August 23, 2023

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Stock Code – KAYNES

The Secretary
BSE Ltd.
Corporate Relationship Dept.,
14th floor, P. J. Tower,
Dalal Street, Fort
Mumbai - 400 001
Stock Code – 543664

Dear Sir/Madam,

Subject: Notice of 15th Annual General Meeting ("AGM") and Annual Report for FY 2022-23

This is to inform you that the 15th AGM of the Company will be held on Friday, September 15, 2023 at 3:30 P.M. ("IST") through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

In this regard and in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the 15th AGM of the Company and the Annual Report for FY 2022-23, which is being circulated to the shareholders through electronic mode.

Further, the Company has fixed Friday, September 08, 2023, as the cut-off date for determining the list of members who are eligible to vote at the AGM.

The above-mentioned information will also be available on website of the Company www.kaynestechnology.co.in.

Request to kindly take this intimation on record.

Thanking You,
Yours faithfully,
For **Kaynes Technology India Limited**

JAIRAM PARAVASTU SAMPATH
Digitally signed by JAIRAM PARAVASTU SAMPATH
Date: 2023.08.23 21:28:50 +05'30'

Jairam P Sampath
Whole Time Director and CFO
DIN: 08064368

Enclosed: Notice of 15th AGM and Annual Report for FY 2022-23.

KAYNES TECHNOLOGY INDIA LIMITED

ANNUAL REPORT **2022-23**

KAYNES TECHNOLOGY

TOUCHING LIVES THROUGH TECHNOLOGY

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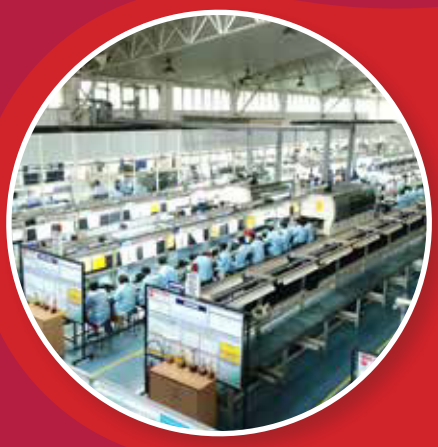
Disclaimer

This document contains statements about expected future events and financials of Kaynes Technology India Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Integrated Report.

Investor Information	
Market Capitalisation as on 31 March, 2023	₹ 55,980 mn
CIN	L29128KA2008PLC045825
NSE Symbol	KAYNES
BSE Code	543664
Bloomberg Code	7575164Z
Dividend Declared	NIL
AGM Date	15 September, 2023
AGM Venue	Registered office at 23-25, Belagola Food Industrial Area, Metagalli P.O., Mysuru - 570 016, Karnataka, INDIA
AGM Mode	Video Conferencing / Other Audio Visual Means

An electronic version of this report is available online at: www.kaynestechnology.co.in

Scan this QR code to navigate investor-related information



About the Report

This report has been compiled following the principles of Integrated Report (IR), as laid out by the International Integrated Reporting Council (IIRC), focusing on the needs of various stakeholders. As a principal communication document, the Report explains Kaynes Technology India Limited's strategies, business model and major impact across economic, social and environmental areas. Additionally, it also offers an insight into the Company's operational and financial performance for understanding how Kaynes Technology India Limited manages business. In line with the Company's business strategy, this report defines the material issues which potentially influence the Company's sustainable value-creating ability. It covers aspects of social and environmental sustainability which have remained part of the Company's strategy and business practices for years now. There has been a consistent and continuous progress in the monitoring and reporting of data which is relevant and material to these matters.

Scope and Boundary

This report uses a holistic approach and furnishes information on the operational and business developments for the year ended 31 March, 2023.

Information on all business segments, across geographies, is captured and supported with different activities that they undertake for creating values in short, medium and long term. And subsidiaries' performance is included in the consolidated financial information.

Frameworks

Committed to embracing the best practices in reporting to ensure transparency and improve stakeholder engagement, the content and structure of this integrated report is guided by the framework endorsed by the International Integrated Reporting Council (IIRC). The Company fully complies with the NSE and BSE listings and SEBI guidelines. The statutory reports, including the Board's Report, Management, Discussion and Analysis (MD&A) Report, Report on Corporate Governance and the Business Responsibility and Sustainability Report (BRSR), are in line with the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the prescribed Secretarial Standards.

Assurance

The Company's Board acknowledges its responsibility to ensure the integrity of this report. The Directors confirm having reviewed the Report's content and they believe this document addresses the material issues and is a fair presentation of the Company's integrated performance.

TOUCHING LIVES THROUGH TECHNOLOGY

Technology, an omnipresent term in our lives, holds transformative power that has revolutionised our daily routines and the business world. As a driving force of human development, it enables businesses to optimise inputs and outcomes, extracting the utmost benefits from their assets. Technology serves as the enabler of progress and positive change, necessitating perpetual agility and continuous evolution.

At Kaynes Technology India Limited, our mission is to positively impact individuals, communities and industries through innovative solutions and dedication.

At the heart of our endeavours lies a commitment to cutting-edge technology and forward-thinking methodologies. Our aim is to craft solutions that effectively address real-world challenges and elevate the overall quality of life. Within our diverse portfolio, we dedicate ourselves to designing and manufacturing smart devices and developing advanced IoT solutions, all geared towards enhancing connectivity, driving efficiency and fostering sustainable practices.

However, our impact transcends beyond the confines of technology alone. We consciously cultivate a culture of collaboration and partnership, engaging closely with clients, industry experts and stakeholders to co-create solutions that genuinely cater to their distinctive needs/requirements. Our collective aspiration is to drive positive change and empower individuals and businesses to thrive in the dynamic landscape of the digital age.

At Kaynes Technology, we do not merely embrace technology; we harness its power with purpose and intent, uplifting and empowering lives through transformative innovations, one step at a time.

OUR PROGRESSION THROUGH THE YEARS...

From our humble beginnings in 1988 as a manufacturing enterprise, we have embarked on a transformative journey, fuelled by a relentless pursuit and passion for innovation. Today, as we stand on the threshold of a new era, we are thrilled to offer you a glimpse into our progress, igniting our spirits to embrace a future filled with boundless possibilities. Together, we soar towards new heights, confident that our collective knowledge and efforts will shape a world of limitless potential.

THEN	NOW
Commenced operations as an electronics manufacturing services provider	Recognised as a pioneering design-led manufacturer with expertise across the entire spectrum of ESDM
Established our first manufacturing centre in Mysuru	Operating through 9 advanced manufacturing facilities across India, with the capability of delivering complex solutions
Obtained our first-ever certification in 1995	Currently hold 10 global certifications, making us the most certified ESDM company
Secured approval for setting up our first hardware export-oriented unit of populated PCBs in the year 2000	Proudly catering to over 350+ customers in 26 countries across multiple industry verticals
Received the opportunity to serve our first client a global technology solutions company that provides electronic components, embedded design and supply chain services to businesses	Serving a diversified client base with marquee names that include Agappe Diagnostics Ltd, Canyon Aero, Frauscher Sensor Technology, Hitachi Rail STS, India Japan Lighting, Siemens Rail Automation, Iskraemeco and Tonbo Imaging

EMPOWERING LIVES THROUGH TECHNOLOGY SINCE 1988...

KAYNES TECHNOLOGY INDIA LIMITED: REVOLUTIONISING ELECTRONICS MANUFACTURING

Drawing on more than three decades of invaluable experience, we proudly stand as a trusted leader and a renowned player in integrated electronics manufacturing and IoT solutions, offering a comprehensive range of cutting-edge services.

Since our establishment in 1988, 'Kaynes Technology' has been at the forefront of the Electronic System Design and Manufacturing (ESDM) industry. Our vast expertise encompasses various sectors such as automotive, aerospace, defence, industrial, railways, medical, consumer electronic appliances and IT/IoT. We excel in every aspect, from conceptual design and process engineering to integrated manufacturing and life-cycle support.

Our design-led approach has made us pioneers in providing top-notch electronics manufacturing services to original equipment manufacturers (OEMs), leveraging our mature embedded design capabilities. Our expertise lies in delivering cutting-edge Original Design Manufacturing (ODM) solutions across multiple sectors, with a particular emphasis on smart devices, IoT, brushless drive technology and Gallium Nitride technology. We take immense pride in our advanced manufacturing facilities, which enable us to produce high-value products in flexible volumes, perfectly catering to the unique needs of our diverse clentele.

At Kaynes Technology, our track record speaks for itself. Having served over 350 customers across 26 countries, including multinational corporations, we prioritise customer satisfaction above all. Our dedication to innovation, sustainability and delivering exceptional electronic manufacturing services sets us apart from the competition. Through strategic partnerships, substantial investments in research and development and a steadfast dedication to environmental practices, we consistently exceed expectations, providing exceptional electronic manufacturing services.

Driven by a passion for excellence and commitment to innovation, we stay ahead of the curve, constantly evolving with the latest industry trends. With us as their partner, customers can be assured of groundbreaking solutions that uplift their business to new heights.

34

YEARS OF MANUFACTURING EXCELLENCE

1,500+
Permanent Employees

10
Global Certifications

350+
Marquee Clients across
3 Continents

250,000
Sq. Ft of Infrastructure across
8 Indian Cities

9
Manufacturing Plants

2
Service Centres

7
No. of Industries Catered

CATERING TO INDUSTRIES AND OFFERING TAILORED SOLUTIONS THROUGH TECHNOLOGY...INTEGRATED ESDM SOLUTIONS

At Kaynes, we excel in providing integrated Electronic System Design and Manufacturing (ESDM) solutions across a wide range of diversified industries. Our expertise spans multiple sectors, giving us a deep understanding of each industry's specific requirements and challenges. This profound knowledge allows us to deliver highly customised solutions that precisely cater to the unique needs of our clients.

Our commitment to excellence and innovation empowers us to constantly adapt and excel in meeting the demands of these diverse industries. We take great pride in staying at the forefront of technology, providing cutting-edge solutions that drive success for our esteemed clients across all the sectors we serve.

INDUSTRIES SERVED

AUTOMOTIVE

INDUSTRIAL

RAILWAYS

MEDICAL

AEROSPACE, DEFENCE & OUTERSPACE

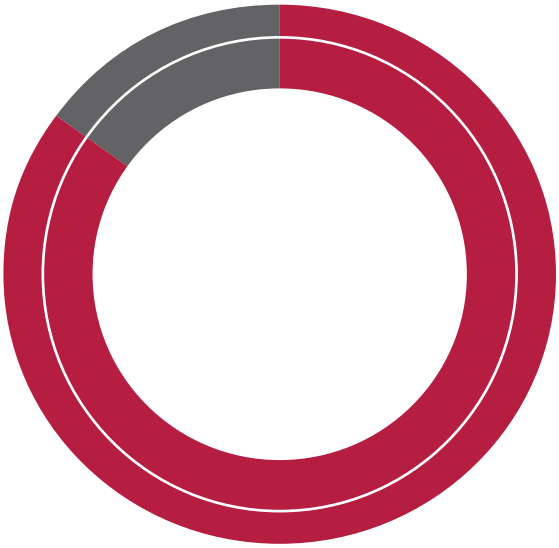
IoT/IT

Consumer Electronic Appliances

EMBRACING VICTORIES AND ACHIEVING EXCELLENCE THROUGH INNOVATION...

Our exceptional performance stands proof of our remarkable growth and significant milestones achieved. It underscores our commitment to excellence and innovation, enabling us to deliver exceptional value to our stakeholders. Thereby translating into the strong position we enjoy in the industry.

Revenue across Geographies 2022-23



85%
India

15%
Rest of World

PULL

₹ 26,482 mn
Order Book
₹ 15,166 mn in 2021-22

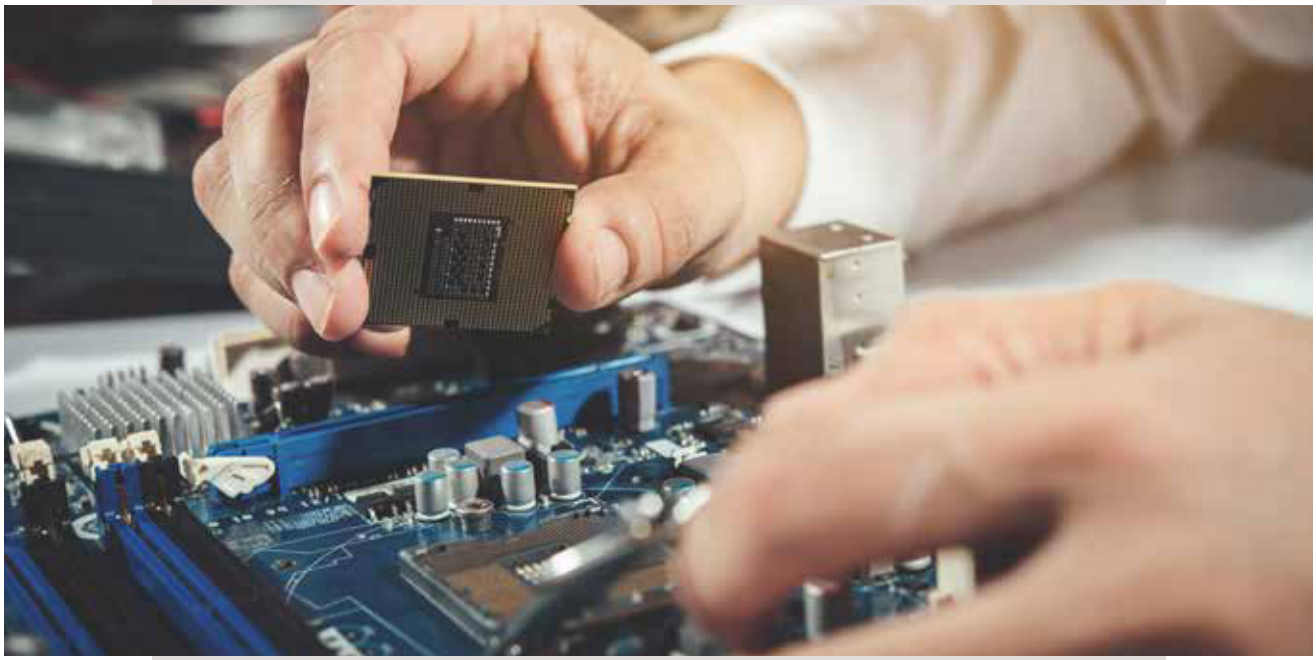
₹ 11,261 mn
Revenue
59% YoY

₹ 1,683 mn
EBITDA
80% YoY

14.9%
EBITDA Margin
+168 bps YoY

₹ 349 mn
Finance Cost
37% YoY

₹ 952 mn
Profit After Tax
128% YoY



8.5%
PAT Margin
+255 bps YoY

₹ 473 mn
Net Debt
₹ 1,480 mn in 2021-22

24.2%
ROCE
24.4% in 2021-22

24.9%
ROE
24.5% in 2021-22

99 Days
Net WC Days
98 days in 2021-22

0.05x
Net Debt to Equity
0.7x in 2021-22

PULL

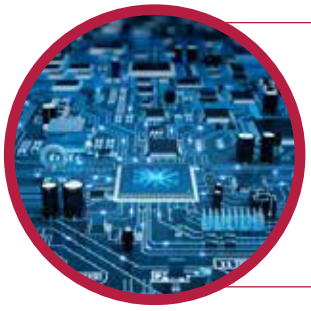
Our Business – Business Segment

PUSHING BOUNDARIES AND EXCEEDING EXPECTATIONS THROUGH INTEGRATED BUSINESS SOLUTIONS...

