**1,424.73**	**1,441.62**	**5.14**	**10.83**	**1,156.36**	**1,172.33**	**10.53**	**10.83**	**1,658.92**	**1,680.28**
Financial liabilities																
At amortised cost:																
a) Borrowings (Long term)	-	-	300.26	300.26	-	-	170.86	170.86	-	-	97.96	97.96	-	-	295.46	295.46
b) Borrowings (Short term)	-	-	1,375.40	1,375.40	-	-	1,223.81	1,223.81	-	-	1,340.31	1,340.31	-	-	1,260.92	1,260.92
c) Trade payables	-	-	1,302.10	1,302.10	-	-	954.32	954.32	-	-	920.81	920.81	-	-	899.32	899.32
d) Other Financial Liabilities	-	-	88.40	88.40	-	-	65.90	65.90	-	-	59.89	59.89	-	-	52.32	52.32
e) Lease Liabilities			78.92	78.92			89.79	89.79			93.74	93.74				
Total Financial Liabilities	**-**	**-**	**3,145.08**	**3,145.08**	**-**	**-**	**2,504.68**	**2,504.68**	**-**	**-**	**2,512.71**	**2,512.71**	**-**	**-**	**2,508.02**	**2,508.02**

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.

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).

(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.

i. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at December 31, 2021:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at December 31, 2021	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	December 31, 2021	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, 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, 2017	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.

iv. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2019:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at March 31, 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	March 31, 2019	21.36	10.53	-	10.83

There are no transfers between levels 1 and 2 during the year.

41 First-time adoption of Ind AS

The restated consolidated statement of assets and liabilities of the Group as at December 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 December 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 period ended December 31, 2021, 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").

The information for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 included in this restated consolidated financial statements have been compiled from special purpose consolidated financial statements of respective years being prepared by the management in accordance with the Indian Accounting Standard (Ind AS) (the "Special Purpose Ind AS Consolidated Financial Statements") by making Ind AS adjustments to the audited consolidated financial statements of the Company as at and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with previous GAAP. For the purpose of Special Purpose Ind AS Consolidated Financial Statements for the years ended March 31, 2020 and 31 March 2019, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2020. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Special Purpose Ind AS Consolidated Financial Statements as of and for the years ended March 31, 2020 and March 31, 2019 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April 2020).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2018 and the financial statements as at and for the year ended April 01, 2018.

In addition to the adjustments carried herein, the Group has also made material restatement adjustments in accordance with SEBI Circular and Guidance Note (refer Annexure VII). Together these constitute the restated consolidated financial information.

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, March 31, 2020 and March 31, 2019, 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 (April 01, 2020) 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.

42 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 Restated Consolidated Financial Information is required to be disclosed.

43 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 December 31, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities		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	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	101.60%	1,048.97	100.16%	935.53
B.Indian Subsidiaries								
Kaynes International Design and Manufacturing Private Limited	3.62%	66.42	2.94%	40.98	0.76%	7.84	0.03%	0.31
Kemsys Technologies Private Limited	(4.58%)	(83.98)	(3.25%)	(45.38)	(2.50%)	(25.84)	(2.79%)	(26.08)
Kanyes Embedded Systems Private Limited	-	-	-	-	-	-	0.51%	4.78
C. Foreign Subsidiary								
Kaynes Technology Europe GmbH	1.10%	20.11	1.28%	17.88	1.08%	11.19	1.28%	11.93
D.Consolidated adjustments	(2.52%)	(46.30)	(1.39%)	(19.42)	(0.94%)	(9.66)	0.81%	7.58
	100.00%	**1,834.60**	**100.00%**	**1,395.63**	**100.00%**	**1,032.49**	**100.00%**	**934.04**

Name of the entity in the Group	For the period ended December 31, 2021		For the year ended March 31, 2021		For the year ended March 31, 2020		For the year ended March 31, 2019	
	Share in Profit/(Loss)		Share in Profit/(Loss)		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	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	110.82%	113.45	95.69%	92.52
B.Indian Subsidiaries								
Kaynes International Design and Manufacturing Private Limited	12.20%	25.45	36.99%	33.14	7.28%	7.45	(1.23%)	(1.19)
Kemsys Technologies Private Limited	(18.40%)	(38.40)	(21.81%)	(19.54)	0.23%	0.23	5.06%	4.89
Kanyes Embedded Systems Private Limited	-		-	-	-	-	(0.03%)	(0.03)
C. Foreign Subsidiary								
Kaynes Technology Europe GmbH	2.98%	6.22	5.65%	5.06	(0.73%)	(0.74)	0.67%	0.65
D.Consolidated adjustments	(16.23%)	(33.87)	(13.05%)	(11.69)	(17.61%)	(18.02)	(0.15%)	(0.15)
	100.00%	**208.67**	**100.00%**	**89.57**	**100.00%**	**102.37**	**100.00%**	**96.69**

(All amounts are in INR Millions, unless otherwise stated)

44 Ratios as per Schedule III Requirements

a) Current Ratio = Current Assets divided by Current Liabilities

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current Assets	4,295.08	3,191.95	2,904.53	3,002.73
Current Liabilities	3,131.32	2,478.40	2,454.35	2,303.50
Ratio	**1.37**	**1.29**	**1.18**	**1.30**
% Change from previous period/year	6.50	8.83	(9.22)	

Reason for change more than 25%- No variance>25%

b) Debt Equity Ratio = Total Debt divided by total equity

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Debt	1,675.66	1,394.67	1,438.27	1,556.38
Total Equity	1,834.58	1,395.63	1,032.47	934.05
Less : Non-controlling Interest	(11.32)	(9.05)	(5.49)	(6.62)
Less: Non free reserves	(7.20)	(21.48)	(69.40)	(81.13)
Equity attributable to the owners of the company	**1,816.06**	**1365.1**	**957.58**	**846.3**
Ratio	**0.92**	**1.02**	**1.50**	**1.84**
% Change from previous period/year	(9.69)	(31.98)	(18.33)	

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 December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Restated profit before tax	299.30	108.72	112.80	135.64
Add: Depreciation	94.35	100.76	83.79	51.31
Add: Finance Cost	184.43	239.79	236.02	187.19
Adjusted Profit	**578.08**	**449.27**	**432.61**	**374.14**
Interest cost on borrowings	166.71	220.39	203.15	177.93
Principal repayments	194.31	236.55	228.03	131.32
Total of Interest and Principal repayments	**361.02**	**456.94**	**431.18**	**309.25**
DSCR	**1.60**	**0.98**	**1.00**	**1.21**
% Change from previous period/year	62.86	(2.00)	(17.07)	

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

d) Return on Equity Ratio = Profit after Tax divided by Equity

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Restated profit after tax	218.23	97.33	93.55	97.28
Less : Share of Profit /(Loss) of minority interest	(2.27)	(3.56)	1.20	(0.27)
Restated Consolidated Net Profit after tax, for the year/period attributable to equity shareholders	**215.96**	**93.78**	**94.75**	**97.00**
Total Equity	1,834.58	1,395.63	1,032.47	934.05
Less : Non-controlling Interest	(11.32)	(9.05)	(5.49)	(6.62)
Less: Non free reserves	(7.20)	(21.48)	(69.40)	(81.13)
Equity attributable to the owners of the company	**1,816.06**	**1,365.10**	**957.58**	**846.30**
Average Shareholder's equity *	1,590.58	1,161.34	901.94	846.30
Ratio	**13.58**	**8.08**	**10.51**	**11.46**
% Change from previous period/year	68.14	(23.14)	(8.35)	

Reason for change more than 25%- no variation > 25%
* For March 31, 2019 closing balance has been considered instead of average balance as Ind AS opening balance as on April 01,2019 not available.

e) Trade Receivables Turnover Ratio = Credit Sales divided by Closing Trade Receivables

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Revenue from Operations	4,677.75	4,206.27	3,682.38	3,642.31
Average Trade Receivables *	1,390.61	1,076.99	1,083.05	1,229.61
Ratio	**3.36**	**3.91**	**3.40**	**2.96**
% Change from previous period/year	(13.87)	14.87	14.78	

Reason for change more than 25%-
The improvement in the ratio for March 31 2020 is due to better collections
The deterioration in the ratio in December 2021 is due to delayed payments due to Covid-19
* For March 31, 2019 closing balance has been considered instead of average balance as Ind AS opening balance as on April 01,2019 not available.

Kaynes Technology India Limited (Formerly Kaynes Technology India Private Limited)
CIN:U29128KA2008PLC045825
Notes to Restated Consolidated Financial Statements
(All amounts are in INR Millions, unless otherwise stated)

f) Trade Payables Turnover Ratio = Credit Purchases divided by closing trade payables

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Credit Purchases	3,836.49	3,030.51	2,731.29	2,756.35
Average Trade payables *	1,128.21	937.57	910.07	899.32
Ratio	**3.40**	**3.23**	**3.00**	**3.06**
% Change from previous period/year	5.20	7.70	(2.08)	

Reason for change more than 25%- none
The deterioration in the ratio during December 2021 is due to the impact of Covid-19 on cash flow management
* For March 31, 2019 closing balance has been considered instead of average balance as Ind AS opening balance as on April 01,2019 not available.

g) Inventory Turnover Ratio = Revenue from operations divided by Closing Inventory

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Revenue from Operations	4,677.75	4,206.27	3,682.38	3,642.31
Average Inventory *	1,904.95	1,574.88	1,364.46	1,217.82
Ratio	**2.46**	**2.67**	**2.70**	**2.99**
% Change from previous period/year	(8.06)	(1.03)	(9.77)	

Reason for change more than 25%-
The improvement in the ratio for March 31 2020 is due to better collections
The deterioration in the ratio in December 2021 is due to delayed payments due to Covid-19
* For March 31, 2019 closing balance has been considered instead of average balance as Ind AS opening balance as on April 01,2019 not available.

h) Net Capital Turnover ratio= Sales divided by net working capital

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Revenue from Operations	4,677.75	4,206.27	3,682.38	3,642.31
Average working capital	938.66	581.87	574.71	699.23
Ratio	**4.98**	**7.23**	**6.41**	**5.21**
% Change from previous period/year	(31.06)	12.82	23.01	

Reason for change more than 25%
The improvement in the ratio for the year ended March 31, 2020 is due to reduction in the Net working Capital utilised. The deterioration in the ratio for the period ended March 31, 2021 and December 31, 2021 is due to increase in net working capital due to the impact of Covid-19.

i) Profit Ratio = Restated profit after tax divided by Revenue from Operations

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Restated profit after tax	218.23	97.33	93.55	97.28
Revenue from Operations	4,677.75	4,206.27	3,682.38	3,642.31
Ratio	**4.67**	**2.31**	**2.54**	**2.67**
% change from previous period/year	101.61	(8.92)	(4.87)	

Reason for change more than 25%-
The improvement in the ratio for the period ended December 31, 2021 is due to the increase in profits despite Revenue from Operations being stable

j) Return on Capital Employed= Adjusted EBIT / Total Capital Employed

	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Restated profit before tax	299.30	108.72	112.80	135.64
Add: Finance Costs	184.43	239.79	236.02	187.19
EBIT	**483.73**	**348.51**	**348.82**	**322.83**
Tangible Net worth	1,587.69	1,192.70	980.59	937.70
Non Current Borrowings	300.26	170.86	97.96	295.46
Short Term Borrowings	1,375.40	1,223.81	1,340.31	1,260.92
Total	**3,263.35**	**2,587.37**	**2,418.86**	**2,494.08**
ROCE	**14.82**	**13.47**	**14.42**	**12.94**
% change from previous period/year	10.05	(6.60)	11.41	

Reason for change more than 25%-

The deterioration in the ratio for the year ended March 31, 2021 and the period ended December 31, 2021 is due to increase in finance costs in comparison with equity.

(All amounts are in INR Millions, unless otherwise stated)

45 Corporate social responsibility expenses:

Particulars	For the period ended 31 December, 2021	For the year ended 31 March, 2021	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Amount required to be spent by the Group during the year / period.	2.38	3.32	3.04	2.71
Amount of expenditure incurred.	-	2.92	3.11	2.98
Shortfall at the end of the year / period.	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 December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Principal amount due to micro & small enterprises	65.23	63.41	51.78	6.18
Interest due on above	2.35	2.92	1.12	0.49
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	-	-	-	-
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 the board of directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Mohan R Lavi
Partner
Membership No.029340
Place: Bengaluru

Date: April 04, 2022

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramana Manapragada
Chief Financial Officer

N Srividhya
Company Secretary
Membership No. A26168

Place: Mysuru
Date: April 04, 2022

(All amounts are in Indian Rupees unless otherwise stated)

B. 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.

B.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	As at March 31, 2019
Total Equity (shareholders funds) as per previous GAAP		1,411.25	1,043.78	930.98
Adjustments:				
Security Deposits		(0.26)	(0.18)	(0.06)
Leases	C.1	(11.20)	(7.34)	-
Fair valuation of investment in mutual funds		2.32	1.40	1.33
Allowance for expected credit loss	C.2	(22.76)	(13.40)	(6.92)
Tax adjustments	C.4	8.20	3.73	2.10
Total Adjustments		(23.70)	(15.80)	(3.56)
		(7.90)	(12.24)	
Total Equity as per Restated Ind AS		1,387.55	1,027.98	927.43

B.2 Reconciliation of total comprehensive income between previous GAAP and Ind AS

	Notes to first time adoption	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Profit After Tax as per previous GAAP		97.47	112.80	96.62
Adjustments:				
Security Deposits		(0.08)	(0.12)	(0.04)
Leases	C.1	(3.86)	(4.59)	-
Fair valuation of investment in mutual funds		0.92	0.07	1.33
Allowance for expected credit loss	C.2	(9.35)	(6.48)	(1.39)
Tax adjustments	C.4	4.47	0.68	0.17
Net profit under Ind AS		89.57	102.36	96.69
		89.57	102.37	96.69
		(0.00)	(0.00)	0.00
Total Comprehensive Income for the Year				

B.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.

C. Notes to First Time Adoption:

C.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.

C.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.

C.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.

C.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.

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at period / year ended			
	December 31, 2021*	March 31, 2021	March 31, 2020	March 31, 2019
Basic earnings per share (in ₹)	5.19	2.28	2.32	2.38
Diluted earnings per share (in ₹)	4.66	2.15	2.32	2.38
Return on net worth (%)	11.89%	6.87%	9.90%	11.46%
Net asset value per share (in ₹)	35.33	29.57	23.47	20.74
EBITDA (in ₹ million)	536.54	408.91	413.33	350.48

**Not annualised*

Notes

(i) *Basic EPS =* $\dfrac{\text{Restated Consolidated Net Profit after tax, for the year/period attributable to equity shareholders (considering and Bonus Issue)}}{\text{Weighted average number of equity shares outstanding during the year/ period (considering and Bonus Issue)}}$

(ii) *Diluted EPS =* $\dfrac{\text{Restated consolidated Net Profit after tax for the year / period attributable to equity shareholders (considering conversion of CCPS and Bonus Issue)}}{\text{Weighted average number of diluted equity shares and potential equity shares outstanding during the year / period attributable to equity shareholders (considering conversion of CCPS and Bonus Issue)}}$

(iii) *Return on Net Worth (%) =* $\dfrac{\text{Restated Net profit after tax for the year/period, attributable to the equity shareholders of the Company (considering conversion of CCPS and Bonus Issue)}}{\text{Restated Net-worth, for the year/ period end, attributable to the equity shareholders of the Company (considering conversion of CCPS and Bonus Issue)}}$

- *"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.*
- *The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company*

For details in relation to the reconciliation of return on restated net worth, see "Other Financial Information" on page 312.

(iv) *Net Asset Value per share =* $\dfrac{\text{Restated Net Asset (Net-worth) at the end of the year/ period}}{\text{Number of equity shares outstanding (considering conversion of CCPS and Bonus issue) at the end of the year/period}}$

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

Pursuant to a resolution of our Shareholders dated February 21, 2022, our Company has issued and allotted 38,465,005 bonus Equity Shares in the ratio of 5 fully paid-up bonus share of the face value of ₹.10 each for every existing 1 fully paid-up Equity Share of the face value of Rs.10 each held by the Shareholders as on February 21, 2022. All per share data has been calculated after giving effect to such bonus issue in accordance with principles of Ind AS 33 "Earning per Share". As per the Shareholder's Agreements dated October 22, 2021 and December 24, 2021 the CCPS holder is entitled to anti-dilution rights and accordingly the CCPS holder shall be entitled to 641,490 Equity Shares of the face value of ₹ 10 each.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 (collectively, the "Audited Financial Statements") are available at https://kaynestechnology.co.in/investors. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider for subscription to purchase of any securities of our Company, or any entity in which it or its shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor any BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Indian Accounting Standards i.e. Ind AS 24 '*Related Party Transactions*' for the nine months ended December 31, 2021 and the years ended March 31, 2021, March 31, 2020, and March 31, 2019 as reported in the Restated Consolidated Financial Statements, see "*Financial Statements – Annexure VI- Note 30- Related Party Disclosures*" on page 287.

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

The following discussion of our financial condition and results of operations should be read in conjunction with our Financial Statements on page 242. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 and the nine months ended December 31, 2021 included herein is derived from the Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Statements" on page 242.

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 industry publications, in particular, the report titled "Assessment of Electronics System Design & Manufacturing, Skill Development (ESDM) In India" dated April 13, 2022 (the "F&S Report"), prepared and issued by Frost & Sullivan (India) Private Limited appointed on November 16, 2021, and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company at https://kaynestechnology.co.in/investors. 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 Draft Red Herring Prospectus 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 50. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 17.

OVERVIEW

We are a leading end-to-end and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of ESDM services (*Source: F&S Report*). We have over three decades of experience in providing conceptual design, process engineering, integrated manufacturing and life-cycle support for major players in the automotive, industrial, aerospace and defence, outer-space, nuclear, medical, railways, IoT, IT and other segments. Our manufacturing infrastructure enables us to undertake a high-mix and high-value addition of products across industry verticals with the ability to produce such products at variable or flexible volumes. We are among the leading companies in the ESDM space to offer optimised product realization solutions to customers in flexible volumes and higher complexity products across industry verticals (*Source: F&S Report*).