Our end-to-end business division encompasses a wide range of solutions and services, serving various industries by seamlessly integrating our expertise across each. From the inception of an idea to its seamless execution, we take pride in our ability to drive innovation, bringing forth cutting-edge solutions that meet our clients' needs and exceed their expectations. With a customer-centric approach, we constantly strive to push the boundaries of what's possible, making a tangible impact in various industries and creating lasting value for our partners through our business segments.

OEM Turnkey Solutions for Box Build

We specialise in delivering 'Build To Print' or 'Build to Specifications' services across diverse industry verticals, right from complex box builds to sub-systems and products.

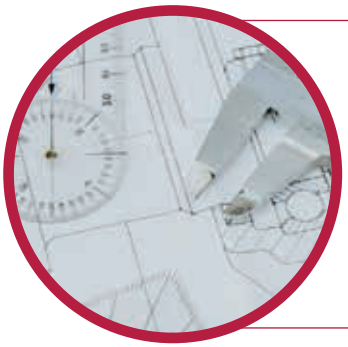


OEM Turnkey Solutions for Printed Circuit Board Assemblies (PCBAs)

Our comprehensive turnkey electronics manufacturing services encompass PCBAs, cable harnesses, magnetics and plastics. Our expertise ranges from prototyping to product realisation, including mass manufacturing, ensuring a seamless and efficient manufacturing process.

ODM Services

Our ODM offerings cover a wide range of solutions, including smart metering technology, smart street lighting, BLDC technology, inverter technology, gallium nitride-based charging technology and IoT solutions for smart consumer appliances and devices. We specialise in developing and implementing IoT connectivity to enhance the functionality and connectivity of our products.



Product Design & Engineering

We offer a comprehensive range of engineering services, including Embedded Design, Firmware and Software Development, Mechanical Design, Prototyping and Regulatory/ Certification support. Our product design and prototyping services also encompass Design for Manufacturability (DFM), Design for Serviceability (DFS) and Design for Testing (DFT) to ensure optimal performance, reliability and ease of manufacturing.

IoT Solutions

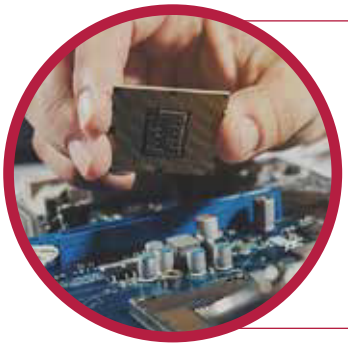
We specialise in canvas-to-cloud Industrial Internet of Things (IIoT) solutions, enabling OEMs to enhance their legacy products with smart capabilities. By integrating sensors, microprocessors, software and connectivity technologies. We facilitate the transformation of traditional systems into intelligent ones. Our competitive edge lies in our proprietary IoT IPs and tools, which expedite time to market and mitigate development risks for our customers. Our comprehensive portfolio includes hardware and software accelerators, cloud-based services, ODM product design, IoT data analytics platform and vertical-specific IoT solutions.

Cable Harness

Our expertise lies in delivering comprehensive solutions for cable harness systems. From designing and product development to manufacturing, testing, installation and servicing. We offer end-to-end services for cable harnesses and cable assemblies, ensuring integrated manufacturing processes.

Automated Test Equipment & Functional Tester

We specialise in custom designing and building, testing hardware for automated test equipment, including firmware flashing fixtures, PCBA fixtures and end-of-line testers. Our in-house team also develops custom firmware and test application software tailored to specific requirements, ensuring increased productivity and reduced reliance on skilled resources for our customers.



End-of-life Services

We provide repair and rehabilitation services for electronic cards in the railways, aerospace, defense and industrial sectors. Our specialised team handles re-engineering, test setup design and electronics repair for various establishments. Our EN 9110/AS 9110 certification allows us to serve the avionics industry with critical repairs and maintenance.

LEADING EDSM PLAYER WITH END-TO-END DESIGN AND ENGINEERING CAPABILITIES...

Service Offering Across Entire Customer Value Chain

Design Services	Industrialisation Services	Manufacturing Services		Product Maintenance Services	End-of-life Services
Concept To Design Realisation	Supply Chain Design	Prototype Manufacturing	OEM Manufacturing	Repair & Refurbish	Spare Part Handling
Product Development	Value Stream Mapping	Turnkey Electronic Manufacturing	Box-Building	Face Lifts	Material Obsolescence
DFM/DFA - Analysis	Quality Assurance	Parts Development Services	PCB Assembly	Value Engineering/ Value Analysis	Product Maintenance
Rapid Prototyping	Weak Point Analysis			Distribution Services	LTB Services
Test Development	Ramp up Planning			Order Fulfilment	
Regulatory and Compliance					

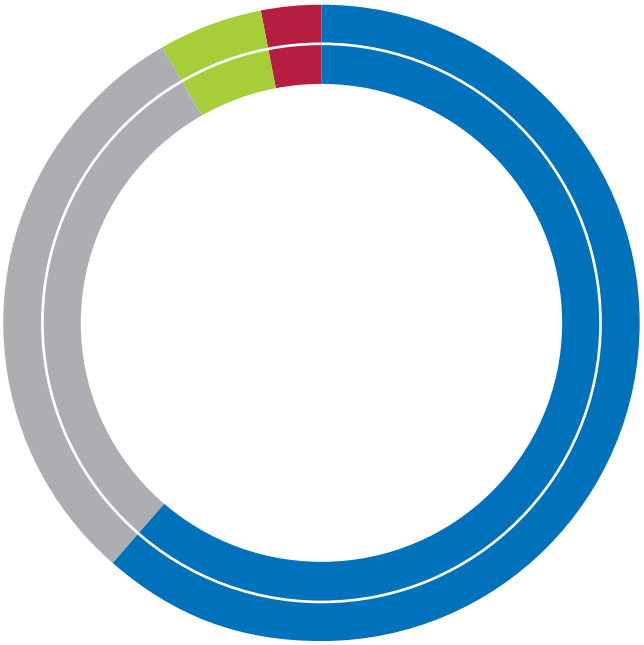
ODM

Bluetooth Modules	Smart Lighting	Smart Meters	Wireless Gateways	Streetlight Controller
BLDC Motor Controllers	Gan Chargers	Biometic Add-ons	Industrial Sensors	ECUs for Steering Control

APPLICATION-SPECIFIC PRODUCT ROADMAP

Medical Devices	Aerospace & Defense	Space	Information Technology	Industrial
Diagnostic, Lab, Surgical & Other Equipment	Avionics, Communication LRUs	Components of Space Vehicles & Sub-system	High-density Boards & Other Products	High-capacity UPS

Revenue across Segments 2022-23



62%
OEM - PCBA

30%
OEM - BOX Build

5%
Product Engineering and IoT Solutions

3%
ODM

Consumer	Railways	Automotive	IoT Solutions & Others	BLDCM Controllers
Household Consumer Electronic Devices	Railway Systems Integration and Infrastructure Components	Automotive Lighting, Control Units, Passenger Infotainment	Streetlight Controllers, Interior Lamps, Fans	DC Motor across Segments

CHAIRPERSON'S ADDRESS

Over the course of last few years, businesses worldwide have been presented with a unique opportunity to showcase their resilience. The global economy has been marred by geopolitical tensions, resulting in challenging economic conditions that have significantly impacted numerous industries.

Dear Shareholders,

It gives me immense pride as I stand before you today as the Chairperson of Kaynes Technology India Limited to present our inaugural Integrated Annual Report as a listed entity. This momentous occasion marks a significant milestone in our journey and I consider it a tremendous honour to have the opportunity to provide you all with valuable insights into our business and our aspirations for the times that await us.

First, I would like to express my sincere gratitude to our esteemed investors, whose confidence and support have propelled our successful listing. The faith instilled in our vision has not only validated our endeavours but has also served as a catalyst for our collective growth. Building upon our strong foundation, we are committed to enhancing our capabilities and expanding our reach to deliver transformative outcomes at a greater scale.

Foundation for Excellence

Over the course of last few years, businesses worldwide have been presented with a unique opportunity to showcase their resilience. The global economy has been marred by geopolitical tensions, resulting in challenging economic conditions that have significantly impacted numerous industries. In this demanding operating landscape, it becomes increasingly imperative for businesses to progress with agility.

We are proud to have built an organisation that thrives amidst adversity, consistently growing stronger with each challenge we embrace. Our commitment to fostering enduring relationships with suppliers and clients stands as a cornerstone of our success. Today, we stand tall with a vast network of over 1,500 suppliers, ensuring multiple sources for each component and collaborating with specialised dealers in niche verticals.

Furthermore, our exceptional track record is reflected in the average 12-year relationship we share with our top 10 suppliers. As we move forward, we remain resolute in our ambition to fortify our supply chain by nurturing and expanding upon these invaluable partnerships.

Shaping a Sustainable Future

Our well-diversified product portfolio allows us to mark our presence in several industries, including automotive, industrial, aerospace, defence, outer space and consumer electronics appliances, medical, railways and IoT/IT. This not only keeps us insulated from the volatile economic environment but also exposes us to many opportunities to serve domestic and global markets.

As a leading end-to-end and IoT solutions-enabled integrated electronics manufacturer, we aspire to march forward with our deep expertise across the entire spectrum of electronics system design and manufacturing (ESDM) services. We aim to sustain our accelerated growth trajectory by steadily building our customer base in the rapidly growing ESDM market.

With a focused outlook towards the future, we are dedicated to seizing the most promising opportunities in our vicinity. This commitment drives us to continually upskill our workforce and invest in cutting-edge infrastructure, including acquiring newer licenses, upgrading testing equipment and implementing advanced application software. Through continual research and development, we ensure that our capabilities remain at the forefront of technological advancements.

Our superior manufacturing infrastructure empowers us to undertake complex and high-value product manufacturing across diverse industry verticals, while offering the flexibility to adapt to variable or custom production volumes. By repeatedly strengthening our capabilities, we strive to further maximise our deep technical expertise to elevate our unique value proposition to newer heights.

Expression of Gratitude

To conclude, I would like to express my sincere gratitude to all our esteemed stakeholders. As we embark upon a new chapter in our journey, we stand at the precipice of boundless possibilities, eagerly anticipating the future.

With the invaluable guidance of our esteemed Board of Directors, we are well poised to embrace any challenges that come our way fearlessly. Moving ahead, we aspire to play a larger role in shaping the community to which we belong, leaving an indelible mark in every corner we touch. As we navigate the dynamic landscape of the technology industry, we remain steadfast in our commitment to delivering lasting value to our esteemed stakeholders.

With best wishes,

Savitha Ramesh

WORD FROM THE MANAGING DIRECTOR

The Indian economy shines brightly amidst the global landscape, owing to the robustness it has established over several years. With the support of favourable Government policies, an environment conducive to economic growth has been fostered, attracting investors from across the globe.”

Dear Stakeholders,

As I begin this letter, I am profoundly grateful for the honour of leading an organisation fueled by unmatched passion and dedication. This annual report allows us to unveil a new chapter in our compelling narrative of growth, resilience and purposeful innovation. Our journey has been nothing short of remarkable, marked by transformative strategies and a shared commitment to excellence. Together, let us delve into the highlights of this past year and explore the dynamic landscape we aspire to thrive in.

Strength in Adversity

The global economy is now on the path of steady recovery, driven by the relentless efforts of policymakers worldwide. Despite confronting numerous disruptive challenges along the way, industries have showcased remarkable endurance and adaptability, charting a course of progress amidst adversity. Businesses have not only weathered the storm but emerged even stronger, fostering a renewed sense of optimism and stability.

The Indian economy shines brightly amidst the global landscape, owing to the robustness it has established over several years. With the support of favourable Government policies, an environment conducive to economic growth has been fostered, attracting investors from across the globe. Notably, the cost competitiveness of our domestic manufacturing sector has garnered the attention of leading multinational corporations, while bolstering local players' competitiveness on the global stage.

Our newfound strengths have propelled us towards a transformative journey, reducing our reliance on imports and enhancing self-sufficiency. The resilience of our supply chains and localisation initiatives have brought significant benefits to numerous sectors, including the Electronic System Design and Manufacturing (ESDM) industry. The increasing demand for the Indian ESDM sector bodes well for Kaynes Technology, positioning us favourably for our next phase of growth.

Seizing the Opportunity

India's ESDM industry is experiencing rapid growth, providing us with an exciting landscape to navigate. With an impressive addressable market valued at ₹ 3,372 bn, the industry is projected to achieve a remarkable CAGR of 32.5% from 2022 to 2027, as highlighted by Frost and Sullivan.

At Kaynes Technology, we anticipate benefiting from the key trend of import substitution shaping the industry. Currently, India ranks as the world's second-largest importer of electronic components. However, the push for import substitution, particularly in the electronics sector, presents a significant opportunity for us to tap into a larger market. By leveraging this trend, we can contribute to meeting domestic demand, reducing dependence on imports and positioning ourselves as a reliable provider in the industry.

Building Our Legacy

With a rich history spanning over three decades, we have honed our expertise in every facet of the Electronic System Design and Manufacturing (ESDM) industry. Our vast capabilities extend across a diverse range of sectors, including automotive, industrial, outer space, IoT, IT and many more. As a design-led manufacturer, we have had the privilege of serving over 350 esteemed customers in 26 countries, including renowned multinational corporations from around the globe.

Our commitment to delivering end-to-end solutions, empowered by cutting-edge IoT technologies, sets us apart. This comprehensive approach equips us to handle projects of varying complexities, positioning us favourably to capitalise on numerous industry tailwinds.

Note of Gratitude

While we're transforming important aspects of our business, our core strengths remain unchanged. Our global, diversified business model sets us apart and weathers a variety of economic conditions. Our stronger focus has sharpened the interplay and interdependencies of our businesses, generating additional value.

Embracing change, navigating decisions with a steady hand and focusing on our strengths have been the key pillars of our enduring success. With a deeply focused approach, we remain inspired by the years of exponential growth we foresee. Before concluding, I extend my heartfelt appreciation to all our stakeholders, whose support has motivated us to surpass expectations. It is an honour to have you join us on our journey of touching lives through technology.

Warm regards,

Ramesh Kunhikannan

CEO'S ADDRESS TO STAKEHOLDERS

Dear Stakeholders,

As the CEO of Kaynes Technology India Limited, I am deeply honoured and privileged to address you. With a profound sense of pride and enthusiasm, I stand before you, representing our distinguished team and the remarkable accomplishments we have achieved in the realm of technology and innovation.

At Kaynes, we are dedicated to strengthening our presence in rapidly growing ESDM market and capturing the vast opportunity that awaits us. While we take immense pride in our role as a design-led manufacturer, it is our consistent dedication to providing impeccable service that truly sets us apart.

Our focus on meeting the unique needs of our clients across diverse industries and geographies has enabled us to build strong relationships and become a trusted partner in their success. By leveraging our deep expertise across the entire spectrum of ESDM services. We have consistently exceeded expectations and delivered innovative solutions that drive growth and value.

Owing to the expertise demanded by the nature of our services, we have assembled a highly skilled talent pool capable of driving complex projects with excellence. We consider our human capital a vital asset and a sustainable business differentiator, enabling our business to thrive continually.

As a leading player in an industry with vastly untapped growth potential, we are keen on fortifying our unique value proposition through our embedded design capabilities. We are fortunate to operate in a landscape further enhanced by the Government's continued support for Indian manufacturing. The encouragement and favourable policies provided by the Government have played a pivotal role in fostering a conducive environment for domestic production.

The import substitution opportunity present today allows us to contribute to the growth and resilience of our industry and position ourselves strategically to capitalise on the advantages offered by a more self-reliant ecosystem.

As the nation sees a surge in electronics consumption, we are excited by the prospect of serving clients across various industries. This opens up valuable opportunities for us to substantially impact various sectors. We anticipate that emerging trends like the electrification of vehicles will act as significant catalysts for future demand, further propelling the adoption of our offerings in essential aspects of daily life.

Our recent customer acquisitions in fields such as medical care, IT and aerospace and defence offer a glimpse into our services' wide applications, while setting the stage for yet another milestone year in our journey. This dynamic landscape fuels our enthusiasm and drives us to push boundaries, consistently delivering innovative solutions that align with the evolving needs of our clients. With a strong momentum already in motion, we are poised for continued success and growth, today and tomorrow.

Yours truly,

Rajesh Sharma

CFO'S INSIGHTS

Dear Shareholders,

The year 2022-23 proved to be among our most successful years, marked by notable achievements and substantial growth. With a deep commitment to innovation, operational excellence and financial prudence, we have navigated challenges and capitalised on opportunities, delivering exceptional results yet again.

The public listing of our Company stands as a pivotal milestone in our journey and I am delighted to extend a warm welcome to all shareholders who have joined us in our path ahead.

Our order book expanded significantly, moving from ₹ 15,166 mn in 2021-22 to an impressive ₹ 26,482 mn during 2022-23. This remarkable growth was also reflected in our revenues which grew by 59% YoY reaching a total of ₹ 11,261 mn for 2022-23. Our Profit After Tax (PAT) for the year stood at ₹ 952 mn, exhibiting an extraordinary growth of 128% compared to 2021-22. Furthermore, the successful proceeds generated from our initial public offerings (IPOs) played a pivotal role in strengthening our financial position. We have now reached a near-zero debt to equity ratio of 0.05x as compared to 0.7x during 2021-22.

To provide deeper insights into our future capital allocations, we have allotted a sum of ₹ 989 mn to enhance our existing facilities located in Mysuru and Manesar. Moreover, we have successfully acquired a built-up area of 1,20,000 square feet in Manesar, which is projected to operationalise in the first quarter of 2023-24. Parallelly, we have also marked ₹ 1,493 mn for investments into Kaynes Electronics Manufacturing Private Limited, facilitating the establishment of a new facility in Chamarajanagar, Karnataka, whose first phase is anticipated to become operational by the second quarter of 2023-24.

The Electronic System Design and Manufacturing (ESDM) industry holds tremendous growth potential, evoking a strong sense of optimism as we gaze towards the future. We are confident that our order book will mirror the remarkable growth trajectory projected for the ESDM industry by leading agencies. This confidence has propelled us to set a more ambitious revenue target for the upcoming financial year. With a resilient business model and a strong commitment to enhancing our capabilities, we eagerly anticipate sustaining the momentum we have garnered, charting a growth trajectory to admire.

Best regards,

Jairam Paravastu Sampath

Journey

EVOLVING WITH PURPOSE AND PERSEVERANCE THROUGH DECADES...

Since our establishment in 1988, we have embarked on an incredible journey marked by determination, a thirst for continuous learning and an undying commitment to our vision. Along the way, we have achieved significant milestones, made strategic advancements and embraced transformative experiences that have shaped us into what we are today.

Our pride lies in our capacity to adapt, innovate and deliver exceptional value to our esteemed clients. With each progressive step, we shape the future of electronics manufacturing, building upon our rich history and forging ahead with confidence and purpose. As we embrace the challenges and opportunities that lie ahead, we remain dedicated to leaving a lasting impact in our industry, driving progress and making a difference with every endeavour.

2020

Impetus towards embedded systems, IoT solutions and design skill enhancement

2021

- Started exporting sensor electric assembly to Phoenix, Arizona
- Achieved growth in aerospace, defence, power electronics, expansion into consumer electronics

2022

- Received approval under the Production Linked Incentive Scheme for White Goods
- Listed on NSE & BSE

2016

- Established manufacturing facility at Manesar
- Collaborated with Qualcomm Technologies Inc for design and manufacturing

2012

Established second manufacturing facility at Mysuru

2010

- Established unit in Bengaluru
- Received IVSQM Certifications

2004

Put up the new unit in Himachal Pradesh for resale of PCBA

2008

Established Kaynes Technology Europe GmbH

2009

- Expanded customer base in Europe
- Established unit in Chennai

2000

Received approval for setting up hardware export-oriented unit of populated PCB

1995

Obtained ISO 9001:2000 certification for PCBA and electronic manufacturing services

1988

Established as a manufacturing enterprise

Business Model Reflecting Value Creation

INTEGRATING RESOURCES AND UNLOCKING GROWTH THROUGH VALUE CREATION...

RESOURCES

Financial Capital

- **₹ 55,980 mn** Market Captalisation
- **99** Net Working Capital Days
- **0.05x** Debt to Equity Ratio
- **₹ 9,577 mn** Net Worth
- **₹ 473 mn** Net Debt*

**Adjusted for unutilised IPO proceeds*

Manufactured Capital

Emphasise on Building Strong Manufacturing Infrastructure, Adhering to Global Health, Safety, and Ethical Standards, Fostering Trust and Success

Intellectual Capital

- **₹ 143.3** mn Spent on R&D
- Excels in ESDM, Known for Innovative, Complex Product Manufacturing. We Ensure Compliance, Offer Flexibility, and Uphold Global Standards

Human Capital

- **741** New Hired Employees (excluding trainees)
- **₹ 3.7 mn** Spent on Training and Development
- **2,865** Total Employee (contract/payroll)
- **4,53,486** Man Hours of Training
- **3,779** Employees Trained During the Year

Social and Relationship Capital

- **₹ 5.29 mn** Spent on Social and Community Initiatives
- Renewable energy is the New Initiatives (Capex investment in Wind mill)

Natural Capital

- Emphasise on Environmental Conservation through Initiatives, Ethical Integration, and Eco-friendly Operations, Fostering Positive Societal and Environmental Impact

VALUE CREATION APPROACH

Our Group Purpose

We deliver Pride and Progress with Positivity

Our Mission

Kaynes is committed to provide best in class Electronics Manufacturing Services, to customers globally, in the Mobility, Industrial, Healthcare, Defence and Communication through highly skilled and innovative people by adapting contemporary technologies and processes; thus Creating a healthy environment and performance culture to delight all Interested parties

Our Values

Our Offerings

Business Creation Process

- Risk and opportunities
- Strategy and resource allocation
- Corporate governance
- Stakeholder engagement

OUTPUT	SDGS MAPPING

Financial Capital

- **₹ 11,261 mn** Revenue
- **₹ 1,683 mn** EBITDA
- **₹ 952 mn** PAT
- **24.9%** ROE*

**Adjusted for unutilised IPO proceeds*

Manufactured Capital

- **9** Advanced Manufacturing Facilities
- Facilities Hold Endorsements from Renowned Global Certifiers such as Underwriters Laboratories, CSA, and TUV Rhineland.
- **10** Global Accreditations

Intellectual Capital

- New Product Developed: Single Board Computer, Bluetooth Smart Module (BLE) based on CSR1020 SoC & BLUENRG-232, KT4020 Wi-Fi & BLE Module, Street Light Controller, Tablet, Vending Machine, Kleinbot, Smart Energy Meter, RFID Asset Tracker, IC Card Reader.
- Product Under Development:Differential Pressure Module, Liquid Pressure Module, LTE Gateway Board, Temperature Sensor Module, Vibration Monitor Module, BLDC Solutions.

Human Capital

- **1,503** Total Permanent Employees
- **23.2%** Attrition Rate (Permanent Employees)
- **7/3** : Male/Female Diversity Ratio
- **4.27** Years Average Experience in Kaynes

Social and Relationship Capital

- **1,02,146** Lives Impacted through CSR Activities (includes ~1,000 cows)
- Donation towards renovation of Sri Sankara Vidyamandiram, a school in Kozhikode
- STP installation & commissioning at Christian Medical College at Vellore, Tamil Nadu.
- A total of 1,200 Man-hours were Dedicated by our Employees to Volunteering Activities during the year
- **350+** Customers Served in 26 Countries
- **1,500+** Suppliers

Natural Capital

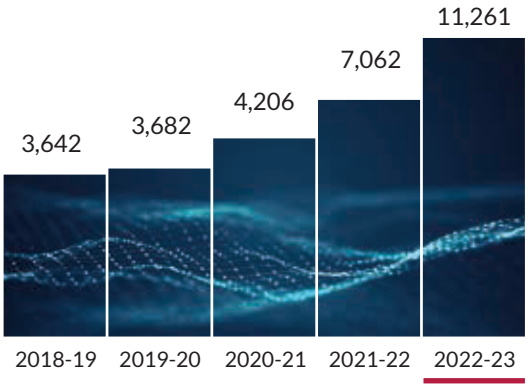
- **73,907 KL** Specific Water Consumption

FINANCIAL CAPITAL

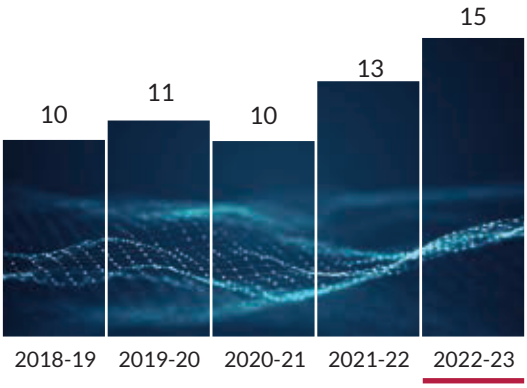
ACHIEVING STABILITY AND EMPOWERING FUTURE THROUGH **OUR FINANCIAL CAPITAL...**

At Kaynes, financial capital plays a pivotal role in our operations. It provides the necessary resources to fuel our growth, fund research and development and invest in cutting-edge technologies. With a robust capital management system, we prioritise efficient financial management to maximise returns and mitigate risks. By carefully allocating and monitoring our capital, we ensure a stable financial foundation and support our long-term sustainability and success in the competitive market.