We were among the first companies in India to offer design-led electronics manufacturing to original equipment manufacturers ("OEMs") using our mature embedded design capabilities (*Source: F&S Report*). Over the years, we have gained technological expertise and evolved from an electronics manufacturing services provider into a design-led manufacturer providing value-add electronics manufacturing services and ODM solutions in the fields of smart devices, IoT solutions, brushless drive technology, and Gallium Nitride technology (*Source: F&S Report*). We continue to place emphasis on integrating our services to serve as an end-to-end ESDM provider. We believe that our foundation, including standardisation of processes, processes incorporated at our manufacturing facilities, and continuous improvement across our key performance indicators will foster customer loyalty and generate repeat business.

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

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 – PCBAs: 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, BLDC technology, inverter technology, gallium nitride based charging technology and providing IoT solutions for making smart consumer appliances or devices IoT connected.

Product 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 service segments for the periods indicated:

Services	**Fiscal**						**Nine months ended December 31, 2021**	
	2019		**2020**		**2021**			
	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	1,283.65	35.24%	942.07	25.58%	1,276.25	30.34%	1,360.10	29.08%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	1,905.00	52.30%	2,290.02	62.19%	2,509.07	59.65%	2,962.75	63.34%
ODM	141.62	3.89%	76.18	2.07%	184.21	4.38%	174.93	3.74%
Product Engineering and IoT solutions	312.04	8.57%	374.11	10.16%	236.74	5.63%	179.97	3.84%
Total	**3,642.31**	**100.00%**	**3,682.38**	**100.00%**	**4,206.27**	**100.00%**	**4,677.75**	**100.00%**

We operate eight strategically located manufacturing facilities across India in the states of Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, and Uttarakhand. 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 that offers incentives similar to a special economic zone. As of December 31, 2021, we had a combined capacity to assemble over 600 million components for the period and have an exclusive line for 'Green Manufacturing' that is compliant with Directive 2002/95/EC RoHS. As of December 31, 2021, our manufacturing infrastructure also includes one design facility and two service centres.

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 Mysore, Karnataka. 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 December 31, 2021, our research and development team comprised 24 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 10 global accreditations, making us the most certified ESDM company in India (*Source: F&S Report*). 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, IRIS (ISO/TS 22613) for railway signalling, IATF 16949 for automotive, and ISO:13485 for medical systems. We are the first company in the ESDM industry to be NADCAP accredited for aerospace products and are among the few Indian companies to maintain this accreditation (*Source: F&S Report*).

We have long-term relationships with a large customer base diversified across verticals and geographies. In the nine months ended December 31, 2021, we served 313 customers in 20 countries globally and multiple industry verticals such as automotive, aerospace and defence, industrial, railways, medical and IT / ITES. Of the customers contributing 80.00% of our revenue from operations in the nine months ended December 31, 2021, 44.83% of our customers (by value) have been associated with us for over seven years and accounted for 38.40%, 33.02%, 34.86% and 33.32%, respectively, of our revenue from operations in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021. 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 33 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 a 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 as of the dates and for the periods indicated:

Particulars	**As of and for the year ended March 31,**			**As of and for the nine months ended December 31, 2021**
	2019	**2020**	**2021**	
	(₹ million, except percentages)			
Revenue from Operations	3,642.31	3,682.38	4,206.27	4,677.75
Gross Margins(1)	33.65%	34.37%	31.98%	30.16%
EBITDA(2)	350.48	413.33	408.91	536.54
EBITDA Margin(3)	9.62%	11.22%	9.72%	11.47%
Restated Profit After Tax	97.28	93.55	97.33	218.23
Restated Profit After Tax Margin(4)	2.67%	2.54%	2.31%	4.67%
Return on Equity (“ROE”)(5)	11.46%	10.51%	8.08%	13.58%*
Return on Capital Employed (“ROCE”)(6)	12.94%	14.42%	13.47%	14.82%*

Particulars	As of and for the year ended March 31,			As of and for the nine months ended December 31, 2021
	2019	2020	2021	
	(₹ million, except percentages)			
Net Worth(7)	846.30	957.58	1,365.10	1,816.06
Asset Turnover Ratio(8)	4.51	4.02	3.68	3.88*
Net Working Capital Days(9)	126	121	117	150*
Debt to Equity Ratio(10)	1.84	1.50	1.02	0.92

Notes:
* *Not annualized*

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

(5) *ROE is calculated as restated 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 restated 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 borrowings.*

Our EBITDA margin was the highest among Key ESDM Companies in India in Fiscal 2021 while our Return on Capital Employed was the second highest among Key ESDM Companies in India in Fiscal 2021 (*Source: F&S Report*).

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 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 in the nine months ended December 31, 2021, 44.83% of our customers (by value) have been associated with us for over seven years and accounted for 38.40%, 33.02%, 34.86% and 33.32%, respectively, of our revenue from operations in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021. 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. 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. Our cost of materials consumed constituted a significant component of our expenditure and in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, was ₹ 2,463.15 million, ₹ 2,603.38 million, ₹ 2,822.99 million and ₹ 3,306.01 million, respectively, and constituted 69.77%, 72.54%, 68.22% and 74.80%, respectively, of our total expenses. 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.

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 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 strong 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.

Foreign currency fluctuation

Products manufactured by that were sold domestically accounted for 84.23%, 79.49%, 74.36% and 78.47% of our revenue from operations in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, 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 USD) and the Rupee. Foreign exchange gain (net) during in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021 amounted was nil, nil, ₹ 13.64 million, ₹ 32.42 million and represented nil, nil, 0.32% and 0.69% 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.

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.

Impact of COVID-19 pandemic

The COVID-19 pandemic and the preventative or protective actions that governments around the world have taken to counter the effects of the pandemic have resulted in an extended period of business disruption and a decrease in economic activity in several countries, including in India. In order to contain the spread of the COVID-19 pandemic, the Government of India along with State Governments declared a lockdown of the country in March 2020, including severe travel and transport restriction and a directive to all citizens to shelter in place. The lockdown has since been extended several times with gradual relaxations of the restrictions conducted through phases. As a result, the current COVID-19 pandemic has adversely affected workforces, consumer sentiment, economies and financial markets around the world and has led to uncertainty in the global economy and significant volatility in global financial markets.

Our business operations suffered certain temporarily disruptions due to COVID-19 related lockdowns. Due to COVID-19 restrictions, all of our manufacturing facilities were closed from March 23, 2020 to April 18, 2020, following which we continued to operate at less than our 50% of our capacity and majority of the employees were diverted for the manufacturing of ventilators pursuant to a significant order received by the Government of India by a certain customer. Post-COVID-19 easing of restrictions, labour were not available due to the absence of public transportation and the travel restrictions, had slow down our operations, however, gradually labour availability was normalised. For further information, see "*Risk Factors –The current and continuing impact of the COVID-19 pandemic on our business and operations, including its impact on the ability or desire of customers to outsource manufacturing of their products, may have an* *adverse effect on our business, results of operations, financial condition and cash flows*” on page 34.

While it remains possible that sustained or deepened impact on consumer demand resulting from COVID-19 or the related economic recession could negatively impact our performance, we believe that we were well positioned to overcome the adverse impact of pandemic. Events beyond our control may unfold in the future, which makes it difficult for us to predict the extent to which the COVID-19 pandemic will impact our Company's operations and results. We continue to closely monitor the effect that COVID-19 may have on our business and results of operations.

PRESENTATION OF FINANCIAL INFORMATION

Our Restated Consolidated Financial Statements have been compiled from our audited consolidated financial statements as at and for the years ended March 31, 2019, 2020 and 2021, and the nine months ended December 31, 2021, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

NON-GAAP MEASURES

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

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, 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, Indian GAAP, 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			Nine months ended December 31, 2021
	2019	2020	2021	
	(₹ million)			
Profit before tax	**135.64**	**112.80**	**108.72**	**299.30**
Adjustments:				
Add: Finance Costs	187.19	236.02	239.79	184.43
Add: Depreciation and Amortization expense	51.31	83.79	100.76	94.35
Less: Other Income	12.25	7.31	29.74	33.40
Less: Finance Income	11.41	11.97	10.62	8.14
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (A)	**350.48**	**413.33**	**408.91**	**536.54**
Revenue from Operations (B)	**3,642.31**	**3,682.38**	**4,206.27**	**4,677.75**
EBITDA Margin (EBITDA as a percentage of revenue from operations) (A/B)	**9.62%**	**11.22%**	**9.72%**	**11.47%**

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

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

Revenue from Operations

Revenue from operations comprise (i) sale of goods (net); and (ii) sale of services (net).

Finance Income

Finance income comprise of interest income, mainly (i) interest received on deposits with banks; and (ii) interest received on advances with others and security deposits.

Other Income

Other income includes (i) profit on sale of investment; (ii) profit on sale of property, plant and equipment (net); (iii) liabilities no longer required, written back; (iv) provision of diminution of value of investments; (v) export incentives; (vi) rent received; (vii) government grants; (viii) other non-operating income; and (ix) 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; and (iv) staff welfare expenses, less capitalized.

As of December 31, 2021, we had 1,613 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 amortisation 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) intereston 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 accomodation; (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 advertisment, stalls in product exhibitions; (xiv) commission expenses, incurred towards affiliates in international markets; (xv) bank charges, incurred towards export and import remitances 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 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.

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 Restated Consolidated 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 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 / period ended December 31.

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 Restated Consolidated 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 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.

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 Restated Consolidated Financial Statements

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %			
			December 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Kaynes Technology India Private 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

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).

<u>*Contract Liability*</u>

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 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:

- 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.

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;

- 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
Plant and Equipment	15
Furniture and Fittings	10
Office Equipments	5
Electrical Fittings	10

Asset Category	Management Estimate of Useful Life and Useful Life as per Schedule II
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 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.

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 Fiscal 2019, 2020 and 2021 and for the nine months ended December 31, 2021:

Particulars	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income
Revenue								
Revenue from operations	3,642.31	99.35%	3,682.38	99.48%	4,206.27	99.05%	4,677.75	99.12%
Finance Income	11.41	0.31%	11.97	0.32%	10.62	0.25%	8.14	0.17%
Other income	12.25	0.34%	7.31	0.20%	29.74	0.70%	33.40	0.71%
Total Income	**3,665.97**	**100.00%**	**3,701.66**	**100.00%**	**4,246.63**	**100.00%**	**4,719.29**	**100.00%**
Expenses								
Cost of materials consumed	2,463.15	67.19%	2,603.38	70.33%	2,822.99	66.48%	3,306.01	70.05%
Changes in inventories of finished goods and traded goods	(46.58)	(1.27)%	(186.58)	(5.04)%	38.23	0.90%	(39.14)	(0.83)%

Particulars	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income
Employee benefits expense	434.03	11.84%	424.31	11.46%	458.99	10.81%	452.66	9.59%
Depreciation and amortization expense	51.31	1.40%	83.79	2.26%	100.76	2.37%	94.35	2.00%
Finance cost	187.19	5.11%	236.02	6.38%	239.79	5.65%	184.43	3.91%
Other expenses	441.23	12.04%	427.94	11.56%	477.15	11.24%	421.68	8.94%
Total expenses	**3,530.33**	**96.30%**	**3,588.86**	**96.95%**	**4,137.91**	**97.44%**	**4,419.99**	**93.66%**
Profit before tax	**135.64**	**3.70%**	**112.80**	**3.05%**	**108.72**	**2.56%**	**299.30**	**6.34%**
Tax expense								
Income taxes								
– Current tax	30.27	0.83%	19.55	0.53%	36.23	0.85%	75.34	1.60%
– Adjustment of tax relating to earlier periods	(0.73)	(0.02%)	(0.47)	(0.01%)	-	-	-	-
MAT credit	-	-	-	-	-	-	-	-
Deferred tax charge / (benefit)	8.82	0.24%	0.17	0.00%	(24.84)	(0.59%)	5.74	0.12%
Profit for the year / period	**97.28**	**2.65%**	**93.55**	**2.53%**	**97.33**	**2.29%**	**218.23**	**4.62%**
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Remeasurement (loss) on defined benefit plans	(0.39)	-0.01%	9.16	0.25%	(5.41)	(0.13%)	(8.79)	(0.19)%
Exchange differences in translating financial statements of foreign operations	(0.94)	-0.03%	0.06	0.00%	(1.70)	(0.04)%	(0.95)	(0.02)%
Income tax effect	0.37	0.01%	(3.22)	(0.09)%	1.79	0.04%	2.45	0.05%
Other comprehensive income for the year / period , net of tax								
Total comprehensive income for the year / period, net of tax	96.32	2.63%	99.56	2.69%	92.02	2.17%	210.94	4.47%
Less: Share of profit/(Loss) of	0.27	0.01%	(1.20)	-0.03%	3.56	0.08%	2.27	0.05%

Particulars	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income	(₹ million)	Percentage of Total Income
minority interest								
Total comprehensive income for the year / period, net of tax	96.05	2.62%	100.75	2.72%	88.45	2.08%	208.67	4.42%

NINE MONTHS ENDED DECEMBER 31, 2021

Income

Total income was ₹ 4,719.29 million in the nine months ended December 31, 2021.

Revenue from Operations

Revenue from operations was ₹ 4,677.75 million in the nine months ended December 31, 2021.

- Sale of goods (net) was ₹ 4,499.50 million; and
- Sale of services (net) was ₹ 178.25 million.

Finance Income

Finance income was ₹ 8.14 million in the nine months ended December 31, 2021, consisting of interest received on deposits with banks of ₹ 6.82 million, gain against fair valuation of mutual funds of ₹ 0.25 million, interest on security deposit of ₹ 1.06 million and interest on income tax refund of ₹ 0.01 million.

Other Income

Other income was ₹ 33.40 million in the nine months ended December 31, 2021, consisting of export incentives of ₹ 0.23 million, other non-operating income of ₹ 0.60 million, and exchange differences of ₹ 32.42 million, profit on sale of property, plant and equipment (net) of ₹ 0.06 million, and liabilities no longer required, written back of ₹ 0.08 million.

Expenses

Total expenses were ₹ 4,419.99 million in the nine months ended December 31, 2021.

Cost of Materials Consumed

Cost of materials consumed was ₹ 3,306.01 million in the nine months ended December 31, 2021, consisting of inventory at the beginning of the year of ₹ 1,208.90 million, and purchases of ₹ 3,836.49 million, less inventory at the end of the year of ₹ 1,710.71 million, less research and development expenses considered separately of ₹ 28.66 million.

Changes in Inventories of Finished Goods and Traded Goods

Changes in inventories of finished goods was ₹ (39.14) million in the nine months ended December 31, 2021, consisting of finished goods of ₹ (7.48) million (i.e., closing stock of ₹ 149.38 million and opening stock of ₹ 141.90 million), and work-in-progress of ₹ (31.66) million (i.e., closing stock of ₹ 244.39 million and opening stock of ₹ 212.73 million).

Employee Benefits Expenses

Employee benefit expenses were ₹ 452.66 million in the nine months ended December 31, 2021. Salaries and incentive was ₹ 435.31 million in the nine months ended December 31, 2021. Consequently, contribution to provident fund was ₹ 15.80 million in the nine months ended December 31, 2021. Gratuity contribution scheme and staff welfare expenses were ₹ 11.06 million and ₹ 36.88 million in the nine months ended December 31, 2021, respectively, less capitalised research and development expenses of ₹ 46.39 million.

Depreciation and Amortization Expense

Depreciation and amortization expenses were ₹ 94.35 million in the nine months ended December 31, 2021. Depreciation of property, plant and equipment was ₹ 47.96 million in the nine months ended December 31, 2021; amortisation of intangible assets was ₹ 25.87 million in the nine months ended December 31, 2021; and depreciation of right to use assets of ₹ 20.52 million in the nine months ended December 31, 2021.

Finance Cost

Finance cost was ₹ 184.43 million in the nine months ended December 31, 2021. Interest on borrowings was ₹ 166.71 million in the nine months ended December 31, 2021; interest to vendors was ₹ 5.89 million in the nine months ended December 31, 2021; Interest on lease liabilities ₹ 6.95 million in the nine months ended December 31, 2021; and other borrowing cost was ₹ 4.77 million in the nine months ended December 31, 2021, interest to others of ₹ 0.11 million.

Other Expenses

Other expenses was ₹ 421.68 million in the nine months ended December 31, 2021, primarily due to consumption of stores and spares of ₹ 110.08 million, contract labour charges of ₹ 108.82 million; freight and forwarding charges of ₹ 57.90 million; power and fuel expenses of ₹ 28.86 million; travelling and conveyance expenses of ₹ 13.70 million, bank charges of ₹ 9.77 million; repairs and maintenance – others of ₹ 12.13 million; legal and professional charges of ₹ 18.04 million; and business promotion expenses of ₹ 4.01 million.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 299.30 million in the nine months ended December 31, 2021.

Tax Expenses

Current tax was ₹ 75.33 million in the nine months ended December 31, 2021. Total tax expense amounted to ₹ 81.07 million in the nine months ended December 31, 2021 including ₹ 5.74 million of deferred tax charge.

Profit for the Period

For the various reasons discussed above, we recorded a profit of ₹ 218.23 million in the nine months ended December 31, 2021.

Other Comprehensive Income

Other comprehensive loss was ₹ 7.29 million in the nine months ended December 31, 2021.

Total Comprehensive Income for the Period, Net of Tax

Total comprehensive income for the period, net of tax was ₹ 208.67 million in the nine months ended December 31, 2021.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 536.54 million in the nine months ended December 31, 2021, while EBITDA margin (EBITDA as a percentage of our revenue from operations) 11.47% in the nine months ended December 31, 2021.