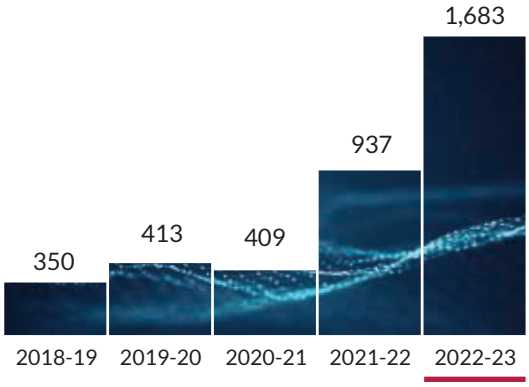
REVENUE ₹ in mn



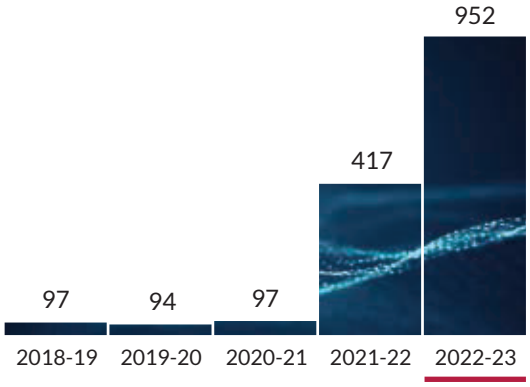
EBITDA MARGIN %



EBITDA ₹ in mn

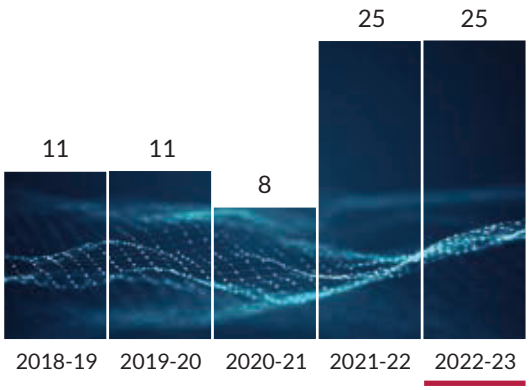


PAT ₹ in mn



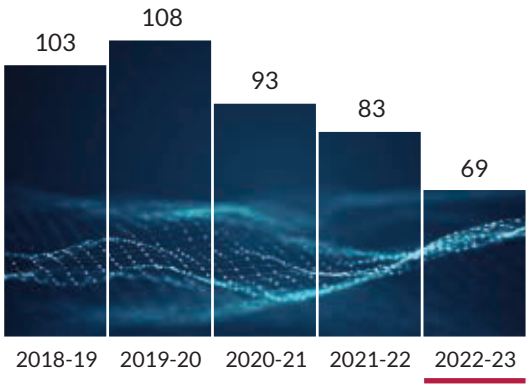
ROE

%



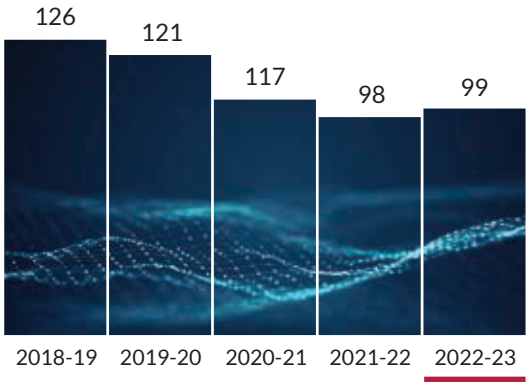
RECEIVABLE DAYS

Days



NET WORKING CAPITAL DAYS

Days



Revenue across Verticals

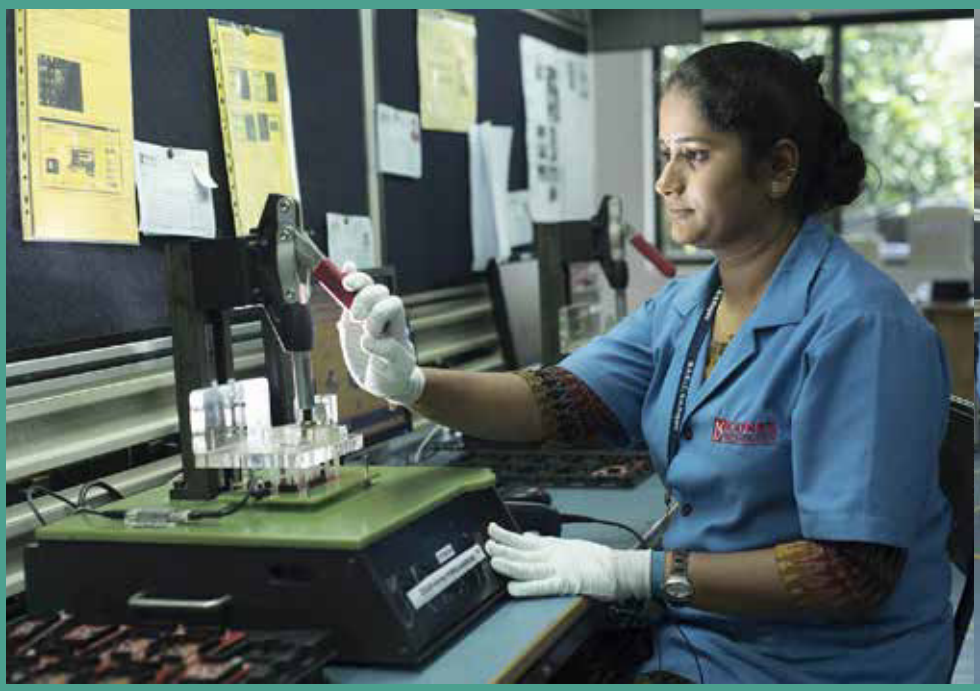
	2021-22(%)	2022-23(%)
Automotive	34	38
Industrial	30	27
Aerospace, Defence & Other	3	2
Medical	10	6
Railways	10	12
IoT/IT	5	6
Consumer	8	9

₹ 9,577 mn
Net Worth

8.5 %
Net Profit Margin

₹ 473 mn
Net Debt

MANUFACTURING CAPITAL



ENGINEERING EXCELLENCE AND ASSURING PRECISION THROUGH **OUR MANUFACTURING CAPITAL...**

At Kaynes Technology India Limited, we prioritise the development of resilient manufacturing capital. We focus on establishing robust systems and processes that adhere to stringent health, safety and environmental sustainability standards in line with global regulations. We consistently uphold ethical practices throughout our manufacturing operations by upholding social and governance requirements. This commitment fosters trust, reliability and strong stakeholder relationships, contributing to our overall success.

1,500+
Permanent Employees

10
Global Certifications

Manufacturing Processes

Our manufacturing activities primarily comprise the SMT process and module assembly process.

SMT Process

An automated process with specific machines performing the job as per pre-set programmes

- Screen printing
- Component placement
- Reflow oven
- Wave soldering and selective soldering

Module Assembly Process

All the sub-assemblies are assembled together to get a final product which is then tested and packaged for shipment.

Comprehensive ODM Capabilities

- Hardware, software and firmware design
- Mechanical design
- Product integration and testing

In-house IoT Technology

- Hardware, software and firmware design
- Accelerates time-to-market
- Reduces product development risks

IoT Solutions

- Miniaturised bluetooth modules
- Smart lighting with embedded bluetooth
- Ceiling fans and remotes with embedded bluetooth
- Industrial sensors
- Wireless gateways with Bluetooth, Wi-Fi and 4G
- Streetlight controllers using WAN technology
- Smart meters compliant with 4G WAN
- Connected vending machines

State-of-the-Art Facilities

- Customised box building, integration and testing
- Cable forms and harnesses manufacturing
- Plastic molding and fabrication
- Burn-in/soak-test facility

Custom Test Equipment

- Firmware flashing fixtures
- PCBA fixtures
- End-of-line testers
- Product functional testers

Enhanced Productivity

- In-house development of test fixtures
- Reduces time and reliance on skilled resources

Quality Control, Testing and Certifications

IATF 16949

ISO 9001; ISO 14001; ISO 45001

AS 9110

ISO 13485:2016

AS 9100 – Rev D

2 NADCAP Certification

SA 8000_2014

ANSI-ESD S 20-20-2021

IRIS : ISO TS 22163

Expansion Update

Manesar (Haryana)

- 120,000 sq ft built-up space taken
- Planned operationalisation by Q1 2023-24

Chamrajanagar (Karnataka)

- Work going in full swing
- Phase 1 is to be operationalised by Q2 2023-24

Pune (Maharashtra)

- Leased place
- To be operationalised by Q3 2023-24

Upgradation of Existing Facilities

- Mysuru Unit 1 & 2
- Manesar

Humidity-Controlled Stores

2 Exclusive RoHS-Compliant Lines

For Green Manufacturing

Supply Chain

- Long-term relationships with suppliers leading to better credit terms
- Top 10 suppliers – the average relationship of 12 years
- 1,500+ suppliers with multiple sources for a single component with specialised dealers for niche verticals

11
SMT Lines

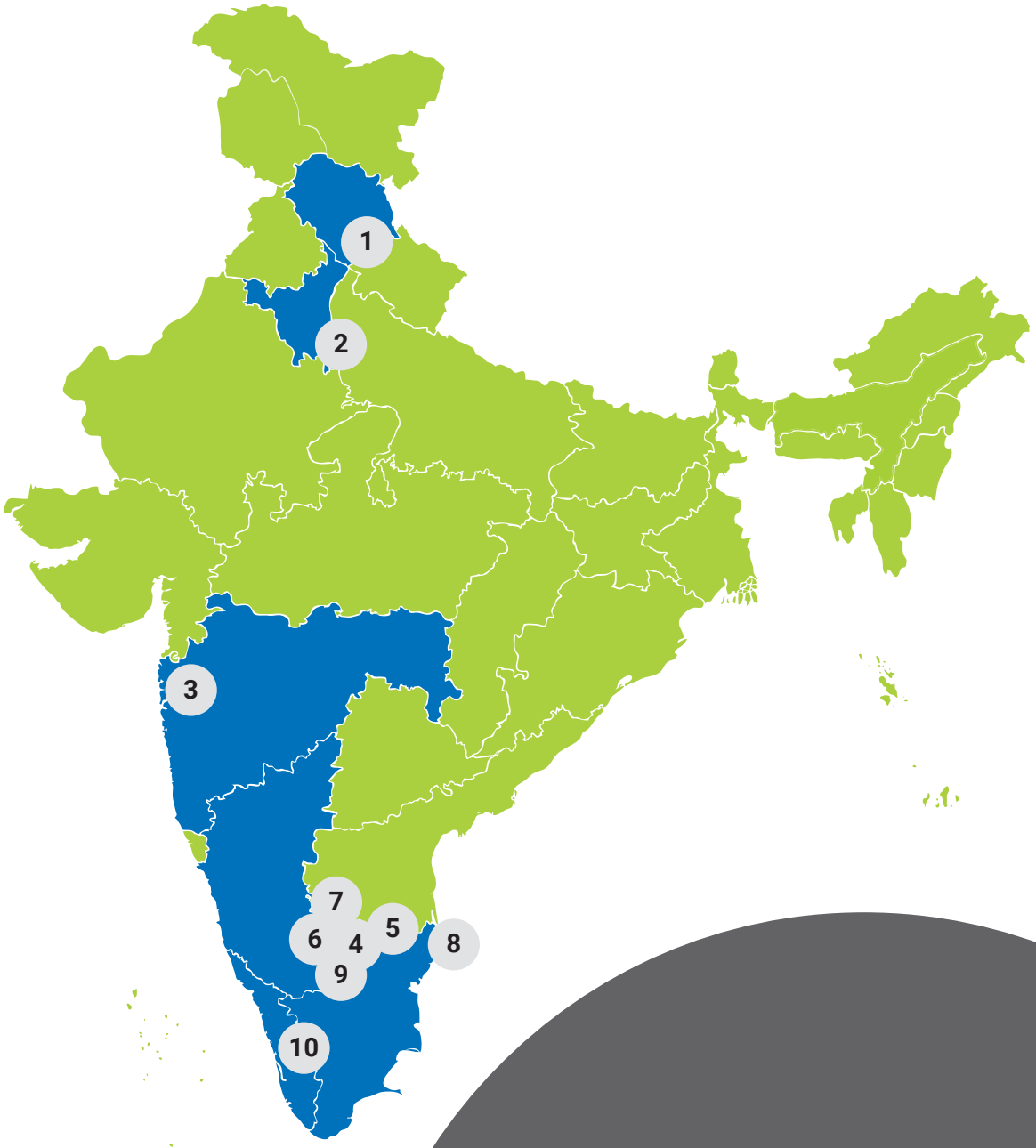
57
THD Lines

11
Cable Harness Lines

15
Plastic Moulding Machines

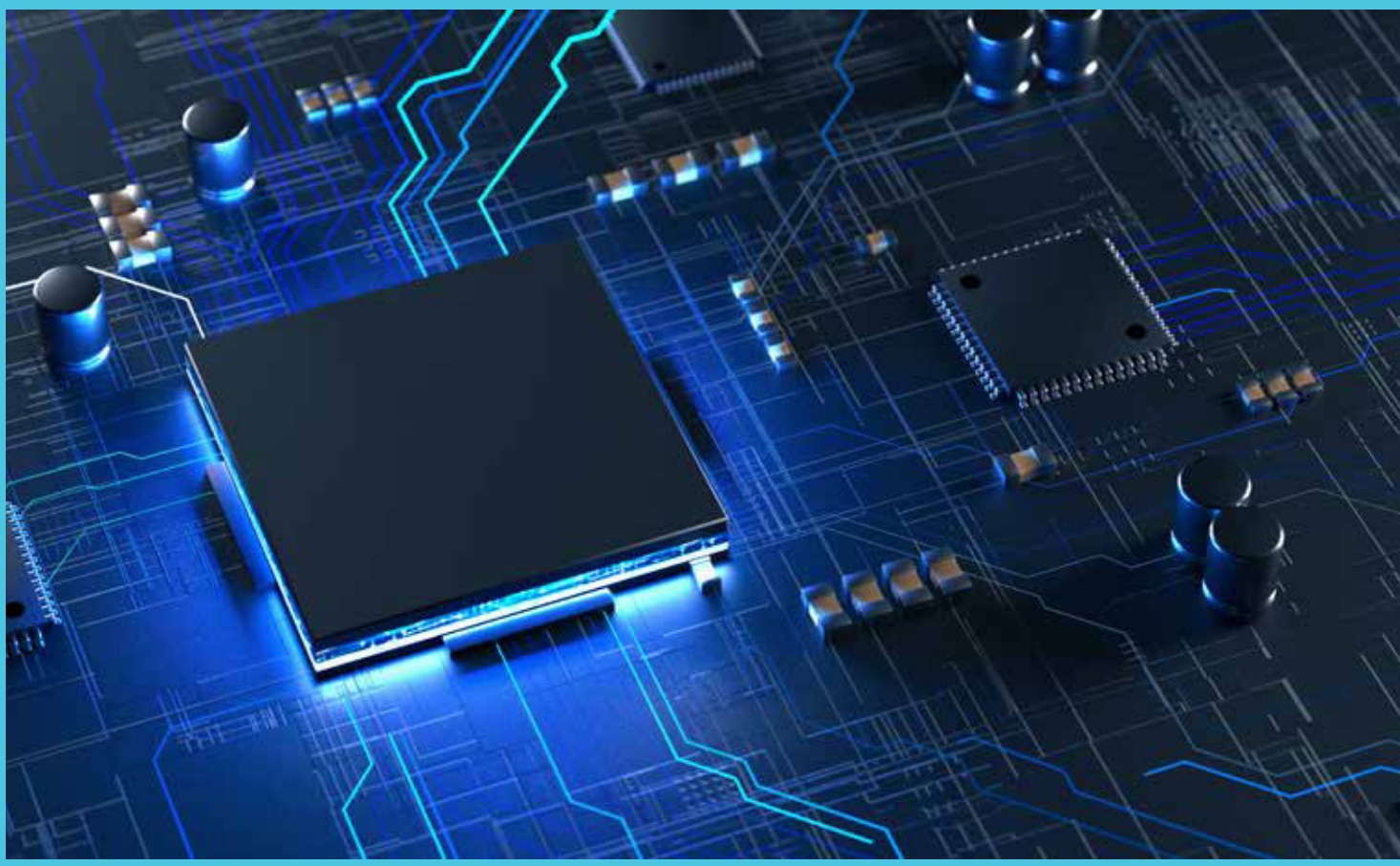
1
Class 10,000 Clean Room

Our Operational Footprint



Unit	Area	Sectors
1. Parwanoo, Himachal Pradesh	5,523 sq. ft	IT, Industries, HVLM
2. Manesar, Haryana	88,000 sq. ft	IT, Industries, HVLM
3. Navi Mumbai, Maharashtra	6,350 sq. ft	All Industries Service Centre
4. Bengaluru Unit I, Karnataka	12,425 sq. ft	Defence, Wire Harness, Power, including Testing Facility
5. Bengaluru Unit II, Karnataka	13,447 sq. ft	Auto & Industrial
6. Mysuru Unit II, Karnataka	27,842 sq. ft	Auto & Industrial, HVLM
7. Mysuru Unit I	98,243 sq. ft	Industrial, Railways, Medical, Defence and other High-end, End-to-End
8. Chennai, Tamil Nadu	10,125 sq. ft	Wire Harness, Magnetics, HVLM
9. Chamarajanagar	7,500 sq ft	Automotive & Industrial
10. Kochi, Kerela	2,000 sq. ft	Railway & Defence

INTELLECTUAL CAPITAL



DRIVING GROWTH AND NURTURING POTENTIAL THROUGH **OUR INTELLECTUAL CAPITAL...**

Kaynes Technology leads the ESDM sector with a strong reputation for intellectual prowess in manufacturing complex products using innovative engineering. We excel in delivering optimised product realisation solutions across industry verticals, offering flexible volumes and high-complexity products. By upholding robust manufacturing systems, adhering to global standards and acquiring diverse certifications, we fully comply with customer-specific, industry-specific and statutory health, safety, environment and governance requirements.

Our fully customised full-stack ERP supports and automates our business operations within each facility. It manages lead generation, engineering, planning, procurement, inventory, manufacturing, logistics, servicing, human resources and finance while providing real-time dashboards for analysis. The integrated management system ensures compliance with standards, aiding in customer acquisition and creating entry barriers for competitors. Additionally, our in-house services, spanning electronics, tooling, sheet metal, magnetics, cable harness and test benches, are expected to boost revenue and margins through increased box build share.

Software Services

Developing customised technology solutions for customers through Kaynes Embedded Systems

PCB Design Services

Specialising in high-speed, multi-layer, RF PCB design, fabrication and assembly – offering two-stage design reviews, RoHS compliance and conversions

Mechanical Designs and Engineering

Providing product design, enclosure design and jigs/fixtures remastering

Prototyping

Providing turnkey solutions with expertise in SMT technology and handling various components

Testing and Logistics

Complete testing facility, including specific tests like JTAG-based testing. Developing turnkey prototypes, mechanical boxing and providing door-to-door logistics

Validation and Regulatory Compliance

Providing quality assurance through testing, verification and reliability demonstration. Compliance evaluation, support, testing, documentation and certification for national and international standards (BIS, CE, FCC)

Use Cases of Our Certain ODM Applications, Set Out Below

Smart Meter

Industrial

Our client is a European company that recently entered the Indian market and has provided support for designing and qualifying smart meters that meet Indian standards.

Home Diagnostic Products

Medical

Our client is a start-up entering the at-home diagnostic market. We undertake the design, prototype and bulk manufacturing

Streetlight Controllers

IoT and IT

Our client has a long-range network for which we have designed and developed a streetlight controller featuring a built-in energy meter. The product has successfully qualified for reliability, making it suitable for bulk manufacturing, including production.

IoT Appliance

Consumer

Our client sought assistance in IoT-driven smart solutions for appliances. We have already managed the design and prototyping stages and are currently engaged in bulk manufacturing.

Consumer Audio

Consumer

Our client aimed to localise manufacturing by assembling semi-knockdown units and we assisted in SKU development and complete knockdown unit localisation.

Research & Development

At our core, we prioritise research and development to cater to our consumers' varying requirements. Our commitment to innovation drives us to enhance existing products by integrating cutting-edge technologies and introducing novel offerings to the market. Moreover, we consistently endeavour to optimise costs throughout our product range through value analysis and engineering.

- Dedicated research facility at Mysuru, Bengaluru & Ahmedabad with a 138-member R&D Team
- Facilities approved by global certifications agencies like Underwriters Laboratories, CSA2, TUV Rhineland
- Operations complying with global standards and holding 10 global accreditations, the highest among ESDM companies in India

140+

R&D and Engineering Members

Device Engineering

- Hardware design
- Embedded systems & software development
- Multimedia
- Industrial/Mechanical design
- Device QA

Manufacturing

- Eight RoHS/green manufacturing facilities
- Six SMT lines capable with laser marker
- product functional testing
- In-circuit testing

Digital Engineering

- Usability engineering
- IoT solutions & services
- Cloud services & devops
- Mobility solutions
- AI/ML services
- Remote device management

Firmware Engineering

- Linux Kernels
- OS porting, BSP design
- Firmware development
- FOTA/Patch management
- IoT Edge security and ML
- Embedded QA

Sensor & IO

- full stack industrial wired & wireless sensor design & manufacturing
- high precision pressure, temperature, vibration, power

Edge Processing

- ready-to-use industrial gateway solution supporting major industrial protocol
- Secure Edge framework with IoT hub integration

Connectivity

Pluggable NIC connectivity solution covering:

- BLE 5.0
- WiFi
- 2G/4G/GSM
- LoRA
- NBIoT

RDM

- Acute powered remote device monitor, manage and control platform
- Large-scale data handling capability and ready-to-use customisable ML application

Applications

- Asset tracking
- Asset condition monitoring
- Predictive maintenance
- Field service automation

HUMAN CAPITAL

Great Place To Work. Certified FEB 2023 – FEB 2024 INDIA

PULL

STRENGTHENING HUMAN CAPITAL: NURTURING TALENT AND FOSTERING GROWTH

Kaynes Technology places a high value on human capital and is committed to implementing robust HR practices. Our recruitment process targets talented individuals and we provide continuous development opportunities, while promptly addressing any grievances that may arise. Through training workshops and modules, we encourage teamwork, personal growth and the development of diverse skill sets. The comprehensive training encompasses various aspects, including manufacturing operations, machine utilisation, quality management and work safety.

We focus on employee engagement and motivation; grievance resolution plays a pivotal role in achieving our strategic goals seamlessly. Our track record of no labour disputes or work stoppages in the past three years reflects the harmonious work environment we maintain at Kaynes Technology.

Work Culture

Our Approach: People + Integrity

Events and Initiatives for Employees

Clubs and Meetups

Leading with Learning & Development

Rewards & Recognition

Festivals & Celebrations

Ratio:

Male: Female :: 7:3

Employees on Contract 828

Employees on Pay-Roll 2,037

3,779

No. of Employees Given Training in 2022-23

SOCIAL AND RELATIONSHIP CAPITAL

INCLUSIVE DEVELOPMENT: EMPOWERING COMMUNITIES AND ENSURING ACCOUNTABILITY

Kaynes Technology India Limited is committed to empowering communities and maintaining social accountability. Our human capital initiatives extend beyond business operations, as we actively contribute to improving the well-being of neighbouring villages. Our focus lies in providing essential necessities such as food, water, shelter and education to enhance the quality of life for local residents. In recognition of our dedication, we have voluntarily obtained certification under SA8000, an international standard for social accountability. This certification validates our adherence to labour rights and established social standards, underscoring our commitment to making a positive impact.

At Kaynes Technology, we are committed to upholding ethical corporate practices. Our initiatives span supplier accountability, transparency, employee professional development and growth, enhanced employee productivity, community building and mitigating attrition and operational risks. These efforts reflect our dedication to responsible business conduct and sustainable progress.

Ensuring Product Compliance and Supplier Training

We prioritise following international regulations and voluntary standards for safety, health and environmental protection across our entire supply chain. We go the extra mile to provide comprehensive training to our core and key suppliers, ensuring that they are well-informed and updated with the latest worldwide compliance requirements.

Investing in Professional Development

We strongly believe in the growth and development of our employees. To foster their professional advancement, we provide tailored training programmes designed to enhance their skills and knowledge.

Community Building and Philanthropy

We believe in adhering to social awareness standards, which are paramount to us. We actively create a social infrastructure that addresses environmental and ethical concerns within the electronics industry supply chain, showcasing our dedication to community building and philanthropic initiatives.

We have formed a Corporate and Social Responsibility Committee and implemented a policy, driving various CSR activities. Our initiatives span community development, environmental conservation, education, and healthcare, among others.

Technical Training for Economically Weaker Sections	**Kaynes Technical Training Foundation** Technical Institute for the social cause since 2007
Encouragement and Employment of Differently Abled	▶ Special training and grooming for differently abled employees ▶ Physical and mental developmental exercise sessions
Road Safety Awareness Programme	Safety awareness programmes with the police and civil administration
Environmental Day Programmes	▶ Hosting awareness programmes on ecological and environmental protection ▶ Educating people on hygiene ▶ Planting of saplings
Socio-Cultural Exhibit Programmes	Conduct cultural programmes on social themes with school and college students
Indian Cultural Developmental Programmes	▶ Activities to display the cultural heritage ▶ Conducting state-level dance competition ▶ Support artists and their talent building
Youth Programme on Nation Building	Interactive sessions with the youth from colleges and young employees for knowledge exchange and conceptual clarity

₹ 5.29 mn
Total CSR Budget of 2022-23

1,200
man hours No. of Volunteering Hours Spent by Employees in 2022-23

NATURAL CAPITAL

INTEGRATING ETHICS AND ENVIRONMENTAL PRACTICES

At Kaynes Technology India Limited, we prioritise the conservation of natural capital and actively undertake numerous initiatives to promote environmental sustainability. We are committed to seamlessly integrating ethical principles and eco-friendly approaches into our everyday business operations. Through our contributions and efforts, we aim to impact society and fulfil our responsibility towards the environment positively. Our focus on environmental practices aligns with our mission to create a greener, more sustainable future.

Kaynes Technology India Limited is committed to sustainable operations. We ensure using natural resources responsibly, minimising waste through optimised processes and reusing waste materials. Our modern equipment reduces emissions, minimising our carbon footprint and enhancing sustainability. We comply with regulatory policies and frameworks, including environmental requirements in India. Plantation programmes revive soil and air quality near our facilities. Our waste management systems incorporate sustainable practices in the ESDM industry. We deploy technological solutions for minimal environmental impact. We believe in material compliance with applicable environmental laws and regulations and are obtaining or renewing environmental certifications.

Our activities are subject to the environmental laws and regulations of India which govern, among other things:

Air Emissions

Wastewater Discharges

Handling, Storage and Disposal of Hazardous Substances and Wastes

The Remediation of Contaminated Sites

Natural Resource Damages

Employee Health and Safety

‘Lead-free’ Manufacturing Line For PCB Assemblies

ISO and OHSAS Accreditations Received

Corporate Governance

UPHOLDING ETHICAL STANDARDS AND TRANSPARENCY

We strongly emphasise governance, with a focus on transparency, accountability and ethics. Our Board consists of a diverse group of experts, contributing to our collective wisdom. Each director undergoes an annual evaluation to ensure they fulfil their vital responsibilities. We have a reliable compliance mechanism in place to ensure adherence to rules. The foundations of good governance, including transparency, accountability, inclusiveness and integrity, are deeply ingrained in our beliefs. Our governance framework, guided by clear codes and procedures, is led by experienced and diverse leaders.

Board Of Directors

Mrs. Savitha Ramesh

Chairperson of the Board

Mrs. Savitha Ramesh is the Promoter and Chairperson of our Company. She has been a part of our Company since 1996. She holds a bachelor's degree in commerce from the University of Madras. She has close to 27 years of experience in electronic manufacturing services industry. She is responsible for the overall process implementation and controls across our Company.

Mr. Ramesh Kunhikannan

Managing Director

Mr. Ramesh Kunhikannan is the Promoter and Managing Director of our Company. He has been a part of our Company since our inception in 1988. He holds a bachelor's degree in electrical engineering from the National Institute of Engineering, Mysuru. He has 34 years of experience in the electronic manufacturing services industry.

Mr. Jairam P. Sampath

Whole Time Director & Chief Financial Officer

Mr. Jairam P. Sampath is the Whole Time Director & Chief Financial Officer. He has been a part of our Company since 2011 and is currently leading the finance and strategy functions of our Company. He holds a bachelor's 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 over 30 years of experience in manufacturing, operations, finance and sales & marketing.

Mr. Anup Kumar Bhat

Independent Director

Mr. Anup Kumar Bhat is an Independent Director of our Company. He holds a bachelor's degree in metallurgical engineering from the Banaras Hindu University. He has 37 years of experience. He was previously associated with Ashok Leyland as Senior Vice President (Subsidiary Support).

Mr. Vivekanandah Ramasamy

Independent Director

Mr. Vivekanandah Ramasamy is an Independent Director of our Company. He holds a bachelor's degree in electrical and electronics engineering from the University of Madras. He has over 35 years of experience. He was previously associated with Titan Engineering and Automation Limited.

Mr. S. G. Murali

Independent Director

Mr. S. G. Murali is an Independent Director on the Board of our Company. He holds a bachelor's degree in commerce from the Madras University and is an associate member of the Institute of Chartered Accountants of India. He has extensive experience in Finance. He was the Group CFO for TVS Motor Co. He was also associated with Voltas and Unilever group.