FISCAL 2021 COMPARED TO FISCAL 2020

Key Developments

- Our operations during the first quarter of Fiscal 2021 and during the nine months ended December 31, 2021 were significantly impacted on account of lockdowns imposed on account of the COVID-19 pandemic. Consequently, our revenues were adversely affected during the first half of Fiscal 2021.

- In the month of April 2020, we received special permission to operate our facilities to manufacture ventilators, protein analyzers and respirator machine for select customers.

- We purchased the assets and the business of an entity that specializes in manufacturing high precision injection moulded plastic components for engineering applications.

- We were allotted seven acres of land by the Karnataka Industrial Area Development Board at Bandanaguppe, Kellamballi Industrial Area, Chamarajanagar District for the purpose of setting up a new manufacturing facility.

Income

Total income increased by 14.72% from ₹ 3,701.66 million in Fiscal 2020 to ₹ 4,246.63 million in Fiscal 2021, primarily attributable to the following:

Revenue from Operations

Revenue from operations increased by 14.23% from ₹ 3,682.38 million in Fiscal 2020 to ₹ 4,206.27 million in Fiscal 2021 attributable as follows:

- Sale of goods (net) increased by 18.29% from ₹ 3,367.80 million in Fiscal 2020 to ₹ 3,983.64 million in Fiscal 2021. This was driven by growth in our automotive and health care verticals.

- Sale of services (net) decreased by 29.23% from ₹ 314.58 million in Fiscal 2020 to ₹ 222.63 million in Fiscal 2021 on account of decrease in business primarily from the Indian Railways due to the COVID-19 pandemic.

Finance Income

Finance income decreased by 11.28% from ₹ 11.97 million in Fiscal 2020 to ₹ 10.62 million in Fiscal 2021, primarily due to a decrease in interest received on deposits with banks from ₹ 7.63 million in Fiscal 2020 to ₹ 6.71 million in Fiscal 2021 and interest received on advances with others decreased from ₹ 3.52 million in Fiscal 2020 to ₹ 1.84 million in Fiscal 2021 due to repayment of advances in Fiscal 2021.

Other Income

Other income increased from ₹ 7.31 million in Fiscal 2020 to ₹ 29.74 million in Fiscal 2021. The increase was on account of:

- Receipt of export incentives amounting to ₹ 12.62 million in Fiscal 2021 compared with export incentives amounting to ₹ 5.51 million in the Fiscal 2020; and

- Increase in foreign exchange gain / (loss) (net) from ₹ (7.91) million in Fiscal 2020 to ₹ 13.64 million in Fiscal 2021 on account of decline in the value of the US Dollar due to the impact of COVID-19 and the general economic slowdown.

Expenses

Total expenses increased by 15.30% from ₹ 3,588.86 million in Fiscal 2020 to ₹ 4,137.91 million in Fiscal 2021. This was primarily due to the increase in cost of materials consumed, purchases of stock-in-trade, employee benefits expense, depreciation and amortisation expense, finance cost and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 8.44% from ₹ 2,603.38 million in Fiscal 2020 to ₹ 2,822.99 million in Fiscal 2021 and the increase is primarily driven by an increase in revenue from operations which grew by 14.23% between Fiscal 2020 and Fiscal 2021.

Changes in Inventories of Finished Goods and Traded Goods

Changes in inventories of finished goods and traded goods increased by 120.49% from ₹ (186.58) million in Fiscal 2020 to ₹ 38.23 million in Fiscal 2021.

Employee benefits expenses

Employee benefit expenses increased by 8.17% from ₹ 424.31 million in Fiscal 2020 to ₹ 458.99 million in Fiscal 2021. This was due to an increase in salaries, wages and bonus from ₹ 415.51 million in Fiscal 2020 to ₹ 457.26 million in Fiscal 2021, contribution to provident and other funds from ₹ 14.67 million in Fiscal 2020 to ₹ 19.21 million in Fiscal 2021, gratuity contribution scheme from ₹ 3.07 million in Fiscal 2020 to ₹ 2.19 million in Fiscal 2021, and staff welfare expenses from ₹ 41.76 million in Fiscal 2020 to ₹ 45.03 million in Fiscal 2021.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 20.25% from ₹ 83.79 million in Fiscal 2020 to ₹ 100.76 million in Fiscal 2021, primarily due to an increase in depreciation of property, plant and equipment by 11.09% from ₹ 54.35 million in Fiscal 2020 to ₹ 60.37 million in Fiscal 2021 on account of additional property, plant and equipment aggregating ₹ 226.30 million acquired during the period.

Finance Cost

Finance costs increased marginally by 1.60% from ₹ 236.02 million in Fiscal 2020 to ₹ 239.79 million in Fiscal 2021. This increase is primarily attributable due to an increase in interest on borrowings by 8.49% from ₹ 203.15 million in Fiscal 2020 to ₹ 220.39 million in Fiscal 2021 on account of COVID-19 term loans aggregating ₹ 153.14 million availed by our Company.

Other Expenses

Other expenses increased by 11.50%, from ₹ 427.94 million in Fiscal 2020 to ₹ 477.15 million in Fiscal 2021. This was primarily due to increase in:

- Freight forward charges from ₹ 22.45 million in Fiscal 2020 to ₹ 75.67 million in Fiscal 2021 on account of increased in freight charges.
- Increase in consumption of stores and spares by 17.37% from ₹ 79.58 million in Fiscal 2020 to ₹ 93.40 million in Fiscal 2021.
- Increase in contract labour charges by 17.02% from ₹ 78.98 million in Fiscal 2020 to ₹ 92.42 million in Fiscal 2021 on account of increase in pay to contract labour and increase in number of contract labours on account of business growth.
- Increase in donations from ₹ 1.24 million in Fiscal 2020 to ₹ 14.45 million in Fiscal 2021 on account of donations and charity activities done during the COVID-19 pandemic.

This was partially offset primarily by the decrease in travelling and conveyance expenses by 49.83% from ₹ 29.60 million in Fiscal 2020 to ₹ 14.85 million in Fiscal 2021 on account of reduction in travel by management and employees due to the travel restrictions imposed due to the COVID-19 pandemic and decrease in rates and taxes by 51.46% from ₹ 24.93 million in Fiscal 2020 to ₹ 12.10 million in Fiscal 2021 on account of limiting in issuance of bank guarantees and other documentation charges.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 108.72 million in Fiscal 2021 and ₹ 112.80 million in Fiscal 2020.

Tax Expenses

Income tax (current tax) increased by 85.32% from ₹ 19.55 million in Fiscal 2020 to ₹ 36.23 million in Fiscal 2021, offset by an adjustment of tax relating to earlier periods, from ₹ (0.47) million in Fiscal 2020 to nil in Fiscal 2021. Deferred tax credit decreased, from ₹ 0.17 million in Fiscal 2020 to a deferred tax charge of ₹ (24.84) million in Fiscal 2021 on account of our decision to adopt 25.17% effective tax rate.

Profit/(Loss) for the year

For the various reasons discussed above, we recorded a profit for the year of ₹ 97.33 million in Fiscal 2021 compared to ₹ 93.55 million in Fiscal 2020.

Other Comprehensive Income

Other comprehensive loss was ₹ (5.32) million in Fiscal 2021 while other comprehensive income was ₹ 6.00 million in Fiscal 2020.

Total Comprehensive Income for the year, net of tax

Total comprehensive income for the year was ₹ 88.45 million in Fiscal 2021 compared to ₹ 100.75 million in Fiscal 2020.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 408.91 million in Fiscal 2021 compared to ₹ 413.33 million in Fiscal 2020, while EBITDA margin was 9.72% in Fiscal 2021 compared to 11.22% in Fiscal 2020.

FISCAL 2020 COMPARED TO FISCAL 2019

Key Developments

- We incorporated our Subsidiary, Kaynes International Design and Manufacturing Private Limited.

Income

Total income increased by 0.98% from ₹ 3,665.97 million in Fiscal 2019 to ₹ 3,701.66 million in Fiscal 2020, primarily on account of a marginal increase in revenue from operations and finance income which was partially offset by a decrease in other income.

Revenue from Operations

Revenue from operations increased marginally by 1.10% from ₹ 3,642.31 million in Fiscal 2019 to ₹ 3,682.38 million in Fiscal 2020 due to the following:

- Sale of goods (net) decreased by 0.14%, from ₹ 3,372.40 million in Fiscal 2019 to ₹ 3,367.80 million in Fiscal 2020. This is due to shipments restrictions imposed from Feb, 2020 later in March, 2020 on account of the national lockdown. We encountered supply chain disruptions during the fourth quarter of Fiscal 2020, on account of spread of COVID-19 pandemic in China, Southeast Asia and Europe. Consequently, we had unexecuted confirmed orders of ₹ 471.81 million as of March 31, 2020 on account of raw material shortages due to supply chain disruptions caused by the COVID-19 pandemic.

- Sale of services (net) increased by a 16.55% from ₹269.91 million in Fiscal 2019 to ₹314.58 million in Fiscal 2020 on account of increase in business majorly from Indian Railways as the Indian Railways during Fiscal 2020 were introduced new trains and increased the frequency resulted in a slight growth in our service to the Indian Railways.

Finance Income

Finance income increased by 4.91% from ₹ 11.41 million in Fiscal 2019 to ₹ 11.97 million in Fiscal 2020, primarily due to an increase in interest received on deposits with banks by 19.59% from ₹ 6.38 million in Fiscal 2019 to ₹ 7.63 million in Fiscal 2020 due to the increase in the fixed deposits with the bank encumbered as security against the working capital facility, and an increase in interest received on advances with others by 7.98%, from ₹ 3.26 million in Fiscal 2019 to ₹ 3.52 million in Fiscal 2020.

Other Income

Other income decreased by 40.33%, from ₹ 12.25 million in Fiscal 2019 to ₹ 7.31 million in Fiscal 2020 on account of decrease in export incentives by 42.78% from ₹ 9.63 million in Fiscal 2019 to ₹ 5.51 million in Fiscal 2020 as we were unable to completely avail the benefit due to technical issues from the bank and decrease in non-operating income by 61.30% from ₹ 0.62 million in Fiscal 2019 to ₹ 0.24 million in Fiscal 2020 and a further decrease in rent from ₹ 1.87 million in Fiscal 2019 to nil in Fiscal 2020 which was partially offset by increase in liabilities no longer required, written back from ₹ 0.13 million in Fiscal 2019 to ₹ 0.49 million in Fiscal 2020.

Expenses

Total expenses increased by 1.66% from ₹ 3,530.33 million in Fiscal 2019 to ₹ 3,588.86 million in Fiscal 2020. This was primarily due to an increase in cost of materials consumed, purchases of stock-in-trade, employee benefits expense, depreciation and amortisation expense, finance cost and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 5.69% from ₹ 2,463.15 million in Fiscal 2019 to ₹ 2,603.38 million in Fiscal 2020 majorly driven by an increase in revenue from operations by 1.10% from ₹ 3,642.31 million in Fiscal 2019 to ₹ 3,682.38 million in Fiscal 2020 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 300.56% from ₹ (46.58) million in Fiscal 2019 to ₹ (186.58) million in Fiscal 2020.

Employee Benefits Expenses

Employee benefits expenses decreased by 2.24% from ₹ 434.03 million in Fiscal 2019 to ₹ 424.31 million in Fiscal 2020. This was due to the research and development projects undertaken in Fiscal 2020 which resulted in capitalisation of a portion of our employee benefit expenses. Salaries, wages and bonus increased from ₹ 373.62 million in Fiscal 2019 to ₹ 415.51 million in Fiscal 2020, contribution to provident and other funds increased from ₹ 13.18 million in Fiscal 2019 to ₹ 14.67 million in Fiscal 2020, and staff welfare expenses increased from ₹ 39.73 million in Fiscal 2019 to ₹ 41.76 million in Fiscal 2020 which were partially offset by a decrease in gratuity contribution from ₹ 7.50 million in Fiscal 2019 to ₹ 3.07 million in Fiscal 2020 on account of restructuring of salaries.

Depreciation and Amortization Expense

Depreciation and amortization expense increased 63.30% from ₹ 51.31 million in Fiscal 2019 to ₹ 83.79 million in Fiscal 2020, primarily due to an increase in depreciation of property, plant and equipment by 11.74% from ₹ 48.64 million in Fiscal 2019 to ₹ 54.35 million in Fiscal 2020. This was primarily due to an increase in intangible assets developed by us from ₹ 41.44 million in Fiscal 2019 to ₹ 47.72 million in Fiscal 2020.

Finance Costs

Finance costs increased by 26.09%, from ₹ 187.19 million in Fiscal 2019 to ₹ 236.02 million in Fiscal 2020, on account of an increase in interest on borrowings by 14.17% from ₹ 177.93 million in Fiscal 2019 to ₹ 203.15 million in Fiscal 2020, primarily on account of short term limits availed and repaid during the Fiscal.

Other Expenses

Other expenses decreased by 3.01%, from ₹ 441.23 million in Fiscal 2019 to ₹ 427.94 million in Fiscal 2020. This was primarily due to decrease in

- Rent expense by 71.18% from ₹ 28.31 million in Fiscal 2019 to ₹ 8.16 million in Fiscal 2020;

- Donations from ₹ 12.59 million in Fiscal 2019 to ₹ 1.24 million in Fiscal 2020 due to our inability to participate in charitable activities on account of COVID-19 pandemic.

This was partially offset by an increase in research and development expenses from ₹ 0.75 million in Fiscal 2019 to ₹ 16.25 million in Fiscal 2020 on account of new research and development prototype projects started by us in Fiscal 2020, an increase in contract labour charges by 1.36% from ₹ 77.92 million in Fiscal 2019 to ₹ 78.98 million in Fiscal 2020 on account of increase in number of labours on account of business driven growth.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 112.80 million in Fiscal 2020 compared to profit before tax of ₹ 135.64 million in Fiscal 2019.

Tax Expenses

Current tax decreased from ₹ 30.27 million in Fiscal 2019 compared to ₹ 19.55 million in Fiscal 2020 due to reduced profits. Deferred tax also decreased from ₹ 8.82 million in Fiscal 2019 compared to ₹ 0.17 million in Fiscal 2020 due to Ind AS adjustments on account of change in accounting treatment of rent under Ind AS.

Profit/(Loss) for the Year

For the various reasons discussed above, we recorded a profit for the year of ₹ 93.55 million in Fiscal 2020 compared to profit for the year of ₹ 97.28 million in Fiscal 2019.

Other Comprehensive Income

Other comprehensive income was ₹ 6.00 million in Fiscal 2020 while other comprehensive loss was ₹ (0.96) million in Fiscal 2019.

Total Comprehensive income for the year, net of tax

Total comprehensive income for the year was ₹ 100.75 million in Fiscal 2020 compared to ₹ 96.05 million in Fiscal 2019.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 413.33 million in Fiscal 2020 compared to ₹ 350.48 million in Fiscal 2019, while EBITDA margin was 11.22% in Fiscal 2020 compared to EBITDA margin 9.62% in Fiscal 2019.

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			Nine months ended December 31, 2021
	2019	2020	2021	
	(₹ million)			
Net cash from/(used in) operating activities	(75.81)	452.47	277.30	(17.68)
Net cash (used in)/from investing activities	(408.84)	(99.26)	(240.84)	(174.76)
Net cash (used in)/from financing activities	486.01	(354.13)	(13.39)	324.06
Cash and cash equivalents at the end of the period / year	8.35	7.43	30.50	162.13

Operating Activities

Nine months ended December 31, 2021

In the nine months ended December 31, 2021, net cash used in operating activities was ₹ 17.68 million. Net profit before tax was ₹ 299.30 million in the nine months ended December 31, 2021. Primary adjustments consisted of depreciation and amortisation expense of ₹ 94.35 million; interest expense of ₹ 184.43 million; and interest income of ₹ 6.82 million. Operating profit before working capital changes was ₹ 572.05 million in the nine months ended December 31, 2021. The main working capital adjustments in the nine months ended December 31, 2021, included increase in inventories of ₹ 532.60 million; increase in trade receivables of ₹ 346.26 million; increase in loans and advances and other assets of ₹ 145.95 million; increase in trade payables and other liabilities of ₹ 421.03 million; and increase in provisions of ₹ 22.31 million. Income tax paid was ₹ 8.27 million.

Fiscal 2021

In the Fiscal 2021, net cash from operating activities was ₹ 277.30 million. Net profit before 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 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.

Fiscal 2020

In the Fiscal 2020, net cash from operating activities was ₹ 452.47 million. Net profit before tax was ₹ 112.80 million in Fiscal 2020. Primary adjustments consisted of depreciation and amortisation expense of ₹ 83.79 million; interest expense of ₹ 236.02 million; and interest income of ₹ 7.63 million. Operating profit before working capital changes was ₹ 426.61 million in Fiscal 2020. The main working capital adjustments in Fiscal 2020, included decrease in trade receivables of ₹ 293.12 million; increase in loans and advances and other assets of ₹ 120.26 million; Increase in trade payables and other liabilities of ₹ 164.93 million; decrease in provisions of ₹ 0.10 million and increase in inventories of ₹ 293.28 million. Income tax paid was ₹ 18.55 million.

Fiscal 2019

In the Fiscal 2019, net cash used in operating activities was ₹ 75.81 million. Net profit before tax was ₹ 135.64 million in Fiscal 2019. Primary adjustments consisted of depreciation and amortisation expense of ₹ 51.31 million; interest expense of ₹ 187.19 million and interest income of ₹ 6.38 million. Operating profit before working capital changes was ₹ 367.76 million Fiscal 2019. The main working capital adjustments in Fiscal 2019 included decrease in trade receivables of ₹ 129.20 million; increase in loans and advances and other assets of ₹ 76.88 million; decrease in trade payables of ₹ 83.76 million; increase in provisions of ₹ 8.70 million and an increase in inventories of ₹ 356.10 million. Income tax paid was ₹ 64.73 million.

Investing Activities

Nine months ended December 31, 2021

Net cash used in investing activities was ₹ 174.76 million in the nine months ended December 31, 2021, primarily on account of purchase of fixed assets of ₹ 164.76 million and proceeds from sale of investments / fixed deposits matured of ₹ (16.82) million, which was marginally offset by interest received of ₹ 6.82 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.