Mr. Alexander Koshy

Independent Director

Mr. Koshy Alexander is an Independent Director on the Board of our Company. He is an associate member of the Institute of Chartered Accountants of India. He holds a bachelor's degree in commerce from Bengaluru University, He has around 34 years of experience in finance. He was previously associated with Bharat Electronics Limited as Director (Finance).

Mrs. Poornima Ranganath

Independent Director

Mrs. Poornima Ranganath is an Independent Director on the Board of our Company. She is a law graduate from the National Law School of India University, Bengaluru. She has 29 years of experience in corporate and commercial laws, human resource laws & management, women issues and matters relating to harassment of women at workplace & assisting the management in dealing with such issues, general contract laws, assistance in contract negotiations, real estate deals, and general legal advice. She is the founder and managing partner at 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.

Mr. Heinz Moitzi

Independent Director

Heinz Moitzi is on the board of International Electronics Manufacturing Initiative, Inc. and Kaynes Technology India Ltd. having 42 years of professional experience. In the past he held the position of Chief Operating Officer at AT & S Austria Technologie & Systemtechnik AG and Vice President-Production at AT&S (China) Co. Ltd. (a subsidiary of AT & S Austria Technologie & Systemtechnik AG) and Chief Technology Officer of AT & S Austria Technologie & Systemtechnik AG and Vice President-Production at AT&S (China) Co. Ltd. (a subsidiary of AT & S Austria Technologie & Systemtechnik AG).

Leadership Team

Mr. Rajesh Sharma
Chief Executive Officer

Col. Sharath Kumar Bhat (Retd.)
Senior Vice President – International Business

Col. Dilip Nambiar (Retd.)
Senior Vice President - Operations

Mr. Govind S Menokee
Head – Information Technology

Mrs. Premita Govind
Head – Human Resources

Mr. Gaurav Mehta
Senior Vice President – Business Development

Mr. Abdul Nazar
Senior Vice President – Business Development (Automotive)

Mr. Vishwanathan K
Senior Vice President – Supply Chain Management

Mr. G. Sriram
Vice President – Operations

Mr. Sajan Anandaraman
Head – Commercial & Corporate Affairs

Mr. Balasubramanian R
Deputy CFO

Mr. Ramachandaran Kunnath
Chief Strategy Officer, Company Secretary & Compliance Officer

Operating Environment

UNDERSTANDING MARKET AND EXPANDING HORIZONS THROUGH PRUDENT MARKET ANALYSIS...

Our vision is to pursue expansion tailored to specific industry verticals, employing distinct strategies for each diverse business segment. Whether it is aerospace, automotive, medical, industrials, IoT, defense, consumer electronic appliance or railways, we proactively anticipate industry shifts, capitalise on our expertise and cultivate strategic partnerships to capture growth prospects. Embracing an agile approach and a dedication to excellence, we continually uphold a prominent market position by adeptly navigating the ever-evolving business landscape.

Expanding into Aerospace, Defence and Outer-Space

- Aerospace industry presents promising growth opportunities due to rising budgets, advancing technology and procurement of cutting-edge electronics
- We aim to build dedicated infrastructure, skills and expertise for complex avionics assembly and testing.
- Strategy involves expanding presence by focusing on key customers, building OEM relationships and becoming a systems integrator
- Goal is to move up the value chain and manufacture more sophisticated aerospace electronics over time
- Recently qualified for a long term ₹ 350 mn per year contract with aerospace OEM, positioning us for major global contracts upon final qualification
- Also approved for repair and maintenance of electronics cards for Dornier aircraft
- Overall, the aerospace sector offers attractive prospects through a strategic focus on capabilities and customer relationships

Accelerating Growth in the Automotive Sector

- Automotive presents a major growth opportunity for ESDM in the next 5 years due to autonomous/electric vehicle tech transformation
- Indian passenger vehicle Indian passenger vehicle industry sales grew by 26.7% in 2022-23
- Established as a key supplier to OEMs for various automotive electronics
- Intend to strengthen customer relationships by offering designed electronics solutions
- Well-positioned to capitalise on attractive growth opportunities in automotive electronics
- Partnered with Maruti Centre of Excellence since 2017, earned 'Green Supplier' certification

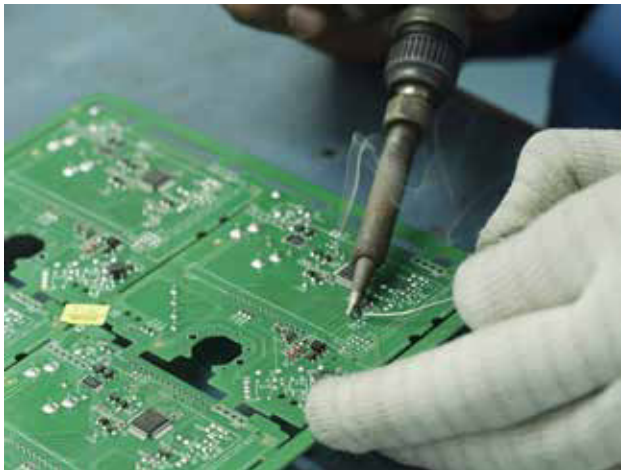
Empowering Healthcare Innovations

- India has become a major hub for high-end diagnostics due to substantial investments in serving a large population
- Plan to focus on the healthcare segment by building product realisation teams
- Leverage existing customer relationships across industries to acquire larger hospital equipment contracts
- Tap into current relationships to meet healthcare needs not currently serviced

- Partnered with several medical startups, providing comprehensive services from concept to product realisation
- India's diagnostics growth presents an attractive expansion opportunity through end-to-end product development services

Driving Smart Solutions for Industrials

- Enhance presence in the smart meter segment through ODM products with key customers
- Leverage existing relationships in power electronics/ instrumentation to gain a smart meter market share
- Expand customer base in low voltage switchgear for import substitution
- Strategically develop large volume ODM electronics business - BLDC controllers, inverters, dispensing tech, solar electronics



- Leverage customer relationships and target high-growth segments like smart meters and solar energy to expand power/energy electronics presence

Unleashing the Potential of IoT

- IoT adoption in utilities, smart cities, manufacturing and automotive to drive industrial IoT demand
- India's IoT market is expected to grow 16% CAGR to ₹ 135 bn in 2026 due to connectivity, penetration, and smart technology adoption
- Plan to expand current ODM platforms, build communication capabilities and develop modules for smart meters
- Customers use our modules for smart lighting, which we will further grow
- Aim to scale ODM businesses in street light controllers, smart meters and IoT devices to capitalise on forecasted industrial IoT growth

Driving Railways Forward

- Market leader in signaling innovations segment with approvals from major OEMs, RDSO, metro authorities
- Plan to expand into installation, maintenance, traction electronics, onboard electronics, rolling stock lighting, information systems
- Invest in RDSO design for select products to strengthen signaling market share
- Explore technological alliances with clients or strategic tie-ups to bring global next-gen technologies to India in passenger safety, comfort, connectivity
- Leverage market leadership and key approvals to pursue growth opportunities in the rail signaling space

Transforming Consumer Electronics

- Grow consumer electronics presence in personal devices, audio, wearables, lighting controls, connected/efficient appliances, home security, communication modules, IT accessories
- Leverage ODM capabilities in wireless, BLDC and IoT to provide end-to-end concepts for manufacturing
- Full box build solutions will help customers localise manufacturing, previously on imports
- Experience in complex box builds in other segments enables consumer electronics offering
- Utilise end-to-end ODM expertise to help customers innovate connected, efficient consumer devices and shift to local manufacturing

Strategies

CHARTING THE PATH TO THE FUTURE THROUGH PROACTIVE AND PLANNED STRATEGIES...

As we strive confidently towards a promising future, we commit to maximising our growth potential. Let us delve into the strategic approaches that empower us to leverage our unique capabilities and seize the emerging opportunities in our vicinity.

Focus on Full Product/Box Build Capabilities

As a rapidly emerging ESDM player, we strive to fortify our box build capabilities, while capturing a greater share of high-revenue customers. Our focus is towards strengthening our proposition as an end-to-end solutions provider, building on our expertise in design and manufacturing of electrical components.

₹3,322 mn

Revenue through OEM Box Build in 2022-23

30%

Share of Revenue through OEM Box Build in 2022-23

Continued Diversification of Product Portfolio and Expansion Across Verticals

We are focused on leveraging our research and development efforts to enhance our ODM capabilities in new business verticals like consumer electronics. Our goal is to identify and scale new technology applications in consumer appliances, smart technology, IT accessories and sensor-driven IoT solutions, driving revenue growth and improved margins.

We aim to pursue vertical-focused expansion strategies, tailoring our approaches to each business vertical. Our diverse customer base, strong relationships across verticals and favourable Government initiatives support our expansion efforts effectively.

Continued Expansion of Our Customer Base to Focus on Large Customers

Our endeavour is to expand our presence in both domestic and international markets continually. By employing a strategic blend of marketing initiatives and capacity enhancement, we strive to attract high-value customers and enhance our range of offerings.

We adopt a 4-pronged customer acquisition strategy as follows:

1. Expand geographical footprint with more sales and BD representatives
2. Generate brand awareness through content-based marketing articles
3. Strengthen exports through dedicated sales and marketing teams in the US, Japan and Europe
4. Improve customer service by enhancing and expanding manufacturing facilities

₹ 26,482 mn

Order Book

31%

Increase in Average Order Value

Expansion and Setting Up of Manufacturing Facilities

To be able to deliver at a greater scale, we aim to strengthen our in-house capacities by strategically establishing factories across India. Our well-located facilities benefit from subsidised land grants and tax incentives. This approach enables us to serve our existing customers better, cater to the needs of larger clients and expand into new business verticals, particularly consumer electronics and smart meters.

1,200+ mn

Combined Component Assembly Capacity

₹ 2,482 mn

Funds Devoted towards Facility Expansion and Upgradation

Improving Operational Efficiency

Our operational strategy is centred around key backward integrations to enhance our manufacturing prowess. We focus on in-house production of essential components like printed circuit boards, while developing expertise in integrated circuits, chipsets and system-on-chip design. Through these measures, we intend to minimise reliance on third-party components, streamline lead times through synchronised requirements and optimise material inventory management.

25%

Return on Capital Employed

99 Days

Net Working Capital Days

Pursuing Inorganic Growth

We are actively seeking strategic acquisitions to scale our operations and capitalise on recent growth. Our expansion into consumer electronics involves pursuing partnerships, investments and acquisitions that align with our business verticals. These initiatives complement our marketing approach, extend our presence to new geographies like the US and Middle East and enhance electronic product servicing in the consumer segment.

Competitive Advantage

STRENGTHENING MARKET LEADERSHIP THROUGH INNOVATIVE SOLUTIONS...

Our competitive strength stems from our ability to innovate, prioritise customer needs and offer comprehensive solutions. With our extensive knowledge and expertise across various industries, our focus is on continuously raising the bar by setting new standards, fostering strong relationships and swiftly adapting to stay ahead of market trends to maintain our leading position.

End-to-end Design and Engineering Capabilities Enabled with IoT Solutions

- A comprehensive range of design and engineering capabilities
- Integration of IoT solutions throughout the entire process
- Seamless integration of smart and connected systems
- Covering the entire process from concept to final product realisation

Internationally Recognised and Certified Facilities with Strong Supply Chain Support

- Internationally recognised manufacturing facilities
- Certified for the highest standards of quality and reliability
- Efficient operations and timely delivery
- Strong support from a robust supply chain
- 10 global certifications

Diversified Business Profile Across Industries

- Catering to 7 industries
- Focus on addressing the low-volume, high-value segment
- Customised solutions tailored to meet specific industry requirements
- Strong expertise in delivering products and services with stringent quality standards
- Strategic approach to maximise value and drive mutual success with a diverse clientele

Longstanding Relationships with Top Global & Domestic Customers

- Average order value stands at ₹ 7.2 mn
- Top 10 suppliers – avg relationship of 12 years
- 60% of revenue comes from top 10 customers
- Projects for global and domestic customers
- Consistent performance and reliability in delivering high-quality products
- Strong and enduring partnerships with top global and domestic customers

Strong R&D Capabilities with State-Of-The-Art Manufacturing Facilities

- Robust in-house research and development (R&D) department with a team of 100+ highly skilled engineers and scientists
- 9 state-of-the-art manufacturing facilities equipped with advanced technology and machinery
- Continuous investment in R&D to drive innovation and stay at the forefront of technological advancements
- Strong intellectual property portfolio with numerous patents and trademarks, showcasing our commitment to innovation

Well Positioned to Capitalise on Strong Industry Tailwinds

- ESDM – a global trillion-dollar industry by 2025
- India is all set to be a large ESDM market
- Robust network of industry partnerships and collaborations to stay updated on market developments and gain a competitive edge
- Forward-thinking leadership and a culture of innovation to drive strategic initiatives and stay ahead of the competition

Demonstrated ability to handle Projects with Varying Complexity

- Successful completion of over 34 years
- ₹26,482 mn order book
- Has served 350+ customers in 26 countries, including marquee MNCs

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

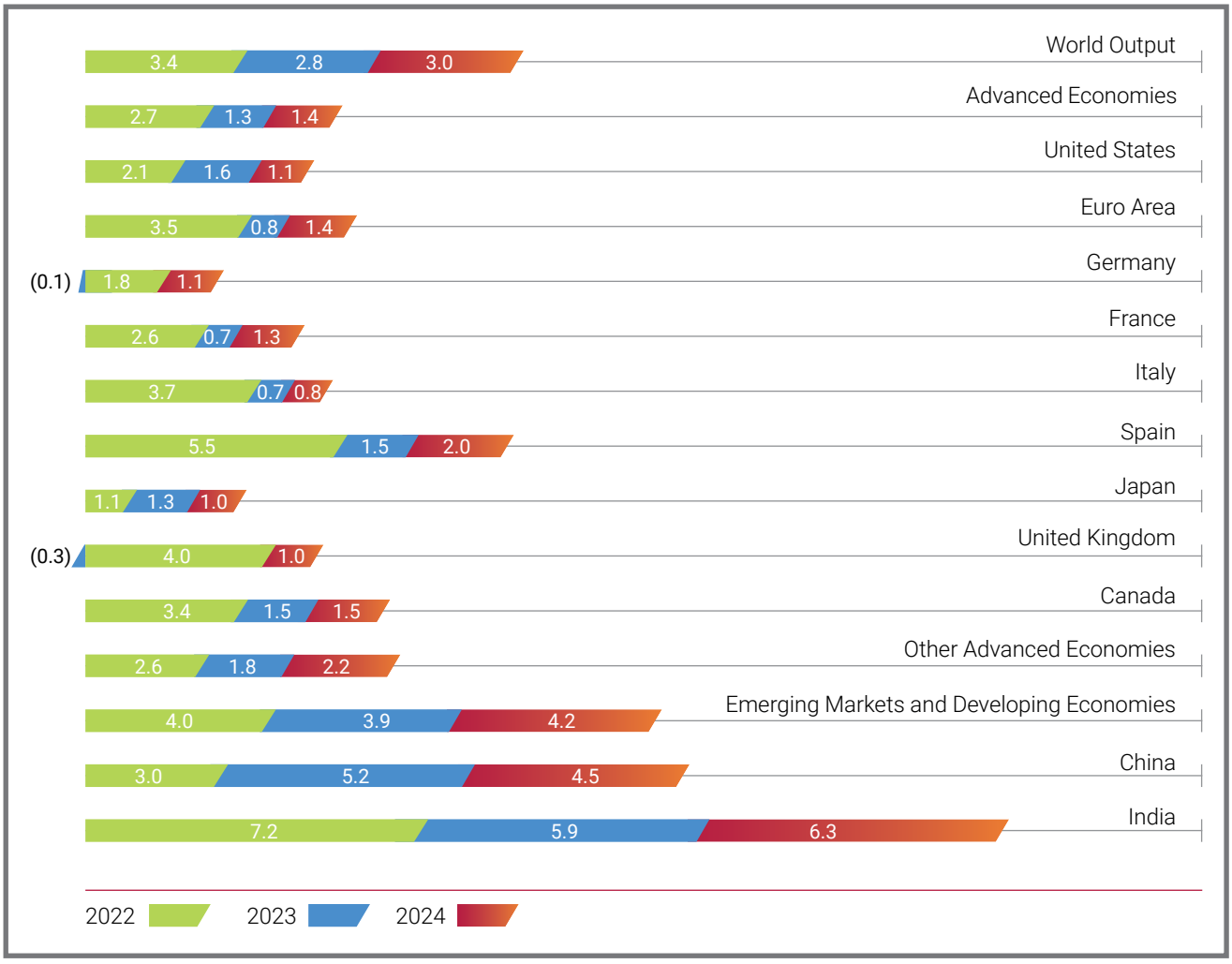
The global economy has been in testing times over the last three years with a string of events from pandemic to war to multi-decade high inflation levels. The beginning of the year 2022 witnessed pent-up demand, sticky supply chain issues, soaring commodity prices due to the geostrategic confrontations and sanctions imposed contributing to decadal-high global inflation.

The Federal Bank and major Central Banks both in advanced and emerging economies adopted the tool of quantitative tightening to tame inflation and slowdown demand. The outlook of the global economy looks cautiously optimistic from the beginning of 2023. As inflationary pressures subside, supply chain issues are expected to improve due to the reopening of China's economy. This positive development, combined with a resilient labor market, is anticipated to provide strong support for the ongoing recovery efforts.

The advanced markets have had a major blow compared to the emerging nations. As per the IMF, the Asia Pacific nations are expected to contribute almost 70% global growth with 50% coming from India and China. The IMF projects the global economy to witness a growth of 2.8% in 2023 and 3% in 2024.

Share of global growth in 2023

Source: IMF, World Economic Outlook, April 2023



INDIAN ECONOMY

India's economy maintained its position as one of the fastest-growing economy in the world. India's GDP grew by 7.2% in 2022-23, propelling the economy to touch US$ 3.3 trillion and set the path for US$ 5 trillion economy. It surpassed the UK to become the world's fifth-largest economy and is projected to become one of the top three global economic powers within the next decade or two. This growth was attributed to broad-based recovery in domestic drivers accompanied by strong consumption and investments. In the 2022-23, merchandise exports also reached approximately US$ 447 bn, marking a rise from the previous year's US$ 422 bn.

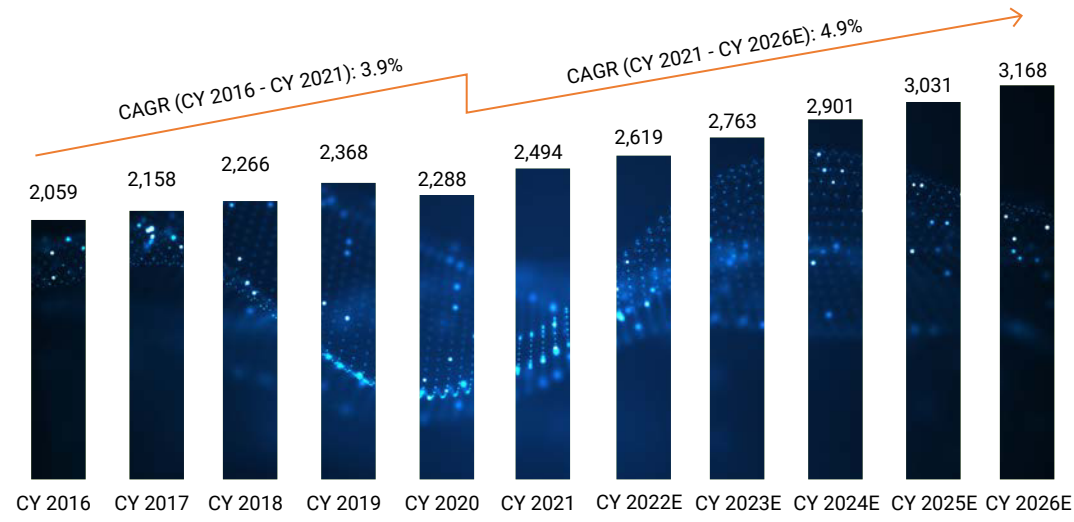
OUTLOOK

India's economic growth is expected to continue its upward trajectory, with the IMF predicting it will contribute 15% to global growth in 2023. This resilience amidst a global slowdown underscores the strength of domestic demand and India's status as a bright spot in the global economy. Increased capital expenditure and robust private consumption will further propel India's GDP growth in the years ahead, cementing its position among the top three global economic powers.

GLOBAL ELECTRONICS INDUSTRY

The electronics industry comprises electronics products, electronics design, electronics components, and electronics manufacturing services. The worldwide electronics industry was worth US$ 2,494 bn in CY 2021 and is expected to register CAGR of 4.9% over CCY 2021 - CY 2026.

Global electronics industry market size



Note: E refers to Estimate

Source: Statista, New Venture Research, Frost & Sullivan Analysis

Key growth drivers of the global electronics industry

- Escalating demand for advanced electronic products and continuous technological innovations in the industry
- Rising income levels of the global population have led to an increase in overall spending on digital housing equipment A
- Emergence of digital technologies such as the Internet of Things (IoT) and advanced communication technologies
- Awareness and aspirations of young generations
- China +1 Strategy
- System Automation

OUTLOOK

The per capita consumption of electronics is on the rise worldwide, currently standing at US$ 324. The highest levels of consumption can be observed in North America and Europe, with significant growth occurring in major economies like the United States, Europe, China, and India. This surge is primarily fueled by the increasing adoption of wireless connectivity in various electronic devices. Furthermore, investments in Research and Development (R&D) within the consumer electronics sector, coupled with technological advancements, are contributing to market expansion. Additionally, the growing popularity of wearable electronic devices is also playing a significant role in driving the market forward.

INTRODUCTION TO ELECTRONIC SYSTEM DESIGN AND MANUFACTURING (ESDM) INDUSTRY

OVERVIEW

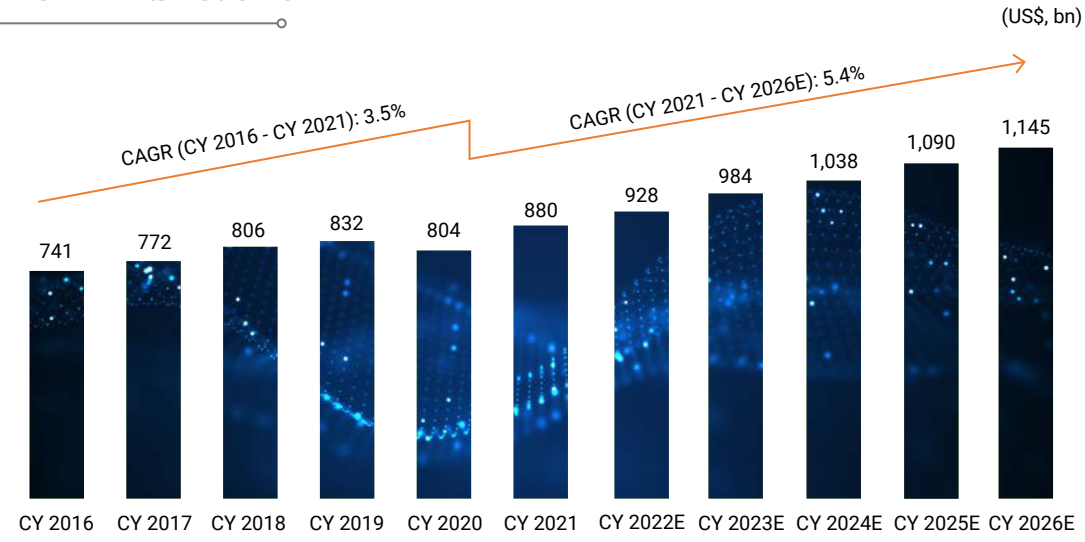
In the past, electronic product manufacturing was primarily carried out by companies that assembled components on printed circuit boards (PCBs) and provided box builds for original equipment manufacturers (OEMs). The responsibility for product design rested with the OEMs only. With the changing landscape the role of electronics manufacturing companies (ESDM) has significantly evolved to extensive roles such as product designing, chip designing, very large-scale integration (VLSI), board designing, and embedded systems.

The global ESDM market is valued at US$ 880 bn in CY 2021 and is projected to reach a market value of US$ 1,145 bn by CY 2026 at a CAGR of 5.4% over 2021-26.

5.4%

CAGR for Global ESDM Market Over 2021-26

Global ESDM market size



Note: E refers to Estimate

Source: ELCINA, Frost & Sullivan Analysis

The global ESDM market has been rising steadily from CY 2020, as there has been an incremental wave of contract manufacturing from OEMs. The outsourcing is not only driving savings in costs to the OEMS but ensuring scalability, resource efficiency, quality and faster timing to market.

Services offered under the ESDM gamut

01

Design Services And Solutions:

OEMs conduct research to understand market needs and set feature requirements for product design. The EMS company then creates a conceptual design based on OEM inputs, which is shared with the OEM for approval.

02

Prototye (Proof of Concept):

Proof of Concept (POC) is created to demonstrate its functionality. Prototypes are then developed to ensure that the product is suitable for production and meets its intended purpose.

03

Testing Services:

Designing test solutions at PCBA level and end-of-line product testing, including functional testers and fixtures

04

PCB Assembly:

A PCB with components mounted on is called an assembled PCB and the manufacturing process is called PCB assembly or PCBA in short.

05

Box Build/System Integration:

Last leg of manufacturing including adding the logo and dispatch to OEMs.

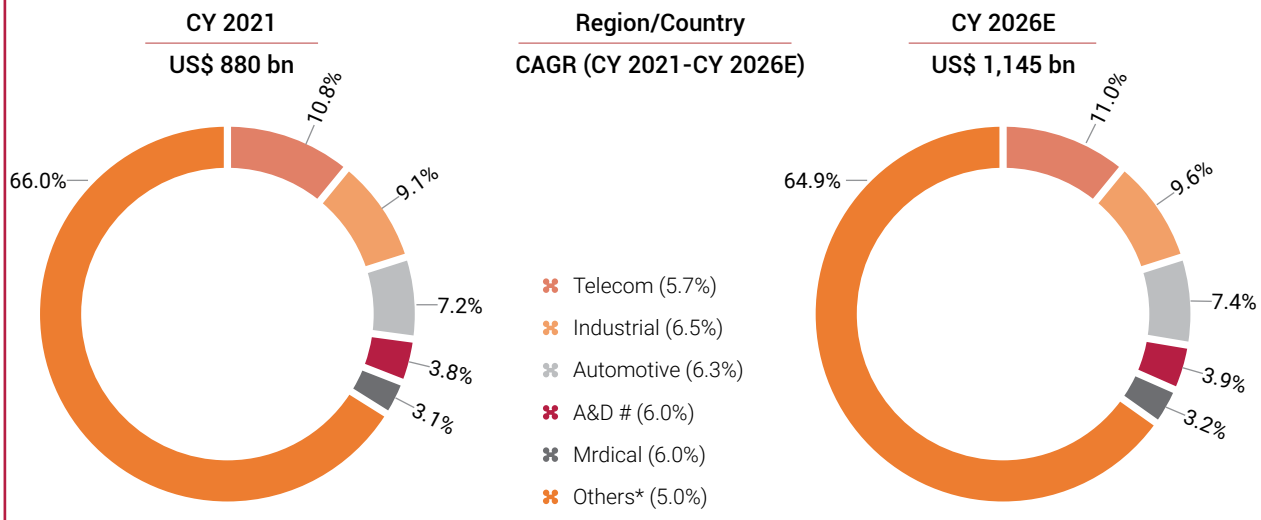
06

After-sales Service:

Repair and Remanufacturing Process.

Trends in end-user industry

Growth in end-user industry to drive the ESDM industry



#A&D- Aerospace & Defence

*Others include Mobile Phone, Consumer Electronics & Appliances, IT Hardwere, Lighting

Source: Frost & Sullivan Analysis

Note: E refers to Estimate

INDUSTRIAL ELECTRONICS

Industrial electronics are primarily divided into power and automation. Leading manufacturers are adding new applications into their portfolio by partnering niche application providers. With the emergence of new applications, there are several opportunities for power electronic devices such as transformers, chokes and inductors. Energy metres/smart metres and industrial machinery are the key products, accounting for a sizeable market share.