Fiscal 2020

Net cash flow used in investing activities was ₹ 99.26 million in Fiscal 2020, primarily on account of purchase of fixed assets of ₹ 312.23 million, and was partially set-off by proceeds from sale of investments / fixed deposits of ₹ 205.34 million and interest received of ₹ 7.63 million.

Fiscal 2019

Net cash flow used in investing activities was ₹ 408.84 million in Fiscal 2019, primarily on account of purchase of fixed assets of ₹ 105.37 million and investments made of ₹ 309.85 million, which was marginally offset by interest received of ₹ 6.38 million.

Financing Activities

Nine months ended December 31, 2021

Net cash from financing activities was ₹ 324.06 million in the nine months ended December 31, 2021, primarily on account of preference share premium received of ₹ 223.70 million, proceeds from long-term borrowings of ₹ 129.40 million, proceeds from short term borrowings of ₹ 151.59 million, which was marginally offset by interest expense of ₹ 184.43 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.

Fiscal 2020

Net cash used in financing activities was ₹ 354.13 million in Fiscal 2020, primarily on account of repayment of long-term borrowings of ₹ 197.50 million, interest expense of ₹ 236.02 million, which was marginally offset by proceeds from short-term borrowings of ₹ 79.39 million.

Fiscal 2019

Net cash flows from financing activities was ₹ 486.01 million in Fiscal 2019, primarily on account of repayment of long-term borrowings of ₹ 109.82 million, proceeds from short term borrowings of ₹ 563.38 million, which was marginally offset by interest expense of ₹ 187.19 million.

INDEBTEDNESS

As of December 31, 2021, we had total borrowings (consisting of non-current borrowings and current borrowings) of ₹ 1,675.66 million. Our total debt/ equity ratio was 0.92 as of December 31, 2021.

The following table sets forth certain information relating to our outstanding indebtedness as of December 31, 2021, and our repayment obligations in the periods indicated:

Particulars	As of December 31, 2021 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	274.08	-	182.44	91.64	-
- Term loan from others	5.22	-	3.89	1.33	-
- Non-Convertible Debentures	7.44	-	7.44	-	-
- Vehicle Loans	13.52	-	12.92	0.60	-
Total Non-Current borrowings	**300.26**	**-**	**206.69**	**93.57**	**-**
Current Borrowings					
- Cash Credit facility	1,102.76	1,102.76	-	-	-
- Loans from Shareholders	50.13	50.13	-	-	-
- Rupee Packaging Credit	138.89	138.89	-	-	-
Current maturities of long-term borrowings					
- Term Loans	43.01	43.01	-	-	-
- Non-Convertible Debentures	34.00	34.00	-	-	-
- Vehicle Loans	6.61	6.61	-	-	-
Total Current Borrowings	**1,375.40**	**1,375.40**	**-**	**-**	**-**
Total Borrowings	**1,675.66**	**1,375.40**	**206.69**	**93.57**	**-**

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2021, our contingent liabilities that have not been accounted for in our financial statements were as follows:

Particulars	Amount (million)
Contingent liability towards pending litigations related to disputed dues of:	
Claims against the company not acknowledged as debt	
- Disputed income tax demand(1)	1.74
- Disputed income tax demand(2)	6.05
- Disputed income tax demand(3)	3.32
- Disputed income tax demand(4)	4.00
- Disputed indirect taxes demand(5)	56.92
Bank guarantees for contractual performance	28.54
Letter of credit issued by bank	10.47
Bond Executed for Customs/Central Excise (covered by bank guarantee to the extent of ₹ 5.50 million)	250.00
On account of Bills Discounted with Banks set off against Trade Receivable	430.97
Corporate Guarantee to Subsidiary Company	44.00
Other sums for which company is contingently liable	11.24
Total	**847.25**

Notes

(1) CPC demand of ₹ 1,737,670.00 against the disallowance made by ITO against under 35(2AB) for A.Y. 2016-2017 and thereby reducing the MAT credit availed by the company which was disputed in appeal before CIT(A) and the matter is resolved in Fiscal 2022.

(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 and ESI. Filed appeal against the order and submitted the relevant documentation. Assessing officer is in the process of reviewing supporting documents 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 Fiscal 2010 to Fiscal 2022 and imposed interest and penalty. Demand appearing in the TDS Portal amounts to ₹ 4,000,000. 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 ₹ 56.90 million covering a period commencing from Fiscal 2013 to Fiscal 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 Statements – Annexure VI – Note 29-Contingent Liabilities and Commitments*" on page 287.

Except as disclosed in the Restated Consolidated Financial Statements or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to our future commitments:

Particulars	As of December 31, 2021				
	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 capital account and not provided for, net of advances.	21.39	21.39	-	-	-
Cumulative dividend on preference shares	0.15	0.15	-	-	-
Approval for land conversion 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	**33.68**	**33.68**	**-**	**-**	**-**

For further information on our capital and other commitments, see "*Financial Statements – Annexure VI – Note 29-Contingenet Liabilities and Commitments*" on page 287.

CAPITAL EXPENDITURES

In Fiscal 2019, 2020 and 2021, and in the nine months ended December 31, 2021, 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 ₹ 98.63 million, ₹ 178.99 million, ₹ 393.07 million, and ₹ 165.48 million, respectively. The following table sets forth our fixed assets for the periods indicated:

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	For the nine months ended December 31, 2021
	(₹ million)			
Property, plant and equipment	453.29	502.22	570.65	587.66
Capital Work in Progress	21.96	49.75	10.06	26.45
Intangible assets	49.52	45.14	126.94	101.06
Intangible under development	-	69.70	116.17	191.18
Rights of use assets	-	86.40	78.58	66.46
Total	**524.77**	**753.21**	**902.40**	**972.81**

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.

In Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021, the aggregate amount of such related party transactions was ₹ 58.28 million, ₹ (63.02) million, ₹ 1.09 million, and ₹ 19.89 million respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscal 2019, 2020 and 2021 and in the nine months ended December 31, 2021 was 1.60%, (1.71)%, 0.03% and 0.43%, respectively.

For further information relating to our related party transactions, see "*Financial Statements – Annexure VI – Note 30- Related Party Disclosures*" on page 287.

AUDITOR'S OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our Statutory Auditors in their reports on the audited financial statements as of and for the years ended March 31, 2019, 2020 and 2021.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to market risk, liquidity risk and credit risk. Our board of directors has overall responsibility for the establishment and oversight of our risk management framework.

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.

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 the Group'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.

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.

Credit risk from balances with banks and financial institutions is managed by our treasury department. 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

Other than as required for the preparation of our Restated Consolidated Financial Statements, there have been no changes in our accounting policies during Fiscals 2019, 2020 and 2021, and the nine months ended December 31, 2021.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, 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 "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 318 and 29, 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 "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 318 and 29, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, 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 "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29, 161 and 315, 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 Draft Red Herring Prospectus, 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 "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 161, 126 and 29, 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 in the last three Fiscals and nine months ended December 31, 2021 are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Nine months ended December 31, 2021*" above on pages 340, 342 and 338, 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 the Company for the geographical segments identified.

Geographic Segment	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**Nine months ended December 31, 2021**
	(₹ million)			
Outside India	574.52	755.24	1,078.48	1,007.11
In India	3,067.79	2,927.14	3,127.79	3,670.64
Total	**3,642.31**	**3,682.38**	**4,206.27**	**4,677.75**

For further information, see "*Financial Statements – Annexure VI – Note 31-Segment information*" on page 291.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed above and elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since December 31, 2021, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Consolidated Financial Statements as at December 31, 2021, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" on pages 315, 242, and 29, respectively.

Particulars	Pre-Offer as at December 31, 2021 (in ₹ million)	As adjusted for the Offer*
Total borrowings:		
Non-current borrowings (A)	300.26	[●]
Current borrowings (B)	1,375.40	[●]
Total borrowings (C)	1,675.66	[●]
Total equity:		
Equity share capital	76.93	[●]
Instruments entirely equity in nature#	3.79	
Other equity	1,742.54	[●]
Less: Non free reserves	(7.20)	
Total Equity attributable to the owners of the Company (D)	**1,816.06**	[●]
Total non – current borrowings / total equity attributable to the owners of the Company (A/D)	**0.17**	[●]
Total borrowings / total equity attributable to the owners of the Company (C/D)	**0.92**	

**Post-Offer capitalisation will be determined after finalisation of Offer Price.*
 # Instruments entirely equity in nature represents sum total of CCPS Series B and CCPS Series C.

Notes

1. *The above information has been extracted from the Restated Consolidated Financial Statements of Kaynes Technology India Limited ('the Company') prepared in connection with the proposed initial public offering of equity shares of the Company ('the Offer'). The Restated Consolidated Financial Statements were approved by the Board of Directors on April 4, 2022.*

2. *The above terms carry the meaning as per division II of Schedule III to the Companies Act, 2013 (as amended).*

Changes in the share capital since December 31, 2021

Particulars	Equity Share Capital	Compulsorily Convertible Preference Share Capital
As at December 31, 2021	76,93,001	3,79,146
Equity Shares issued post December 31, 2021	-	-
Bonus shares issued post December 31, 2021	3,84,65,005	-
CCPS Converted Post December 31, 2021	-	-
CCPS Shares issued post December 31, 2021	-	-
Total	**4,61,58,006**	**3,79,146**

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries avail loans in the ordinary course of business for purposes such as, *inter alia,* meeting their working capital requirements, reimbursement of capital expenditure and for general corporate purposes. Our Company and Subsidiaries have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including but not limited to, effecting a change in our shareholding pattern, amending constitutional documents including the memorandum of association and articles of association, changing the Board composition, and so on. For details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of Board*" and "*Risk Factors*" on pages 224 and 29 respectively.

As on February 28, 2022, the aggregated outstanding borrowings of our Company and Subsidiaries amounted to ₹ 2,129.66 million on a consolidated basis. Set forth below is a brief summary of our aggregate borrowings:

Category of Borrowings	Sanctioned Amount (in ₹ million)	Outstanding Amount (in ₹ million)
Fund Based Borrowings		
Cash credit	900.00	838.36
Working Capital Demand Loan	400.00	250.00
Packing Credit	100.00	100.02
Overdraft	-	-
Term loan	480.02	342.73
Vendor Financing Scheme	-	-
Customer Bill Discounting	478.88	444.76
Debentures	170.00	41.44
Unsecured Loans	126.70	30.88
Vehicle Loans	34.08	19.11
Sub-total (A)	**2,689.68**	**2,067.30**
Non-Fund Based Borrowings		
Bank Guarantee*	94.30	43.54
Letter of Credit	100.00	18.82
Sub-total (B)	**194.30**	**62.36**
Total (A+B)	**2,883.98**	**2,129.66**

** ₹ 60.00 million is the sub-limit of the letter of credit.*
^As certified by K.P. Rao & Co., Chartered Accountants by way of certificate dated April 13, 2022

Principal terms of the facilities sanctioned to our Company and Subsidiaries:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and Subsidiaries.

1. ***Interest:*** In terms of the facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate.

   The spread varies amongst different facilities and typically ranges from 7.15 % to 16.00 % in case of our Company and 1.25 % to 7.4 % in case of our Subsidiaries. The interest rate on our fully paid, unlisted, rated, secured, redeemable non-convertible debentures of face value of ₹ 0.1 million, aggregating up to ₹ 170 million, ("**NCD**") is 15 % simple interest which is payable on the maturity date

2. ***Tenor:*** The tenor of the borrowings typically ranges from 1 years to 6 years. The tenor for the NCDs is four years from the date of allotment, subject to the terms and conditions mentioned in the Debenture Trust Deed dated July 12, 2018 ("**NCD Deed**").

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to, *inter alia*:

   a) Create pari-passu first charge on fixed and current assets;
   b) Create pari-passu second charge on fixed and current assets;
   c) Hypothecation on plant and machinery;
   d) Charge over leasehold rights and on property owned by our Company;

e) Cash margins;
f) Personal guarantees by our Individual Promoters; and
g) Deposit under lien for various amounts.

This is an indicative list and there may be additional requirements for creation of security under the variousborrowing arrangements entered into by us.

4. ***Pre-payment:*** The prepayment fee or penalty attracted in respect of certain loans is typically 2.00% of the sanctionamount or principal outstanding of prepayment or entire working capital limit, as applicable.

5. ***Penal Interest:*** In the event of non-payment of interest or default in payment of facilities on due date or on expiry of working capital limits, penal interest is typically charged at a percentage over and above the applicable interest rate, on the overdue amount, which ranges from 2 % per annum to 5 % per annum.

   Further, penalty may also be levied by the banks at a fixed amount or at specified percentage, under relevant facility agreements, on occurrenceof certain events *inter-alia* delay in submission of stock statements, additional insurance cover on security, non- submission of documents, breach of covenants *etc.*

6. ***Re-payment:*** Certain facilities are repayable on demand. The NCDs are to be redeemed in accordance with the tenor stipulated in the NCD Deed.

7. ***Events of Default:*** Borrowing arrangements entered into by us contain certain standard events of default, including, *inter alia:*

   a) Occurrence of default in the payment of any monies in respect of the facilities on the due dates (whether at stated maturity, by acceleration or otherwise) for payment thereof or otherwise.
   b) Default in the performance of any covenant, condition, or agreement on the part of the borrower in accordance with transaction documents.
   c) Our Company, voluntarily or involuntarily becoming the subject of proceedings under any bankruptcy or insolvency law, or voluntarily or involuntarily being dissolved, bankrupt or insolvent.

   The NCD Deed, similarly, contains the following standard events of default, *inter alia:*

   i. The Company do not pay to the debenture holders any amount payable to them on any due date for payment of such amounts including any interest, face value, default interest and any liquidated damages, prepayment premium etc.
   ii. Any downgrade in the credit rating of the Company and the security provider

   The details above are indicative and there may be additional terms that may amount to an event of default under thevarious borrowing arrangements entered into by us.

8. ***Restrictive Covenants:*** Certain borrowing arrangements entered into by us contain restrictive covenants, including,inter alia, that borrowers without our Company shall require prior written consent or intimation from the lenders to undertake the following activities:

   a) Enter into any merger or amalgamation, do a buy-back acquisition, re-organization and/or disposition of assets of our Company;
   b) Change the general nature of its business or undertake any expansion or invest in any other entity;
   c) Permit any change in its ownership or control or management or enter into arrangement whereby itsbusiness or operations are managed or controlled, directly or indirectly by any other person;
   d) Make any amendments to its constitutional documents including the memorandum of association and articles of association of our Company;
   e) Opening current account with another bank or a bank which is not a consortium/MBA;
   f) Prepay outstanding principal amount together with interest thereon;

g) Change equity, management and operating structure of the Company;
h) Effect any material changes in the shareholding of the borrower;
i) Make any corporate investments or investment by way of share capital or debentures or advance funds ormonies to or place deposits with, any other company, body, person or concern.

In accordance with the NCD Deed, our Company cannot without prior written consent or intimation:

a) Change in shareholding pattern of the Company;
b) Change in the management control of the Company;
c) Amend the articles of association in a way which adversely affects the rights and obligations of the subscriber without its affirmative vote

This is an indicative list and there may be additional restrictive covenants under the various borrowing agreements entered into by us.

For details, see "*Risk Factors*" on page 29.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters ("**Relevant Parties**"); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); or (v) litigation involving our Group Company which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated February 21, 2022:

Any pending litigation or arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving our Company, Subsidiaries, Directors and Promoters shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if:

(a) *the aggregate monetary claim made by or against the Relevant Parties, as the case may be, in any such pending litigation or arbitration proceeding is in excess of 10 % of the profit after tax (on a consolidated basis) of the Company, in the most recently completed Financial Year as per the Restated Consolidated Financial Statements, which is ₹ 21.82 million; or*

(b) *in such litigation the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company,*

have been considered "material" and accordingly have been disclosed in this Draft Red Herring Prospectus.

For the purposes of the above, pre-litigation notices received by the Relevant Parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5 % of the total consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements. The consolidated trade payables of our Company as on December 31, 2021 was ₹ 1,302.10 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 65.11 million as on December 31, 2021.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Litigation against our Company

A. Outstanding criminal proceedings

NIL

B. Actions involving regulatory or statutory authorities

NIL

C. Outstanding material civil litigation

NIL

Litigation by our Company

A. Outstanding criminal proceedings

Nil

B. Actions involving regulatory or statutory authorities

Our Company has filed a compounding application along with the applicable fee before Regional Director ("RD"), South East Region, Hyderabad dated April 13, 2022 in relation to non- compliance of Section 63 of the Companies Act, 2013 as amended, read with rules made thereunder. Our Company had allotted 1,699,992 Equity Shares on September 21, 2017 pursuant to bonus issue while being in default of the payment of statutory dues of the employees, *inter-alia* contribution to provident fund, gratuity and bonus, which is specified to be one of the eligibility criteria under Section 63(2)(d) of the Companies Act, 2013 in relation to issuance of bonus shares. The compounding application is pending before the RD.

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C. Outstanding material civil litigation

Nil

Litigation involving our Subsidiary

Litigation against our Subsidiary

A. Outstanding criminal proceedings

NIL

B. Actions initiated by regulatory or statutory authorities

NIL

C. Outstanding material civil litigation

NIL

Litigation by our Subsidiary

A. Outstanding criminal proceedings

NIL

B. Outstanding material civil litigation

NIL

Litigation involving our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Promoters. Further, no actions have been initiated against our Promoters by any regulatory/ statutory authorities and there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against our Promoters in the last five financial years including any outstanding action.

Litigation involving our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Directors. Further, no actions have been initiated against our Directors by any regulatory/ statutory authorities.

Outstanding litigation involving our Group Company which has a material impact on our Company

As on the date of this Draft Red Herring Prospectus, our Group Company is not party to any pending litigation which will have a material impact on our Company.

Tax Proceedings

Except as disclosed below, there are no outstanding tax proceedings involving our Company, Subsidiaries, Directors or Promoters.

(in ₹ million)

Nature of cases	Number of cases	Amount involved*
Company		
Direct Tax	6	40.43
Indirect Tax	20	64.94
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	2	0.58
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoter		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**28**	**105.95**

** To the extent quantifiable.*

Outstanding dues to Creditors

As per the Materiality Policy, creditors to whom an amount exceeding 5 % of the total consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements, i.e. as of December 31, 2021, were considered 'material' creditors. Based on the above, there are 4 material creditors of our Company as on December 31, 2021, to whom an aggregate amount of ₹ 502.86 million was outstanding. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at December 31, 2021 by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)
Micro, small and medium enterprises	143	69.45
Material creditors	4	502.86
Other creditors	2,075	729.79
Total	**2,222**	**1,302.10**

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at https://kaynestechnology.co.in/investors.

Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 315, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. We have set out below an indicative list of material consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and/ or regulatory authorities obtained by our Company which are considered necessary for the purpose of undertaking our business activities. Other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. In addition, certain of our material approvals may have expired or may expire in the ordinary course of business, from time to time and our Company, have either already made an application to the appropriate authorities for renewal of such material approvals or are in the process of making such renewal applications. For details in connection with the applicable regulatory and legal framework, see "Risk Factors" and "Key Regulations and Policies" on pages 29 and 196, respectively.

For Issue related approvals, see "Other Regulatory and Statutory Disclosures" on page 362 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 205.

In view of the key approvals listed below, our Company can undertake this Offer, current business activities and operations.

I. Material approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 362.

II. Incorporation details of our Company

1. Certificate of incorporation dated March 28, 2008 issued by the RoC to our Company, in the name of '*Kaynes Technology India Private Limited*'.

2. Fresh certificate of incorporation dated March 31, 2022 issued by RoC, consequent upon change of the name from '*Kaynes Technology India Private Limited*' to '*Kaynes Technology India Limited*', pursuant to conversion of our Company from private limited company to a public limited company.

3. The CIN of our Company is U29128KA2008PLC045825.

III. Material approvals in relation to our Company

Our Company has received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

A. Tax related approvals

1. Permanent Account Number AADCK3295K issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.

2. Tax Deduction and Collection Account Number BLRK08538F issued by the Income Tax Department under Income-Tax Act, 1961.

3. Our Company has obtained GST registration numbers under the applicable provisions of the GST legislations applicable in the states and union territories where we operate. The GST registration number of our Company is 29AADCK3295K1Z1, for the state of Karnataka, where our Corporate Office and Registered Office is located.

4. Importer-Exporter Code (IEC) number is 0708003184, which is issued by the Office of Additional Director General of Foreign Trade, Bengaluru under the Foreign Trade (Development and Regulation) Act, 1992.

B. Material approvals in relation to our business operations

1. Consent to operate issued by the respective pollution control board under the Water (Prevention and Control of Pollution) Act, 1974 and environmental clearances, wherever applicable.

2. Consent to operate issued by the respective pollution control board under the Air (Prevention and Control of Pollution) Act, 1981.

3. Authorisation for generation, storage and disposal of hazardous wastes under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

4. License to work a factory issued by the relevant State Government under the Factories Act, 1948.

5. Green card for 100% export-oriented unit issued by Department of Commerce, Government of India for our manufacturing facilities situated at Chennai and Mysore.

6. Registration cum membership certificate for our facility situated in Metagalli, Mysore issued by Electronics & Computer Software Export Promotion Council, Department of Information Technology, Government of India.

7. Authorised economic operator- T1 certificate issued by Central Board of Indirect Taxes and Customs, Ministry of Finance under CBIC circular number 33/2020 dated July 22, 2016.

8. No objection certificate for our facilities located in Parwanoo, Gurugram and Mysore issued by the fire department of the local municipal corporations of the respective states.

9. Registrations/ verifications under the Legal Metrology Act for our manufacturing facilities.

10. Food License issued by the Department of Food Safety and Drug Administration, Government of India under Food Safety and Standards Act, 2006.

11. Certificate of audit of management system issued by Bureau Veritas Certification Holding SAS- UK Branch for our various facilities.

12. Certificate of approval of quality management system issued by Bureau Veritas Certification Holding SAS- UK Branch for our various facilities.

13. Certificate of audit of management system issued by DQS Incorporation, USA for our facility situated in Metagalli, Mysore.

14. Certificate of audit of management system issued by Intertek India Private Limited for our facility situated in Metagalli, Mysore.

15. Certificate of audit of management system issued by Nadcap Management Council, PRI for our facility situated in Metagalli, Mysore.

C. Labour and commercial approvals

1. Certificate of registration issued by the Employees' Provident Fund Organization under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 for all manufacturing facilities.

2. Certificate of registration issued by Employees' State Insurance Corporation under the Employees State Insurance Act, 1948 for our facilities.

3. Certificate for registration for our facility situated in Metagalli, Mysore issued by the labour department of the state under the Contract Labour (Regulation and Abolition) Act, 1970.

4. Shops and establishments registrations issued by various state labour departments under relevant state legislations in respect to our facilities.

IV. Approvals in relation to our Products

1. License (to sell, stock or exhibit (or offer) for sale or distribute by wholesale, certain drugs) KA-MY2-191665 issued by government of Karnataka under Drugs and Cosmetics Act, 1940 and rules there under;

2. License (to sell, stock or exhibit (or offer) for sale or distribute by wholesale, certain drugs) KA-MY2-191666 issued by government of Karnataka under Drugs and Cosmetics Act, 1940 and rules there under.

V. Material approvals applied for by our Company but not received, or required by Company but not applied for

Sr. No.	Location of manufacturing facility	Nature of approval
	Approvals applied for but not received	
1.	Plot No 4, Sector 5, Parwanoo, Solan, Himachal Pradesh	Authorisation for generation, storage and disposal of hazardous wastes under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
2.	23-25, Belagola, Food Industrial Area, Metagalli, Mysore, Karnataka	Certificate for registration issued by the labour department of the state under the Contract Labour (Regulation and Abolition) Act, 1970
	Approvals expired but not applied	
	-	-

VI. Intellectual Property Rights

As on the date of this Draft Red Herring Prospectus, our Company has obtained 2 (two) trade marks registered under the Trade Marks Act, 1999. This includes our logo artwork and the text "*Kaynes Technology*", registered under Class 9 with the Registrar of Trade Marks in India under the Trademarks Act, 1999. Both of the registered trade marks are valid as on the date of this Draft Red Herring Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on March 31, 2022 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated April 1, 2022 in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated April 8, 2022. The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on April 13, 2022.

Each of the Selling Shareholders has, severally and not jointly, authorized and confirmed inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

Name of the Selling Shareholder	Number of Offered Shares	Date of Selling Shareholders' Consent Letter
Ramesh Kunhikannan	3,700,000	April 7, 2022
Freny Firoze Irani	3,500,000	April 7, 2022
Total	**7,200,000**	-

For details, see "*The Offer*" on page 64.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters, members of the Promoter Group, Selling Shareholders or Directors have not been declared as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrower issued by the RBI in terms of RBI master circular dated July 1, 2016.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Each of the Selling Shareholders confirm that they have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and each of the Selling Shareholders confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Except as disclosed in this Draft Red Herring Prospectus, our Company has not changed its name in the last one year.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Consolidated Financial Statements:

(₹ in million except percentage value)

S. No.	Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
A.	Restated Net tangible assets(1)	1,192.70	980.59	937.70
B.	Monetary assets(2)	118.31	85.21	260.19
C.	Monetary assets as a percentage of net tangible assets (B/A)	9.92%	8.69%	27.75%
D.	Net worth(3)	1,365.10	957.58	846.30
E.	Restated pre-tax operating profits(4)	308.15	329.54	299.17

Notes:

1. *"Restated net tangible assets" means the sum of all net assets of the issuer, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38, intangible assets under development, goodwill, right of use assets, current and non-current lease liabilities and deferred tax liabilities (net);*

2. *"Restated monetary assets" is the aggregate of cash and cash equivalents and Bank balances other than cash and cash equivalents excluding Margin Money and Other Deposits;*

3. *"Restated Net worth" means 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*

4. *"Restated Operating Profit" has been calculated as net profit before tax of the Company excluding other income, finance income and finance costs. The average operating profit for Financial Years ended March 31, 2021, March 31, 2020, and March 31, 2019 is ₹ 312.29 million based on the Restated Consolidated Financial Statements.*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of the Promoter Group, each of the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors is a Wilful Defaulter or Fraudulent Borrower (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) Except for the outstanding CCPS which will be converted up to maximum of 641,490 Equity Shares, as disclosed in the Capital Structure, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company has entered into tripartite agreements dated March 8, 2022 and January 7, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares. Further, our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC;

(vii) The Equity Shares of our Company held by the Promoters are in the dematerialised form;

(viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts forthwith; and

(ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

(x) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Each Selling Shareholder confirms that the Equity Shares offered by it as part of the Offer for Sale have been held by it in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING DAM CAPITAL ADVISORS LIMITED AND IIFL SECURITIES LIMITED ("BRLMs"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS (TO THE EXTENT OF STATEMENTS CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND THE OFFERED SHARES) DISCHARGES THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 13, 2022 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website https://kaynestechnology.co.in/investors, or the respective websites of our Promoters or any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholder and their partners, affiliates, associates and officers accept or undertake no responsibility for any statements other than those undertaken or confirmed by the Selling Shareholder in relation to themselves and the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, Selling Shareholders and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Prospective investors are advised to submit their Bids at the earliest to help avoid issues arising of or in connection with factors beyond the control of the Company including, (i) uploading the Bids due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters 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 and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, the Selling Shareholders, associates or third parties in the ordinary course of business have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, members of the Promoter Group, the Selling Shareholders, and their respective associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic

Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares 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 in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares 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

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments,

such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, Independent Chartered Accountant, Legal Counsels to the Company as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, Legal Counsel to BRLMs as to International Law, CFO, Bankers to our Company, the BRLMs, Registrar to the Offer, Frost & Sullivan, K. L. Arun, Independent Chartered Engineer, Resurgent India Limited, an independent consultant issuing the DPR, have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank(s), Monitoring Agency to act in their respective capacities, will be obtained as required under the Companies Act, 2013. All such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated April 13, 2022 from K. P. Rao & Co, Chartered Accountants, Statutory Auditors of our Company to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated April 4, 2022 on our Restated Consolidated Financial Statements; and (ii) their report dated April 13, 2022 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated April 8, 2022 from K. L. Arun, Independent Chartered Engineer to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Independent Chartered Engineer, in respect of the reports and certificates dated April 8, 2022 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated April 4, 2022 from Resurgent India Limited, an independent consultant, issuing the detailed project report dated April 11, 2022, prepared for PCB, Electronics System & Design Services Space for our Company, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an 'expert' under Section 2(38) of Companies Act, 2013 in respect of the Project Report dated April 11, 2022. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent dated April 13, 2022 from ASA & Associates LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Independent Chartered Accountant, in respect of its reports and certificates and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 80, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years by our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries of our Company

Our Company does not have any corporate promoters or any listed subsidiary.

Price information of past issues handled by the BRLMs

1) DAM Capital Advisors Limited

1. Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited:

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	CMS Info Systems Limited(2)	11,000.00	216.00	December 31, 2021	218.50	+21.99%, [-1.81%]	+25.35%, [+0.74%]	Not applicable
2	Metro Brands Limited(2)	13,675.05	500.00	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	Not applicable
3	C.E. Info Systems Limited(2)	10,396.06	1033.00	December 21, 2021	1,581.00	+70.21%, [+6.71%]	+48.48%, [+2.74%]	Not applicable
4	Star Health and Allied Insurance Company Limited(1)	60,186.84	900.00@	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	Not applicable
5	Go Fashion (India) Limited(1)	10,136.09	690.00	November 30, 2021	1,310.00	+59.75%, [+1.36%]	+32.91%, [-1.91%]	Not applicable

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
6	Krsnaa Diagnostics Limited(1)	12,133.35	954.00*	August 16, 2021	1,005.55	-9.42%, [+4.93%]	-27.73%, [+9.30%]	-32.63%, [+4.90%]
7	Windlas Biotech Limited(2)	4,015.35	460.00	August 16, 2021	439.00	-18.02%, [+4.79%]	-34.42%, [+9.18%]	-37.01%, [+4.62%]
8	Glenmark Life Sciences Limited(2)	15,136.00	720.00	August 6, 2021	751.10	-6.38%, [+7.10%]	-12.94%, [+10.12%]	-20.67%, [+8.45%]
9	Laxmi Organic Industries Limited(1)	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	+71.96%, [+10.11%]	+294.50%, [+21.45%]
10	Indian Railway Finance Corporation Limited(1)	46,333.79	26.00	January 29, 2021	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	-11.15%, [+15.49%]

Source: www.nseindia.com and www.bseindia.com
**A discount of INR 93 per equity share was provided to eligible employees bidding in the employee reservation portion.*
@ A discount of INR 80 per equity share was provided to eligible employees bidding in the employee reservation portion.
(1) NSE was the designated stock exchange for the said issue.
(2) BSE was the designated stock exchange for the said issue

Notes:

(a) Issue size derived from prospectus / basis of allotment advertisement, as applicable
(b) Price on NSE or BSE is considered for the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable
(c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
(d) Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
(e) The Nifty 50 or S&P BSE SENSEX index is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable
(f) Not applicable – Period not completed

2. Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25 %	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	8	136,678.74	-	-	4	2	-	2	-	2	1	-	-	-
2020-21	3	56,770.65	-	-	1	-	1	1	-	-	1	1	1	-

Source: www.nseindia.com and www.bseindia.com

Notes:

a. *The information is as on the date of this offer document*
b. *The information for each of the financial years is based on issues listed during such financial year.*
c. *Since 30 or 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available*

2) IIFL Securities Limited

1. Price information of past issues handled by IIFL Securities Limited

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the Red Herring Prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Sansera Engineering Limited	12,825.20	744.00(1)	BSE	September 24, 2021	811.35	+0.30%,[+1.29%]	+1.57%,[-5.19%]	-21.26%,[-3.43%]
2	Aditya Birla Sun Life AMC Ltd	27,682.56	712.00	NSE	October 11, 2021	715.00	-11.36%,[+0.55%]	-23.85%,[-0.74%]	-26.14%,[-1.71%]
3	PB Fintech Ltd.	57,097.15	980.00	NSE	November 15, 2021	1,150.00	+14.86%,[-4.33%]	-20.52%,[-4.06%]	N.A.
4	S.J.S Enterprises Ltd.	8,000.00	542.00	NSE	November 15, 2021	542.00	-24.99%,[-4.33%]	-29.33%,[-4.06%]	N.A.
5	Sapphire Foods India Limited	20,732.53	1,180.00	NSE	November 18, 2021	1,350.00	+3.69%,[-4.39%]	+20.78%,[-2.32%]	N.A.
6	Star Health and Allied Insurance Company Limited	60,186.84	900.00(2)	NSE	December 10, 2021	845.00	-14.78%,[+1.72%]	-29.79%,[-6.66%]	N.A.
7	Anand Rathi Wealth Limited	6,593.75	550.00(3)	BSE	December 14, 2021	602.05	+12.38%,[+5.22%]	+4.46%,[-4.42%]	N.A.
8	Rategain Travel Technologies Limited	13,357.35	425.00(4)	NSE	December 17, 2021	360.00	+11.99%,[+7.48%]	-31.08%,[-0.06%]	N.A.

9	Data Patterns (India) Limited	5,882.24	585.00	NSE	December 24, 2021	856.05	+29.70%,[+3.61%]	+13.56%,[+1.42%]	N.A.
10	Vedant Fashions Limited	31,491.95	866.00	NSE	February 16, 2022	935.00	+3.99%,[-0.20%]	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

(1) A discount of INR 36 per equity share was offered to eligible employees bidding in the employee reservation portion

(2) A discount of INR 80 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

(3) A discount of INR 25 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

(4) A discount of INR 40 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. Summary statement of price information of past issues handled by IIFL Securities Limited

Financial Year	**Total No. of IPO's**	**Total Funds Raised (in Rs. Mn)**	**No. of IPOs trading at discount – 30th calendar days from listing**			**No. of IPOs trading at premium – 30th calendar days from listing**			**No. of IPOs trading at discount – 180th calendar days from listing**			**No. of IPOs trading at premium – 180th calendar days from listing**		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**
2020-21	8	47,017.65	-	-	4	2	1	1	-	1	-	3	3	1
2021-22	17	3,58,549.95	-	-	5	-	4	8	-	3	2	3	-	1
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

NA means Not Applicable.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below:

S. No.	Name of the BRLM	Website
1.	DAM Capital Advisors Limited	www.damcapital.in
2.	IIFL Securities Limited	www.iiflcap.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021,as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts beyond the date of receipt of the complaint, the Book Running Lead Managers shall be liable to compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay, , to the extent applicable. Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenarios	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock

Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be four Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Our Company has also appointed Srividhya Narayanan, Company Secretary of our Company, as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer related problems. For details, see "*General Information*" on page 71.

Our Company has constituted a Stakeholders' Relationship Committee comprising of three directors viz. Koshy Alexander, Jairam Paravastu Sampath and Vivekanandah Ramasamy as members to review and redress shareholder and investor grievances. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 228.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Draft Red Herring Prospectus, our Company has not been granted by SEBI any exemption from complying with any provisions of securities laws.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. In addition, the Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 406.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 241 and 406, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band will be decided by the Company and the Selling Shareholders, in consultation with the BRLMs and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and Mysore editions of [●], a Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 111.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 406.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Link Intime India Private Limited:

- Tripartite agreement dated March 8, 2022 amongst our Company, NSDL and Link Intime India Private Limited.
- Tripartite agreement dated January 7, 2022 amongst our Company, CDSL and Link Intime India Private Limited.

Our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

We confirm that, our Company shall comply all such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON*	**[●]**[(2)]

[(1)] *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations*

[(2)] *Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*

* *UPI Mandate end date and time shall be 12.00 pm on [●].*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

** In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at 12.00pm on [●]*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days during the Bid / Offer Period.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no.

NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids and revisions by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, provided that the Cap Price shall be at least 105% of the Floor Price.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change by indicating the change on the respective websites of the BRLMs and on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer equivalent to at least 10% post Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale.

The Selling Shareholders shall reimburse, in proportion to the portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 87 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association"* beginning on page 406.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be.

If our Company, in consultation with the BRLMs withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 6,500 million and an Offer for Sale of up to 7,200,000 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders. The Offer includes a Employee Reservation Portion of up to [●] Equity Shares aggregating to ₹ 15 million for subscription by Eligible Employees (constituting up to [●]% of our post-Offer paid-up Equity Share capital).

The Offer and the Net Offer shall constitute [●] % and [●] %, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 10 each.

Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, including convertible securities which will be convertible into Equity Shares ("Specified Securities"), through a rights issue, private placement, preferential offer or any other method as may be permitted under Applicable Law to any person(s), aggregating up to ₹ 1,300 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). if the Pre-IPO Placement is completed, the fresh issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"). In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into Equity Shares prior to filing of the Red Herring Prospectus with the RoC.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Number of Equity Shares available for Allotment/ allocation (2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders	Up to [●] Equity Shares aggregating up to ₹[●] million
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Net Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Net Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation for Non-Institutional Bidders. One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Net Offer or Net Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up equity share capital of our Company

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 385	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000 up to ₹500,000 each
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹500,000
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Who can apply[(3)(4)]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, 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 and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)	Eligible Employees such that the Bid Amount does not exceed ₹500,000
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).			

* *Assuming full subscription in the Offer*

(1) *Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 381.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1)) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and not less than 35% of the Net Offer shall be available for allocation to RII in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories (being QIB/NII/Retail) at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis.

Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. For further details, please see "Terms of the Offer" on page 375.

(3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 in accordance with the SEBI ICDR Regulations and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no.

SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account. RIBs may also submit their ASBA Forms with the SCSBs (except RIBs using the UPI Mechanism). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

**Excluding electronic Bid cum Application Forms*
Notes:
(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)
(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs
(3) Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of our Company.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

ELECTRONIC REGISTRATION OF BIDS

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

The Equity Shares 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 in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares 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.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer, except to the extent of participation by our Promoters and members of the Promoter Group in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such 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 concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 405. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

(a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 100 million.

(c) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors opened one Working Day before the Bid/Offer Opening Date, and was completed on the same day.

(e) Our Company, in consultation with the BRLMs, finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
- in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(f) Allocation to Anchor Investors was completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made, was made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(i) Neither (i) the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids

Bids by Eligible Employees

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form.

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹200,000. In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹200,000, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹500,000.

(c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

(d) Only Eligible Employees (as defined in the Red Herring Prospectus) would be eligible to apply in this Offer under the Employee Reservation Portion and the Bidder.

(e) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(f) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

(g) Eligible Employees can apply at Cut-off Price.

(h) In case of joint bids, the First Bidder shall be an Eligible Employee.

(i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Eligible Employees bidding in the Employee Reservation Portion shall not Bid through the UPI mechanism.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to compliance with Rule 19(2)(b) of the SCRR. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

9. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

13. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

24. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

26. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and

have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

31. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

32. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

    Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
12. Anchor Investors should not Bid through the ASBA process;
13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
15. Do not submit the General Index Register (GIR) number instead of the PAN;

16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
20. Do not submit a Bid using UPI ID, if you are not a RIB;
21. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not Bid for Equity Shares in excess of what is specified for each category;
23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
25. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
26. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
27. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;
28. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;
29. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism);
30. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
31. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and
32. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of retail discount);
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 71.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see "*General Information –Book Running Lead Managers*" on page 72.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders and the Non-Institutional Investors shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion and the Non-Institutional Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 in accordance with the SEBI ICDR Regulations. Provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. Further, the allocation to each Non Institutional Investor shall not be less than ₹ 200,000, subject to availability of Equity Shares in the Non Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"
(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper, (ii) [●] editions of [●], a Hindi national daily newspaper, and (iii) Mysore edition of [●], a Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- No further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc
- Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.
- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received;
- If our Company, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- Except for the Equity Shares to be allotted pursuant to the Offer and the Pre-IPO Placement, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

Undertakings by the Selling Shareholders

The Selling Shareholders undertakes in respect of itself as a 'selling shareholder' and its portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;
- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI
- the Equity Shares offered for sale by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the Equity Shares being offered for sale by the Selling Shareholder pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the minimum Bid lot, Offer Price, will be taken by our Company in consultation with the BRLMs and Price Band will be decided by our Company and Selling Shareholders in consultation with the BRLMs.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:
"*Any person who—*
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name
shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020.

FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof. Under the FDI Policy, 100% foreign investment is permitted under automatic route in manufacturing sector.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country,will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

The Equity Shares 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 in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

The Companies Act, 2013
Company Limited by Shares

ARTICLES OF ASSOCIATION

OF
KAYNES TECHNOLOGY INDIA LIMITED#

PART A

- ***Preliminary***

The following regulations comprised in these Articles of Association, were adopted pursuant to the special resolution passed at the extra ordinary general meeting of the Company held on 24th March, 2022, in substitution for and to the entire exclusion of, the earlier regulations comprised in the existing Articles of Association of the Company.

- ***Applicability of Table 'F'***

Subject to anything to the contrary hereinafter provided, the regulations contained in Table "F" in the First Schedule to the Companies Act, 2013, as amended from time to time, in so far as they are applicable to a public company, will apply to the Company save in so far as they are expressly or by implication excluded by these Articles. In case of any conflict between the provisions herein contained and the regulations contained in Table "F", the provisions herein will prevail.

Until the issuance of the notice for commencement of trading of the Equity Shares of the Company by the BSE Limited and/or the National Stock Exchange of India Limited pursuant to an initial public offering of the Company ("**Listing Date**"), Part A and Part B of these Articles shall be effective and co-exist with each other. Provided, however, that until the Listing Date, in the event of any conflict or inconsistency between the terms of Part A and Part B of these Articles, the terms of Part B of these Articles shall at all the times prevail.

On the Listing Date in the event of occurrence of an IPO, the Part B of these Articles shall become ineffective automatically and terminate, without any further action by the Company or its Shareholders and cease to have any force and effect and shall be deemed to fall away and the provisions of Part A shall continue to be in force without any further corporate or other action by the Company or its Shareholders.

Definitions And Interpretation

1. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

   "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

   "Annual General Meeting" means the annual general meeting of the Company convened and held in accordance with the Act.

   "Articles of Association" or "Articles" mean these Articles of association of the Company, as may be altered from time to time in accordance with the Act.

   "Board" or "Board of Directors" means the board of directors of the Company in office at applicable times.

   "Company" means "Kaynes Technology India Limited", a company incorporated under the laws of India.

Amended by way of the Special Resolution passed by the Shareholders of KAYNES TECHNOLOGY INDIA LIMITED at the Extra-Ordinary General Meeting held on 24th March, 2022.

Amendment as follows:

Earlier name was " Kaynes Technology India Private Limited"

Amended name " Kaynes Technology India Limited"

"Depository" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Director" shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles.

"Effective Date" shall be such date on which the Equity Shares are listed on the Stock Exchanges, pursuant to the IPO.

"Equity Shares" shall mean the issued, subscribed and fully paid-up equity shares of the Company having the face value set out in the Memorandum;

"Exchange" shall mean BSE Limited and the National Stock Exchange of India Limited.

"Extraordinary General Meeting" means an extraordinary general meeting of the Company convened and held in accordance with the Act;

"General Meeting" means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

"IPO" means the initial public offering of the Equity Shares of the Company;

"Member" means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

"Memorandum" or "Memorandum of Association" means the memorandum of association of the Company, as may be altered from time to time;

"Office" means the registered office, for the time being, of the Company;

"Officer" shall have the meaning assigned thereto by the Act;

"Ordinary Resolution" shall have the meaning assigned thereto by the Act;

"Register of Members" means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;

"Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act;

"the seal" means the common seal of the Company; and

SEBI LODR means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

"Special Resolution" shall have the meaning assigned thereto by the Act.

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Share capital and variation of rights

3. The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary,

modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

4. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

(a) Equity share capital:

(i) with voting rights; and/or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and

(b) Preference share capital.

5. Subject to the provisions of the Act and these Articles, 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 Act) 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 of Directors 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. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

6. The Board of Directors 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.

7. Subject to the provisions of the Act, 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 Act.

8. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, -

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon, shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary.

Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

9. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal or the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

10. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees not exceeding the amount payable under applicable law for each certificate as may be fixed by the Board. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. and no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

11. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

12. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

13. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction

of a special resolution passed at a separate meeting of the holders of the shares of that class.

(iv) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

14. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

15. 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.

Further Issue of Shares

16. (1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(A) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares at the date;

(i) The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;

(iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company

(B) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or

(C) to any person(s), if it is authorized by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above 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 (if required under law) subject to such conditions as may be prescribed under the Act and the rules made thereunder;

(2) Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

(3) Nothing in sub-clause (ii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(4) Notwithstanding anything contained in Article 15 (3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

Lien

17. (i) The company shall have a first and paramount lien-

(a) on all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien If any, on such shares/debentures. ; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

(iii) The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

18. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made-

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

19. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

20. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

21. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(ii) A call may be revoked or postponed at the discretion of the Board.

22. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

24. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

25. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

26. The Board-

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

Transfer of shares

27. 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.

28. (i) A common form of transfer shall be used.

(ii) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(iv) The instrument of transfer shall be in writing and all provisions of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

29. The Board may, subject to the right of appeal conferred by section 58 decline to register -

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

30. The Board may decline to recognise any instrument of transfer unless-

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

31. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

32. Subject to the provisions of the Act, Securities Contracts (Regulation) Act, 1956 or any law for the time being in force and these Articles , the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles, applicable laws, or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member or in debentures of the Company, after providing sufficient cause, within a period of one month, or such other time period as prescribed under applicable laws for transfer or transmission of securities, from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send to the transferee and transferor notice of the refusal, giving reasons for such refusal. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Transmission of shares

33. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

34. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

35. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

36. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

37. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

38. The notice aforesaid shall -

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

40. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

41. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

42. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to

the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

43. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

44. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

45. Subject to the provisions of section 61, the company may, by ordinary resolution, -

(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;

(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.

46. Where shares are converted into stock, -

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

47. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

Capitalisation of profits

48. (i) The company in general meeting may, upon the recommendation of the Board, resolve -

that it is desirable to capitalise 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 in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), 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);

(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;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

49. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall -

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power -

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

50. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities and the Board of Directors may, when and if thought fit, buy back such of the Company’s own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals as required under the Act, SEBI Regulations or any other competent authority, as may be permitted by law.

General meetings

51. All general meetings other than annual general meeting shall be called extraordinary general meeting.

52. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) 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.

Proceedings at general meetings

53. (i) 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.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

54. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

55. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

56. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

57. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have second or casting vote.

Adjournment of meeting

58. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

59. Subject to any rights or restrictions for the time being attached to any class or classes of shares, -

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

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

60. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

61. (i) 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.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

62. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

63. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

64. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid .

65. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

66. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

67. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

68. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

69. Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

70. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

The following shall be first Directors of the Company:

1. Mr. Ramesh Kunhikannan
2. Mrs. Savitha Ramesh

71. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them -

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

72. The Board may pay all expenses incurred in getting up and registering the company.

73. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

74. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

75. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

76. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint

a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

POWERS OF BOARD

77. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

78. The Board may, from time to time and at its discretion, subject to the provisions of Sections 73, 179, 180, and 185 of the Act, raise or borrow and secure the payment of any sum or sums of money for the purpose of the Company Any such money be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.

79. Subject to the Act and these Articles, The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the under- taking of the whole or any part of the Company (both present and future) but shall not create a charge on its capital for the time being or issue debentures with the right to conversion into or allotment of shares without the sanction of the Company by a special resolution in the General Meeting.

Proceedings of the Board

80. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

81. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

82. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

83. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

84. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

85. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

86. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

87. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

88. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

89. Subject to the provisions of the Act, -

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

90. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

91. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

92. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

93. 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.

94. (i) 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.

95. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is

paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii)All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

96. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

97. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

98. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

99. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

100. No dividend shall bear interest against the company.

101. (i) 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 Act. 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.

No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Term of Issue Of Debenture

102. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

Management

103. The Business of the Company shall be carried on by the Board of Directors through a Managing Director, and / or in such manner as they shall think fit, subject to the control and superintendence of the Board of Directors at all times.

104. Subject to the provisions of Sections 196, 197, and 203 and Schedule V of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. The Managing Director shall exercise such powers as may be delegated to him by the Board subject to its overall control and supervision. The Managing Director shall report all material actions undertaken, or proposed to be undertaken, by him in the exercise of powers delegated to him

to the Board of Directors at their meetings.

105. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as the Board may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

106. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act thereof, the Board may, from time to time, entrust to and confer upon a Managing Director or other senior management personnel, for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

107. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Accounts

108. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

109. Subject to the provisions of Chapter XX of the Act and 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 Act, 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.

Indemnity

110. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Dematerialization of Securities

111. The Company shall recognize interest in dematerialized securities under the Depositories Act, 1996.
Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares)with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s)thereto or re-enactment thereof, the Securities and

Exchange Board of India (Depositoriesand Participants) Regulations, 2018 and other Applicable Law.

112. Dematerialization/Re-materialization of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re materialize its securities held in Depositories and/or offer its fresh securities in the dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

113. Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option toreceive the security certificate or hold securities with a Depository. Where a person opts tohold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

114. Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

115. Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

116. Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

Secrecy

117. Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles or the Memorandum of Association of the Company and the provisions of the Act.

Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require inspection of any books of accounts or documents of the Company or discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.

General Power

118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.

PART B#

The provisions of this Part B, shall automatically become ineffective on the Listing Date/ in the event of occurrence of an IPO.

PRELIMINARY

1. The Regulations contained in Table "F" in Schedule I to the Companies Act, 2013 so far as they apply to public limited companies shall apply to this Company and shall be deemed to be incorporated into these Articles, except in so far as the same are inconsistent with or modified by these Articles.

2. These Articles have been adopted at the extra-ordinary general meeting of the Shareholders held on March 24, 2022 in substitution for and to the entire exclusion of the earlier articles of association of the Company.

DEFINITIONS AND INTERPRETATION

3. **Definitions & Interpretations**: In these Articles, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; and (ii) the following terms shall have the meanings assigned to them herein below unless the context requires otherwise.

"The Act" means (i) the Companies Act, 2013, to the extent the same is in force; and (ii) the Companies Act, 1956, to the extent the same is in force,

"Affiliate" in the case of (i) any subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons and whether alone or in combination with one or more other Persons, Controls, is Controlled by or is under common Control with the subject Person, and (ii) in the case of any subject Person that is a natural Person, any other Person who is the father, mother, son, daughter or spouse of such subject Person; or any Person that is Controlled by such natural Person or its Affiliates.;

"Agreement" means Share Subscription Cum Shareholders Agreement entered on 18th day of June 2020 between the Promoter, Other Shareholder, Company and the Investor.

[#The provisions of this Part B, shall automatically become ineffective on the Listing Date/ in the event of occurrence of an IPO. Further, all rights granted to the Investors under the provisions of this Part B of the Articles of Association shall be subject to the terms (including all waivers and consents) of the amendment agreements dated March 22, 2022 to the respective shareholders' agreements.]

Addendum & Amendment Agreement means Addendum and First Amendment to The Share Subscription Agreement Cum Shareholders Agreement entered on 11th day of November, 2020 between the Promoter, Other Shareholder, Company and the Investor.

"Applicable Law" means with respect to each Party, such applicable national, provincial, local or other law, regulations, rules, administrative orders, ordinance, notification, direction, directive, guideline, constitution, decree, principles of common law, binding governmental policies, statute, bye-law, treaty, judgment or pronouncements having the effect of law by state, municipality, court, tribunal, agency, government, ministry, department, commission, board, bureau, or instrumentality thereof, or of any other Governmental Authority as currently interpreted and administered, applicable to such Party;

“Articles” mean the Articles of Association of the Company;

“Board” means the duly constituted board of directors of the Company re-constituted from time to time including committees thereof;

“Business Day” means a day other than Saturday and Sunday on which banks are open for normal banking business in Oman and Mysore, India;

“CCPS” means compulsorily convertible cumulative participating preference shares having the terms and conditions as set out in Article 86;

“CCPS Series A” means compulsorily convertible cumulative participating preference shares Series A having the terms and conditions as set out in Article 86 A;

“Closing” means subscription of the Investor Securities by the Investor in accordance with the terms and conditions of this Agreement;

“Company” means **KAYNES TECHNOLOGY INDIA LIMITED**, a company incorporated under the Companies Act, 1956, validly existing under the Companies Act, 2013 and having registered office at 23-25, Belagola, Food Industrial Estate Metagalli P O, Mysore – 570016, Karnataka, India (hereinafter referred to as “**Company**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

“Controlling”, Controlled by” or “Control”, with respect to any Person, means (i) the ownership of more than 50% (*fifty percent*) of the equity shares or other voting securities of such Person; or (ii) possession of the power to direct the management and policies of such Person; or (iii) the power to nominate for appointment the majority of the directors, managers, partners or other individuals exercising similar authority with respect to such Person by virtue of ownership of voting securities or management or contract or in any other manner;

“Debenture Holders” shall mean initially the person and / or persons who are the subscribers to the Debentures, and their successors and assigns from time to time, each of whom fulfil the following requirements:

(i) Persons who are registered as the Beneficial Owners in the Register of Beneficial Owners; or

(ii) Persons who are registered as debenture holders in the Register of Debenture Holders;

(and shall include registered transferees of the Debentures from time to time with the Company and the Depository) and in the event of any inconsistency between sub paragraph (i) and (ii) above, sub paragraph (i) shall prevail;

“Deed of Adherence” means the deed of adherence incorporating the applicable principles set out in Schedule 3;

“Encumbrance” means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (ii) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iii) any adverse claim as to title, possession or use;

“Equity Securities” *means, membership interests, registered capital or other ownership interests in the Company or any options, warrants, CCPS, CCPS Series A, convertible debentures or any other quasi equity instruments or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for Equity Shares (whether or not such securities are then currently convertible, exercisable or exchangeable) or Equity Shares****;***

“Equity Shares” means equity shares of the Company having a face value of INR 10 (*Indian Rupees Ten*) each;

“Exit Event” means any of the occurrence of any of the following events:

- Third party sale of all of the Equity Securities held by the Promoter, leading to the Promoter ceasing to be a Shareholder; or
- Capital Expansion of the Company wherein atleast a portion of the proposed capital increase in the Company is to be utilized towards providing an exit to the Promoter; or

- An initial public offer ("IPO"), whether by way of fresh issue of Equity Shares or an offer for sale, on a recognised stock exchange; or
- Such other modes that provides an exit to the Promoter.

"Future Fund Raise" shall mean the immediate additional investment equivalent to or above INR 50,00,00,000 (Indian Rupees Fifty Crores) to subscribe Equity Securities and/or purchase of Equity Securities of the Company by a third party financial or strategic investor;

"Fully Diluted Basis" means with respect to any calculation of the number of shares of the Company, assuming all Equity Securities (whether or not by their term then currently convertible, exercisable or exchangeable) outstanding on the date of calculation have been exercised or exchanged for or converted into Equity Shares;

"Governmental Authority" means any governmental or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorised to make laws, rules or regulations or pass directions having jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction over any Party hereto, and includes any authority which has, jurisdiction in relation to the Business or any activities of the Company;

"Investor" means Mrs. Freny Firoze Irani (hereinafter referred to as the "Investor", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include her heirs, executors, administrators, successors and permitted assigns

"**Investor Securities**" means the Equity Shares, the CCPS, the CCPS Series A and such other Equity Securities of the Company as held by the Investor from time to time**;**

"**Other Shareholder** Mrs. Savitha Ramesh, (hereinafter referred to as the "Other Shareholder", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include her heirs, executors, administrators, successors and permitted assigns);

"Person" means any individual or other entity, whether a corporation, firm, company, Hindu undivided family, joint venture, trust, union, association, organization, partnership (whether limited or unlimited) or proprietorship, including any Governmental Authority or any other entity that may be treated as a Person under the Applicable Law (whether or not having separate legal personality);

"Promoter" Mr. Ramesh Kunhikannan, (hereinafter referred to as the "Promoter", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his heirs, executors, administrators, successors and permitted assigns);

"Rs." or "Rupees" or "INR" shall mean Indian Rupees or the lawful currency of India;

"The seal" means the common seal of the Company.

"Shareholders" means any Person to whom Equity Securities are transferred or issued from time to time, in accordance with the Agreement and this Articles;

"Subscription Amount" means the Equity Shares, the CCPS, the CCPS Series A and such other Equity Securities of the Company as held by the Investor aggregating INR 27,00,00,000 (*Indian Rupees Twenty Seven crores*);

"Tax" means all taxes, charges, fees, levies, or penalties imposed by any Indian Central, State or local or foreign taxing authority including, but not limited to, income, excise, property, sales, transfer, withholding, or other taxes, including any interest, penalties or additions attributable to Taxes;

"Transfer" means (in either the noun or the verb form including, with respect to the verb form, all conjugations thereof within their co-relative meanings), assignment, transfer, Encumbrance, exchange or other disposition (whether for or without consideration, whether directly or indirectly, and whether voluntary or by operation of Applicable Law);

Interpretation

In this Article unless the context otherwise requires:

Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the date of this Agreement) for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Article hereto and shall be ignored in construing the same.

Any reference to days, months and years are to calendar days, calendar months and calendar years, respectively

Words "directly or indirectly" mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and "direct or indirect" have the correlative meanings.

Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.

Any reference to a Recital, Clause, sub-clause, paragraph, sub-paragraph, Schedule is a reference to a recital, clause, sub-clause, paragraph, sub-paragraph, schedule of this Article.

The words "include" and "including" are to be construed without limitation.

PUBLIC COMPANY

4. The Company is a public company within the meaning of Section 2(71) of the Act.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. Authorised share capital shall be as per Clause V of the Memorandum of Associations**.** Subject to the provisions of the Act and these Articles, 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 and at such time as they may from time to time think fit.

6. (*i*) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

a) One certificate for all his shares without payment of any charges; or

b) Several certificates, each for one or more of his shares, upon payment of Twenty rupees for each certificate after the first.

(*ii*) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(*iii*) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. (*i*) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(*ii*) The provisions of Articles (*2*) and (*3*) shall *mutatis mutandis* apply to debentures of the company.

8. Except as required by law, no person shall be recognized by the company as holding any share upon any trust and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9. (*i*) The company may exercise the powers of paying commissions conferred by sub-section (*6*) of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

(*ii*) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(*iii*) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

10. (*i*) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(*ii*) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

12. 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.

ISSUE OF DEBENTURES

13. Subject to the applicable provisions of the Companies Act, the Company shall issue any debenture, whether secured or unsecured, convertible into equity shares of the Company or otherwise, subject to such terms and conditions as may be decided by the Board, from time to time.

14. Subject to the applicable provisions of the Companies Act, the Company having redeemed any debentures previously issued, then, the Company shall have the right to keep debentures alive for the purposes of reissue; and in exercising such right, the Company shall have, and shall be deemed always to have had power to reissue the debentures either by reissuing the same debentures or by issuing other debentures in their place.

REGISTER OF MEMBERS / DEBENTURE-HOLDERS

15. Subject to the applicable provisions of the Companies Act, the Company shall keep in any state or country outside India, a branch register of members or debenture-holders resident in that state or country and the Board may (subject to the provisions of those sections), make and vary such regulations as it may think fit in respect of the keeping of any such register.

LIEN

16. (*i*) The Company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(*ii*) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

17. The Company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

a) Unless a sum in respect of which the lien exists is presently payable; or

b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

18. (*i*) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(*ii*) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(*iii*) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

19. (*i*) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

20. I. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or byway of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

II. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

III. A call may be revoked or postponed at the discretion of the Board.

21. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

23. I. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

II. The Board shall be at liberty to waive payment of any such interest wholly or in part.

24. I. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

II. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

25. THE BOARD—

I. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

II. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

26. I. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

II. The transferor shall be deemed to remain a holder of the share until the name of them transferee is entered in the register of members in respect thereof.

27. The Board may, subject to the right of appeal conferred by section 58 decline to register—

a. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
b. any transfer of shares on which the company has a lien.

28. The Board may decline to recognize any instrument of transfer unless—

a. the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56;
b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
c. the instrument of transfer is in respect of only one class of shares.

29. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

29A Transfers by Debenture Trustee

(i) Nothing contained in these Articles (including without limitation Articles 19 - 22) shall restrict and/or be deemed to restrict any transfer of shares by the debenture trustee ("**Debenture Trustee**") acting on behalf of the debenture holders ("**Debenture Holders**");

(ii) Neither the Company nor its Board shall decline the recognition/ recording/ of any transfer of shares of the Company made by the Debenture Trustee further to the Debenture Documents;

(iii) None of the shareholders of the Company shall object to the transfer of shares by the Debenture Trustee further to the Debenture Documents.

29B Transfers by Investor

I. The Investor shall have the right to Transfer part of all of her shareholding to any Person, provided however that such Transfer shall be effected after intimating the Promoter in writing. Notwithstanding the preceding sentence of this Clause 5.1, the Investor undertakes that, she shall not, directly or indirectly, Transfer, sell or Encumber any of her shareholding to any competitor of the Company without the prior written consent of the Promoter.

II. In the event that the Investor wishes to Transfer whole or part of her/its shareholding to any third party ("**Prospective Acquirer**"), then Investor shall first offer such Equity Securities to the Promoter and the Promoter shall have the right but not the obligation to acquire such Shares, in whole or in part on the identical terms and conditions as offered by the Investor to the Prospective Acquirer.

III. Notwithstanding anything contained under this Articles, for determination of rights available to an Affiliate of the Investor under this Articles, shareholding of any Affiliate to whom the Investor Transfers its Equity Securities in accordance with the terms of this Articles and such Affiliate executes the Deed of Adherence, shall be taken into consideration and the Investor along with such Affiliate shall be deemed as a Shareholder Block ("**Shareholder Block**"). Within the Shareholder Block, the Investor may decide how the Investor and the Affiliate transferee exercise their rights, as long as the overall rights available under this Articles are not exceeded.

IV. The Promoter shall have the right to freely transfer his Equity Securities to any Person, including the Other Shareholder and/or any of his Affiliates.

V. Provided that in the event of a Transfer of Equity Securities by the Promoter to the Other Shareholder and/or any of his Affiliates, then the Promoter, the Other Shareholder and such Affiliate(s), as applicable, shall thereafter be jointly and severally liable to comply with the provisions of Tag along Right and Investor's Right to Exit as defined in this Articles and the provisions of Tag along Right and Investor's Right to Exit shall be read accordingly.

VI. Provided further that, notwithstanding anything to the contrary contained anywhere in this Agreement, the provisions of Tag along Right and Investor's Right to Exit shall not be applicable to the Investor in respect of any Transfer of Equity Securities by the Promoter to the Other Shareholder and/or his Affiliate(s).

29C Tag along Right

In the event that the Promoter desires to Transfer, in any manner whether directly or indirectly, any of the Equity Securities held by him("Offer Securities") to any Person (other than the Other Shareholder and/or any of his Affiliate(s)) ("Prospective Acquirer"), then the Investor shall have the right ("Tag-Along Right") (but not the obligation) to require the Promoter to procure the Transfer of such number of Equity Securities held by the Investor ("Tag Securities") to the Prospective Acquirer calculated on a proportionate basis, based on the then existing inter-se shareholding between the Investor and the Promoter and its Affiliates and upon the same terms and conditions.

Provided however that in the event that the Promoter is desirous of Transferring more than 25% of collective shareholding of the Promoter, the Other Shareholder and his Affiliate(s) on a fully diluted basis, then the Investor shall have a full Tag Along Right, i.e right to require the Promoter to procure the Transfer all of the Equity Securities held by the Investor to the Prospective Acquirer simultaneously and upon the same terms and conditions as the transfer by the Promoter, the Other Shareholder and its Affiliate(s).

29D Investor's Right To Exit

Subject to the provisions of this Agreement, the Company and the Promoter hereby agree and covenant to provide an exit to the Investor after 6 (six) years from the Execution Date ("Exit Date") and upon which the Investor shall have the right not an obligation to exercise the exit right. Provided however that, in the event of negotiation of an earlier exit date by the Company and the Promoter for a third party investor in the Future Fund Raise ("New Exit Date"), then the Exit Date for the Investor shall also be revised to the New Exit Date.

Provided further that, that in the event of any exit of the Promoter from the Company during the occurrence of any Exit Event, the Promoter and the Company undertake to provide an exit to the Investor before the exit of the Promoter.

For the avoidance of doubt it is clarified that upon the occurrence Exit Event, neither the Promoter and/or the Other Shareholder shall be provided with an exit prior to the exit being provided to the Investor.

TRANSMISSION OF SHARES

30. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

31. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

a) to be registered himself as holder of the share; or

b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

32. i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

33. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would been titled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

34. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

35. The notice aforesaid shall—

a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

36. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

37. i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

38. I. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

II. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

39. I. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

II. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

III. The transferee shall thereupon be registered as the holder of the share.

IV. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

40. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

41. The company may, from time to time, by ordinary resolution increase or decrease the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution, including by way of conversion of outstanding debt of the Company under the Debentures into fully paid up equity shares of the Company.

42. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(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;
(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.

43. Where shares are converted into stock,—

I. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

II. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividend sand profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

III. Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

44. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
(*a*) Its share capital;
(*b*) Any capital redemption reserve account; or
(*c*) Any share premium account.

CAPITALIZATION OF PROFITS

45. (*i*) The company in general meeting may, upon the recommendation of the Board,

Resolve—

a. that it is desirable to capitalise 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

b. that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(*ii*) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), 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*);

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;

e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

46. (*i*) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and *issues* of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(*ii*) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and

(b) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
(b)to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(*iii*) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

47. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

48. All general meetings other than annual general meeting shall be called extraordinary general meeting.

49. I. The Board may, whenever it thinks fit, call an extraordinary general meeting.

II. 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.

PROCEEDINGS AT GENERAL MEETINGS

50. i. 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.

ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103, a minimum of:-

a. five members personally present if the number of members as on the date of meeting is not more than one thousand;

b. fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;

c. thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

51. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

52. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

53. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

54. I. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

II. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

III. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

IV. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

55. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

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

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

56. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

57. I. 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.

II. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

58. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

59. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

60. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

61. I. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

II. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

61A Nothing contained in these Articles (including without limitation Articles 48 - 54) shall impose and/or be deemed to impose any obligation on the Debenture Trustee to pay any amounts on account of any calls made, and, nothing contained in these Articles (including without limitation Articles 48 - 54).

PROXY

62. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

63. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

64. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfers hall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

65. (i) The following persons shall be the First Directors of the Company

1. Mr. Ramesh Kunhikannan
2. Mrs. Savitha Ramesh

66. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.

67. (1) Subject to the provisions of the Companies Act, 2013 and Rules made there under each directors shall be paid sitting fees of such amount as may be decided by the board of directors from time to time for every meeting of the board of directors or of a committee of the board attended by them, not exceeding the sum that may be prescribed in this regard under the Act and rules made thereunder, from time to time. The directors may waive the payment of sitting fees for such period as may be decided from time to time.

(2) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.

(3) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(4) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.

(5) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them :-

(a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or

(b) In connection with the business of the Company.

67. The Directors shall not be required to hold any qualification shares in the Company.

68. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

69. Where any agreement with a lender, debenture holder, trustee appointed by a lender / debenture holder, strategic investor or joint venture partner so requires, one or more nominees of such entities may be inducted as nominee director, on such terms as to sitting fees, remuneration, voting rights, tenure and other relevant matters, as may be agreed to, by the board of directors with such entity/ entities, from time to time.

Such nominee director(s) appointed under this Article shall be entitled to receive all notices of, and attend, all general Meetings, board meetings and meetings of the committee of which the Nominee Director may be a member as also to minutes of such meeting. All expenses permitted under the Act relating to the Nominee Director's functions as director shall be borne by the Company. The nominee director appointed by a lender / debenture holder or their respective trustee(s) shall not be liable to retire by rotation nor shall be required to hold any qualification shares.

70 A **Nominee Director of the Debenture Trustee**

(1) Notwithstanding anything to the contrary contained in these Articles, so long as any amounts under the Debentures remain outstanding, or so long as the Debenture Trustee holds shares in the Company due to any reason whatsoever, the Debenture Trustee shall have right to (a) appoint and/or substitute from time to time, any person or persons as a Director or Directors, including whole-time Directors (which Director or Directors is/are hereinafter referred to as "**Nominee Directors**") on the Board of the Company, and all committees thereof, and (b) to remove from such office any person or persons so appointed and to appoint any person or persons in his/her place(s).

(2) Any Nominee Directors appointed as aforesaid shall-

(i) not be required to hold any shares of the Company;

(ii) not incur any obligation or liability by reason of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto and no proceedings of whatsoever in nature shall commence against him for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto;

(iii) be indemnified by the Company against all losses, costs and expenses incurred by him/her in, or in relation to, the discharge of his/her duties and for defending himself/herself in any proceedings, inquiry investigations etc.

(3) The board of Directors of the Company shall have no power to remove the Nominee Director(s) and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors shall be entitled to the same rights, privileges and immunities and be subject to the same obligation as any other Director of the Company.

(4) The Nominee Director(s) so appointed shall hold the office only so long as any amounts under the Debentures remain outstanding or so long as the Debenture Trustee holds shares in the Company due to any reason whatsoever and the Nominee Director(s) so appointed in exercise of the said power shall ipso facto vacate such office immediately upon the amounts under the Debentures owed by the Company are paid-off or on the Debenture Trustee ceasing to hold shares in the Company.

(5) The Nominee Director(s) shall be entitled to receive all notices of and attend all general meetings, Board Meetings and the meeting of all the Committee of the Board of Directors, and of the meetings of any other Committee, as also the minutes of such meetings and the Company shall furnish a copy of all of the aforesaid to the Debenture Trustee, as well. The Nominee Director shall be at liberty to share information pertaining to or arising from such meetings to the Debenture Trustee. If, at any time, the Nominee Director(s) is/are not able to attend a meeting of the board of directors or any of its committees, the Debenture Trustee may, at the cost of the Company, depute an alternate person to attend the meeting.

(6) The Company shall pay to the Nominee Director(s) sitting fee and expenses which the other Directors of the Company are entitled but, if any other fees, commission, money and remuneration in any form is payable to the Director of the Company, the fees, commission, money & remuneration in relation to such Nominee Director(s) shall accrue to the Debenture Trustee and the same shall accordingly, be paid by the Company directly to the Debenture Trustee. Any expenses that may be incurred by the Debenture Trustee or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Debenture Trustee or the Nominee Directors, as the case may be.

70 B Investor Director and Investor Observer: On and from date of the issuance of the Investor Securities:

I. so long as the Investor holds a minimum of 5% (Five Percent) of the shareholding of the Company on a Fully Diluted Basis, the Investor shall have the right to appoint director on the Board proportional to the shareholding of the Investor subject to a minimum of 1 (one) director ("Investor Director") upon serving a notice to the Company to such effect. It is agreed that the right to nominate the Investor Director is non-transferable and the Investor alone can exercise this right; and

II. so long as the Investor holds a minimum of 2.5% (Two Point Five Percent) of the shareholding of the Company on a Fully Diluted Basis and until the shareholding of the Investor is less than 5% (Five Percent) of the shareholding of the Company on a Fully Diluted Basis, the Investor shall have the right to appoint 1 (one) non-voting representative on the Board ("Investor Observer") who will be non-member on the Board of the Company, at its sole discretion, upon serving a notice to the Company to such effect. It is agreed that the right to nominate the Investor Observer is non-transferable and the Investor alone can exercise this right. The Investor Observer shall, to the extent appointed, simultaneously receive copies of all notices (including meeting notices), communications, consents and other materials and information circulated to the Board (or committees thereof) upon request by such Investor Observer."

BORROWING POWER

71. Subject to the provisions of the Companies Act 2013, the Board may from time to time at its absolute discretion raise or borrow any sum of money for the purpose of the Company from any person, banks, firms, companies, financial institutions/corporations and may secure the payment of such monies in such manner and upon such terms and conditions in all respects as it think fit and in particular by the issue of debenture stock of the company or by making or drawing or accepting or endorsing on behalf of the Company any promissory notes or bills of exchange or giving or issuing any other securities of the Company or by mortgage or charges of all or any property of the Company including the uncalled capital for the time being.

72. I. Subject to the provisions of section 149, 161 of the Companies Act 2013, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

II. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD

73. i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

i.A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

74. i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

75. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

76. I. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

II. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

77. I. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

II. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

78. I. A committee may elect a Chairperson of its meetings.

II. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

79. I. A committee may meet and adjourn as it thinks fit.

II. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

80. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

81. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

81 A Notwithstanding anything contained in these Articles, upon occurrence of an event of default (however defined in the Debenture Documents:

(i) no meeting of the board of directors shall be validly convened and quorum shall not be properly constituted unless and until the Nominee Director appointed by the Debenture Holder is present at the beginning;

(ii) if adequate quorum is not achieved at such meeting of the board of the Directors, the meeting shall be adjourned by a week at the same place and same time as the original meeting. If adequate quorum is not achieved at the adjourned meeting, then, notwithstanding anything contained in these Articles, the Directors then present shall constitute the quorum for the meeting, provided that the prior written consent of the Debenture Trustee is obtained for all decisions taken by the board of Directors at such adjourned meeting. Any decision required taken by the board of Directors shall not be deemed to be valid unless the Debenture Trustee has given its assent or dissent in writing to such decision, and such decision is taken on record in the meeting and counted for the purposes of voting thereon;

(iii) no meeting of the board of Directors shall be held unless (a) at least 3 (three) days written notice detailing the agenda or with such other shorter notice as may be mutually agreed of the matters to be taken up at the board meeting is sent to the Nominee Director appointed by the Debenture Trustee; (b) Such Nominee Director's (and in the event a Nominee Director has not been appointed, then the Debenture Trustee's) consent in relation to all the matters proposed before the board of Directors is obtained, and (c) a quorum stipulated in this Article is present;

(iv) no resolution shall be deemed to have been duly passed by the board of Directors by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to the Nominee Director appointed by the Debenture Trustee (including the representative and alternate directors, if any) reasonably in advance (in normal cases at least three 3 (three) business days) of the meeting at which such resolution is to be voted on, and has been approved in writing by a majority of such of Directors as are entitled to vote on the resolution;

(v) no resolution shall be passed by the Company (either through a resolution of the board of Directors or the shareholders) with respect to any matter without prior written consent of Debenture Trustee or the Nominee Director appointed by Debenture Trustee (and in the event a Nominee Director has not been appointed, then the consent of the Debenture Trustee).

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

82. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company Secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, Company Secretary or chief financial officer.

83. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

84. RIGHTS OF THE INVESTOR

Information Rights :
Upon the prior written request of the Investor, the Company agrees to provide, and the Promoter shall ensure that the Company provides to the Investor, in its capacity as a Shareholder, the following information:

- monthly MIS, in a format mutually agreed between the Investor and Promoter, within 15(fifteen) days of the close of the preceding calendar month;

- quarterly (un-audited) financial statements within 30 (thirty) days from the end of the preceding quarter;

- annual (audited) financial statements within 4 (four) calendar months following the closure of the preceding Financial Year;

- In the event of issuance of any new securities by the Company at a valuation less than the valuation of the Investor Additional Securities, then the Company shall compensate the Investor prior to such issuance, by either issuing and allotting to the Investor such additional number of Equity Securities of the Company, on a broad based weighted average basis, the cost of which shall be borne by the Company and/or transferring additional number of Equity Securities of the Company at the lowest price permissible under Applicable Law as may be necessary to ensure that the average price per Equity Security held by the Investor is equal to the price per security at which the issuance will be made. Nothing in this Clause shall be applicable to any issue of Equity Shares of the Company pursuant to any conversion of convertible securities, any issuance of employee stock options or any bonus issuance.

85. TERMS AND CONDITIONS OF CCPS

1. ***Non-Redemption***

The CCPS shall be compulsorily converted into Equity Shares and shall not be redeemable in any other manner.

2. ***Priority in certain case***

a) *The CCPS shall confer on the holder, the right to receive, in priority to the holders of Equity Shares in the Share Capital, a dividend (if declared by the Company) equal to 0.01% (zero point zero one per cent) per financial year. Subject to Applicable Law, on a distribution of capital on a winding up, the assets of the Company available for distribution to its members shall be applied in the manner set forth in the relevant law and the CCPS shall rank senior to any other nature of Equity Security issued by the Company and shall rank pari passu to the CCPS.*

b) *The holder of the CCPS be participating in surplus funds.*

c) *In case of winding up of Company before the conversion of the CCPS into Equity Shares, the holder of the CCPS shall be eligible to participate in the surplus assets and profit, if any, remaining after paying all the creditors (including debts) but before making any payment to holders of the Equity Shares, in proportion to their holding of CCPS.*

d) *The payment of dividend to the CCPS shall be on a cumulative basis.*

3. ***CCPS Conversion***

(a) *The CCPS shall compulsorily convert into Equity Shares of the Company, at the Conversion Valuation set out in Clause 3 of this Schedule, upon the occurrence of any of the following events:*

I. *At the latest time permitted under Applicable Laws, when considering the listing of the Equity Shares of the Company pursuant to an IPO;*

II. *Expiry of 120 months from the Execution Date ("**Investment Period**"); or*

III. *Any time prior to the expiry of the Investment Period at the option of the holder.*

(b) *In the event upon CCPS Conversion, the Equity Shares proposed to be issued to the holder are fractional in number, then the number of Equity Shares shall be rounded off to the next whole number.*

(c) *The Equity Shares so issued and allotted to the holder shall carry, from the date of CCPS Conversion, all rights pari passu with the Equity Shares of the Company existing as of date.*

4. ***CCPS Conversion Mechanism***

*Subject to the guidelines under the Foreign Exchange and Management Act and rules and regulations, the Parties agree that the CCPS shall be convertible into Equity Shares ("**Conversion Securities**") at a pre-money equity valuation of the Company ("**Conversion Valuation**") determined in the following manner:*

(a) *in the event of a Future Fund Raise* (by a third party investor) equivalent to or above INR 50,00,00,000 (Indian Rupees Fifty Crores) *occurring on or before August 15, 2020, the Conversion Valuation shall be the pre-money equity valuation of the Company of the Future Fund Raise as of the closing date of such Future Fund Raise ("**External Valuation**"); or*

(b) *in the event, the Future Fund Raise* (by a third party investor) equivalent to or above INR 50,00,00,000 (Indian Rupees Fifty Crores) *occurs after August 15, 2020, the Conversion Valuation shall be calculated at discount of 1.5% (One point Five percent) per month ("**Discount Rate**") on the External Valuation. The discount shall be applied for every month completed after the Execution Date until the month of consummation of the Future Fund Raise; or*

(c) *in the event that there is no Future Fund Raise* (by a third party investor) equivalent to or above INR 50,00,00,000 (Indian Rupees Fifty Crores) *at the time of the Conversion Securities, the Conversion Valuation shall be at a pre-money equity valuation of INR 250,00,00,000 (Indian Rupees Two hundred and Fifty Crores only).*

5. ***Voting***

The CCPS 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."

86. A TERMS AND CONDITIONS OF CCPS SERIES A

1. Non-Redemption

The CCPS Series A shall be compulsorily converted into Equity Shares and shall not be redeemable in any other manner.

2. **Priority in certain case**

(a) The CCPS Series A shall confer on the holder, the right to receive, in priority to the holders of Equity Shares in the Share Capital, a dividend (if declared by the Company) equal to 0.01% (zero point zero one per cent) per financial year. Subject to Applicable Law, on a distribution of capital on a winding up, the assets of the Company available for distribution to its members shall be applied in the manner set forth in the relevant law and the CCPS Series A shall rank senior to any other nature of Equity Security issued by the Company and shall rank pari passu to the CCPS.

(b) The holder of the CCPS Series A be participating in surplus funds.

(c) In case of winding up of Company before the conversion of the CCPS Series A into Equity Shares, the holder of the CCPS Series A shall be eligible to participate in the surplus assets and profit, if any, remaining after paying all the creditors (including debts) but before making any payment to holders of the Equity Shares, in proportion to their holding of CCPS Series A.

(d) The payment of dividend to the CCPS Series A shall be on a cumulative basis.

3. **Conversion of the CCPS Series A**

(a) The CCPS Series A shall compulsorily convert into Equity Shares of the Company, at the Conversion Valuation set out in Clause 3, upon the occurrence of any of the following events:

I. At the latest time permitted under Applicable Laws, when considering the listing of the Equity Shares of the Company pursuant to an IPO;

II. Expiry of 120 months from 18th June, 2020, being the Execution Date of the Original SSHA ("**Investment Period**"); or

III. Any time prior to the expiry of the Investment Period at the option of the holder.

(b) Upon conversion of the CCPS Series A, in the event the Equity Shares proposed to be issued to the holder of the CCPS Series A are fractional in number, then the number of Equity Shares shall be rounded off to the next whole number.

(c) The Equity Shares so issued and allotted to the holder of the CCPS Series A shall carry, from the date of conversion of the CCPS Series A, all rights pari passu with the Equity Shares of the Company existing as of date.

4. **Conversion Mechanism for the CCPS Series A**

Subject to the guidelines under the Foreign Exchange and Management Act and rules and regulations, the Parties agree that the CCPS Series A shall be convertible into Equity Shares ("**Conversion Securities**") at a pre-money equity valuation of the Company ("**Conversion Valuation"**) determined in the following manner:

(a) at 18% discount to the equity valuation of the immediately succeeding external fund raise, subject to the successful closing of such external fund raise occurring on or before 31 March 2021 or the signing of a non-binding term sheet with respect to such external fund raise on or before 31 December, 2020; or

(b) at a pre-money equity valuation of INR 250,00,00,000 (Indian Rupees Two hundred and Fifty Crores only) in the event the conditions specified in sub-point (a) above are not satisfied within the timelines specified therein, along with a preferential dividend payment of 5% from the date of issuance until the date of conversion of the CCPS Series A.

5. **Voting**

The CCPS Series A 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.

87. **TERM AND TERMINATION**

The rights of the Investor as stipulated under there Articles may be terminated in the following manner:

- by mutual agreement in writing or
- upon the Investor ceasing to hold Investor Securities in the Company.

If the rights of the Investor as stipulated under there Articles t is terminated in accordance with above, the rights of the Investor as defined under this Article shall become void and of no further force and effect and the Company, the Promoter and the Other Shareholder shall not have any right or obligation or liability to the Investor. provided however that, the provisions of the Clauses 1 (*Definitions and Interpretation*), 9 (*Governing Law and Dispute Resolution*), 10 (*Announcements and Confidentiality*), Clause 11 (*Notices*), 12 (*Miscellaneous Provisions*) as defined in the Share Subscription Cum Shareholders' Agreement shall survive the termination of this Agreement without limit in time.

THE SEAL

88. I. The Board shall provide for the safe custody of the seal.

II. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director and of the secretary or such other person as the Board may appoint for the purpose; and the One director and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVE

89. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

90. 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.

91. I. 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.

II. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

92. I Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

II. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

III. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

93. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

94. I. Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

II. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

95. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share

96. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

97. No dividend shall bear interest against the company.

ACCOUNTS

98. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

WINDING UP

99. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

I. 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 Act, divided 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.

II. 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.

III. 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.

INDEMNITY

100. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and (ii) will also be available for inspection on the website of our Company at https://kaynestechnology.co.in/investors from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

a) Offer Agreement dated April 13, 2022 amongst our Company, the Selling Shareholders and the BRLMs.

b) Registrar Agreement dated April 13, 2022 amongst our Company, the Selling Shareholders and the Registrar to the Offer.

c) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Public Offer Account Bank(s) and the Refund Bank(s).

d) Share Escrow Agreement dated [●] amongst the Selling Shareholders our Company and the Share Escrow Agent.

e) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, the Registrar and Syndicate Members.

f) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

g) Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

B. Material Documents

a) Certified copies of updated MoA and AoA, updated from time to time.

b) Certificate of incorporation dated March 28, 2008 issued to our Company, under the name Kaynes Technology India Private Limited by the RoC.

c) Fresh certificate of incorporation dated March 31, 2022 issued by the RoC, consequent upon change of name from 'Kaynes Technology India Private Limited' to 'Kaynes Technology India Limited, pursuant to conversion of our Company from a private limited company to a public limited company.

d) Share subscription cum shareholders' agreement dated October 22, 2021 between the Company, Ramesh Kunhikannan, Savitha Ramesh, Freny Firoze Irani and Ganesh Cherapuram Balasubramanian, as amended by way of amendment agreement dated March 22, 2022.

e) Share subscription cum shareholders' agreement dated December 24, 2021 between the Company, Ramesh Kunhikannan, Savitha Ramesh, and Bharadwaj Turlapati, as amended by way of amendment agreement dated March 22, 2022.

f) Joint venture agreement dated May 17, 2018 between our Company and Radha Madhav Inc.

g) Joint venture agreement dated October 17, 2018 between our Company, Mohlenhoff GMBH and Business Guardia

h) Copies of the annual reports of the Company for Fiscals March 31, 2021, March 31, 2020 and March 31, 2019.

i) Copies of the Audited financial statements for December 31, 2021

j) Copy of the report dated April 13, 2022 on the Statement of Special Tax Benefits

k) Resolutions of the Board of Directors dated March 31, 2022, authorising the Offer and other related matters.

l) Resolution of Board of Directors dated April 8, 2022, taking on record the approval for the Offer for Sale by the Selling Shareholders.

m) Shareholders' resolution dated April 1, 2022, in relation to the Fresh Issue and other related matters.

n) Resolution of the Board of Directors dated April 13, 2022, approving the DRHP.

o) Written consent dated April 13, 2022 from K. P. Rao & Co, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated April 4, 2022 on our Restated Consolidated Financial Statements; and (ii) their report dated April 13, 2022 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

p) Consent of the Selling Shareholders, the Directors, the BRLMs, the Syndicate Members, Legal Counsel to the Company as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, Legal Counsel to BRLMs as to International Law, Registrar to the Offer, Statutory Auditors, Independent Chartered Accountant, Escrow Collection Bank(s), Bankers to the Offer, Monitoring Agency, Bankers to our Company, lenders of the Company, Promoters, Key Managerial Personnel, Company Secretary and Compliance Officer, Chief Financial Officer, Frost & Sullivan as referred to in their specific capacities.

q) Written consent dated April 4, 2022 from Resurgent India Limited, an independent consultant, issuing the detailed project report dated April 11, 2022, prepared for PCB, Electronics System & Design Services Space for our Company, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an 'expert' under Section 2(38) of Companies Act, 2013 in respect of the Project Report dated April 11, 2022. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

r) Written consent dated April 8, 2022 from K.L. Arun, as Independent Chartered Engineer to include his name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an 'expert' under Section 2(38) of Companies Act, 2013 in respect of the certificate dated April 8, 2022. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

s) Written consent dated April 13, 2022 from ASA & Associates LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Independent Chartered Accountant, in respect of its reports and certificates and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

t) F&S Report titled "*Assessment of Electronics System Design & Manufacturing, Skill Development (ESDM) In India"* dated April 13, 2022.

u) Engagement letter dated November 16, 2021 of F&S in respect of the Report "*Assessment of Electronics System Design & Manufacturing, Skill Development (ESDM) In India".*

v) Due Diligence Certificate dated April 13, 2022 addressed to SEBI from the BRLMs.

w) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively

x) Tripartite agreement dated March 8, 2022 amongst our Company, NSDL and the Registrar to the Offer

y) Tripartite agreement dated January 7, 2022 amongst our Company, CDSL and the Registrar to the Offer

z) The ESOP Scheme.

aa) Certificate from Statutory Auditors dated April 13, 2022 certifying the utilization of loan for the purposed availed in accordance with accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations.

bb) SEBI final observation letter dated [●]

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR , and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ramesh Kunhikannan
Managing Director

Place: Mysore
Date: April 13, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Savitha Ramesh
Chairperson and Whole-time Director

Place: Mysore
Date: April 13, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Jairam Paravastu Sampath
Whole-time Director and Chief Financial Officer

Place: Mysore
Date: April 13, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Anup Kumar Bhat
Independent Director

Place: Bangalore
Date: April 13, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Vivekanandah Ramasamy
Independent Director

Place: Hosur
Date: April 13, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Koshy Alexander
Independent Director

Place: Bangalore
Date: April 13, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Murali S G
Independent Director

Place: Bangalore
Date: April 13, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Poornima Ranganath
Independent Director

Place: Bangalore
Date: April 13, 2022

DECLARATION BY THE SELLING SHAREHOLDERS

I, Ramesh Kunhikannan hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by them in this Draft Red Herring Prospectus about or in relation to myself, as the Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Ramesh Kunhikannan
Place: Mysore
Date: April 13, 2022

DECLARATION BY THE SELLING SHAREHOLDERS

I, Freny Firoze Irani hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by them in this Draft Red Herring Prospectus about or in relation to myself, as the Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: Freny Firoze Irani
Place: Oman
Date: April 13, 2022