Automobile

The automobile industry is at an inflection point with autonomous cars development and electric car commercialisation activities. Growing electronics content and EV will pave way for growth.

Medical

The medical device industry is focussing on constant innovation and advanced technologies without compromising on quality, driving the growth for ESDM.

Consumer electronics and appliances (CEA)

Rising consumer spending and increase in demand for smart solutions will contribute significantly to growth of ESDM companies.

Aerospace and defence (A&D)

A&D OEMs consider Electronics Manufacturing Services (ESDM) providers as vital strategic partners, leading to average cost reduction of 10% to 15%.

Clean energy

Clean energy presents a promising and enduring growth opportunity within the EMS market. The global emphasis on addressing climate change and promoting green energy is directly driving the demand for EMS services from solar and wind energy companies. As the transition to renewable energy sources gains momentum, the demand for EMS in the clean energy sector is expected to rise significantly.

Mobile phones, IT hardware and IoT

The global EMS market is dominated by key segments such as mobile phones, IT hardware, and IoT. IoT, which is a component of the Consumer Electronics Association (CEA), is experiencing a rise in popularity due to the growing number of internet and smart device users.

SWOT Analysis

STRENGTHS:

Technological Innovation: The ESDM industry thrives on continuous technological advancements, enabling the development of state-of-the-art electronic systems and components.

Global Demand: There is a consistent and high demand for electronic devices worldwide, providing a stable and lucrative market for ESDM companies.

Skilled Workforce: The industry benefits from a proficient and specialised workforce comprising engineers, designers, and technicians with expertise in electronics system design and manufacturing.

Efficient Supply Chain: ESDM companies often have well-established and efficient supply chain networks, facilitating seamless sourcing of components and materials.

WEAKNESSES:

Cost and Pricing Pressure: Intense competition within the ESDM industry puts pressure on pricing, which can lead to reduced profit margins for companies.

Rapid Technological Obsolescence: Electronics products can quickly become outdated due to the fast pace of technological advancements, necessitating continuous innovation and updates from ESDM companies.

Environmental Concerns: The industry faces increasing scrutiny regarding the environmental impact of electronic waste, resulting in stricter regulations and the need for sustainable practices.

Vulnerability to Supply Chain Disruptions: ESDM companies heavily rely on global supply chains for sourcing components, making them vulnerable to disruptions caused by trade disputes or natural disasters.

OPPORTUNITIES:

Internet of Things (IoT): The widespread adoption of IoT devices presents ample opportunities for ESDM companies to develop and manufacture a wide range of connected devices.

Electric Vehicles (EVs): The growing demand for electric vehicles creates a promising market for ESDM companies to provide electronic systems and components for EV manufacturing.

5G Technology: The deployment of 5G networks opens up avenues for ESDM companies to develop and manufacture advanced telecommunications equipment and devices.

Emerging Markets: Developing countries with expanding middle-class populations represent untapped markets for electronic devices, offering opportunities for ESDM companies to expand their customer base.

THREATS:

Intense Competition: The ESDM industry is fiercely competitive, with numerous global players vying for market share, resulting in pricing pressures and reduced profitability.

Intellectual Property Infringement: Counterfeit products and intellectual property theft pose significant threats to ESDM companies, impacting their revenue and brand reputation.

Geopolitical and Trade Uncertainty: Political tensions, trade disputes, and regulatory changes can disrupt global supply chains, causing uncertainty and challenges for ESDM companies.

Changing Consumer Preferences: Shifting consumer preferences towards sustainability and environmentally friendly products may require ESDM companies to adapt their manufacturing processes and product offerings to remain competitive.

GLOBAL PCBA MARKET

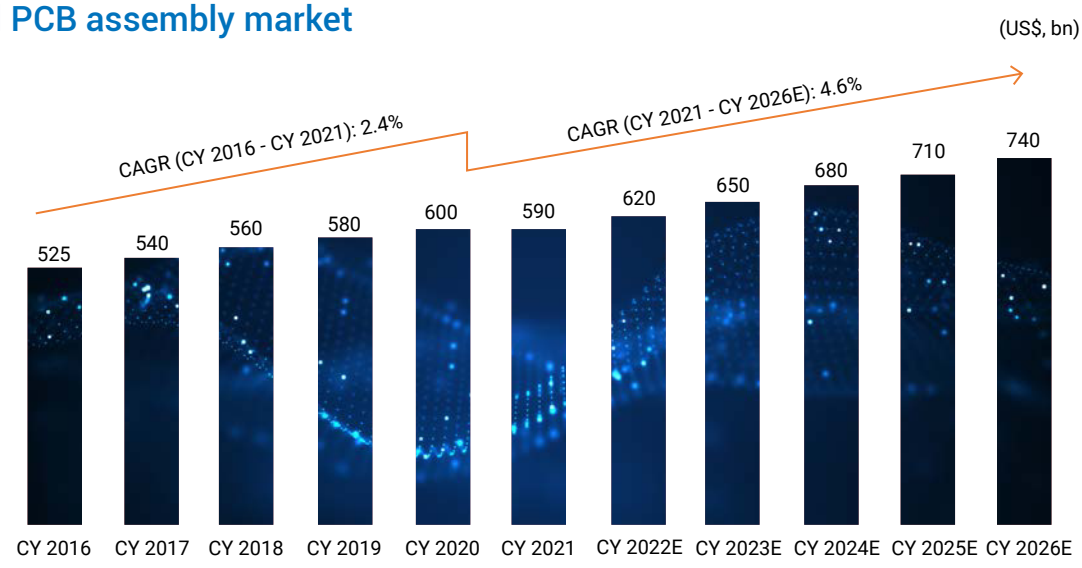
The global market for Printed Circuit Board Assembly (PCBA) experienced substantial growth due to several factors. These include advancements in technology, rising demand for consumer electronics, automotive electronics, and industrial automation, as well as the expansion of the Internet of Things (IoT) industry. PCBA, which involves the assembly of electronic components onto printed circuit boards, plays a pivotal role in electronic manufacturing.

The PCBA market worth US$ 590 bn is expected to reach a value of US$ 740 bn by CY 2026 witnessing a CAGR of 4.6%.

US$ 740 bn

the estimated market size of global PCBA industry

Global PCB assembly market



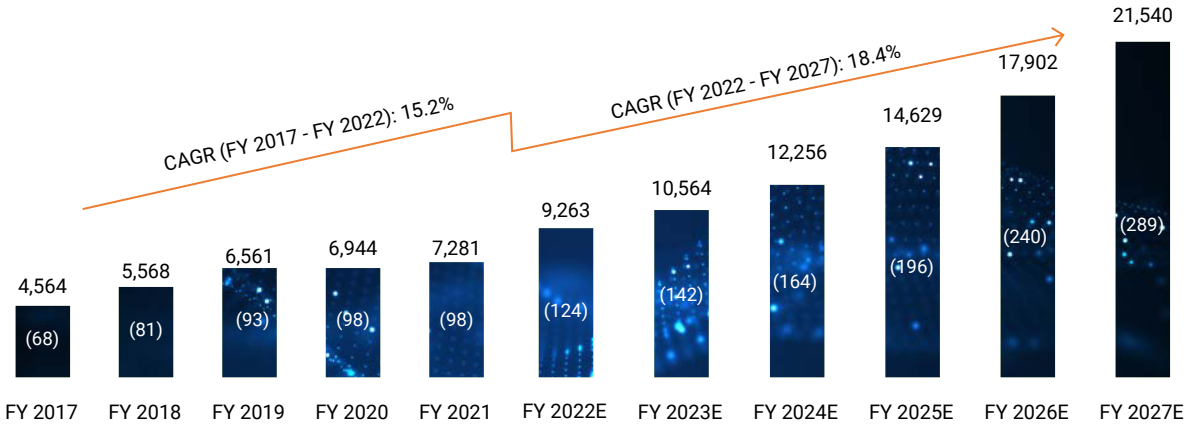
Note: E refers to Estimate

Source: Statistra, Frost & Sullivan Analysis

INDIAN ELECTRONIC INDUSTRY OVERVIEW

The Indian electronics industry has been one of the fastest growing industries. The industry was valued at ₹ 9,263 bn in FY 2022 and is anticipated to reach ₹ 21,540 bn by 2027, registering a CAGR of 18.4% over FY 2022 - FY 2027.

Size of India's electronic industry (US$ bn)



*Total electronics market = Total domestic electronics production + Import of finished goods

Note: E refers to Estimate

*Values in brackets are in US$ bn

Source: Meity, ELCINA, Frost & Sullivan Analysis

Quick Facts

The domestic electronics **production** accounted for close to **69%** of the total electronics market in **FY 2022**, at ₹ 6,376 bn (US$ 86 bn). This is expected to rise to **90%** by **FY 2027** worth ₹ 19,403 bn

Demand of electronic goods is expected to witness **CAGR of 10.6%** over FY 2022 - FY 2027

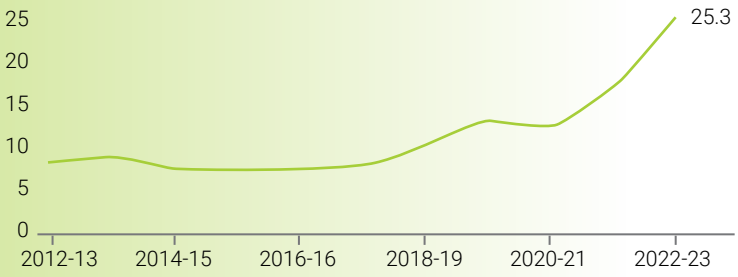
Import of finished electronic goods to drop from **30% in FY 2022 to ~10% by FY 2027**

Export market to witness a solid **growth of 47.8%** over FY 2022 - FY 2027

India's per capita consumption is **US$ 78, 1/4th of the global average**

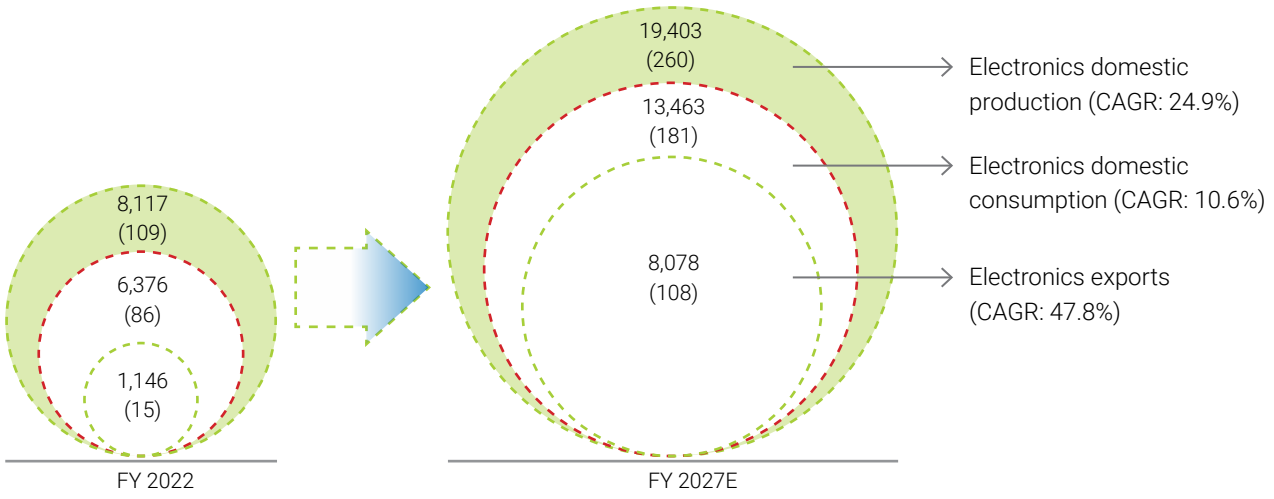
Electronics exports soar to lifetime highs in FY 23, here's how it shaped in the past decade

Exports of electronic goods* (US$ bn)



*Includes computer hardware, consumer electronics, electronics components & instruments, telecom instruments, office equipment and medical instruments

Source: CMIE * Get the data



*Values in brackets are in US$ bn

Note: E refers to Estimate

Source: Frost & Sullivan Analysis, Meity

SECTORS DRIVING THE INDIAN ELECTRONICS CONSUMPTION

India is one of the fastest growing market globally, having the largest consumer bases in the Asia-Pacific region. Sectors driving the demand are as follows:

Industrial

- Energy metres/smart metres, machine tools (CNC), and industrial machineries account for a majority of market size
- Demand for process optimisation, energy efficiency, M2M, asset management, machine and process safety have resulted in increasing usage of automation and instrumentation systems

Automotive

- Demand for digital in-vehicle experience, along with a growth in integrated linked services will lead to transformation in the industry
- The global automotive industry is being transformed by four megatrends: connected, autonomous, shared, and electric

Medical/ Healthcare

- Emergence of advanced technologies, evolving clinical and administrative needs, and the implementation of new policies and regulations are the driving forces for adopting technology

IT (including IoT and Related Products)

- Work-from-home culture, adoption of online education have substantially increased the demand of IT hardware
- Emerging technologies like IoT, AI, robotics, and analytics have led to the development of diverse electronic products

Aerospace and Defence

- Government's focus on indigenous manufacturing of defence equipment have attracted several private players to set up integrated and tech-led facilities

Consumer Electronics and Appliances

- Increased awareness, increased access, changing lifestyles, higher discretionary incomes, and lower per unit prices are the key enablers for consumer appliances demand

Telecom

- 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

- Mobile phone penetration in India has been on the rise due to several factors. The proliferation of mobile data networks, a well-established distribution network, and the support from e-commerce websites have all contributed to the increased adoption of mobile phones across the country

OUTLOOK

The domestic demand for electronics is anticipated to rise at a CAGR of 10.6% over the next five years starting 2022, reaching a market worth ₹ 13, 463 bn. In terms of exports, India's electronics export has reported a stupendous growth of 49% to US$ 25.3 bn in 2022-23, even when the overall exports growth stood at 6.5%.

The growth was primarily driven by higher mobile phone production and shipments.

Although the surge in exports is promising India remains a minor player with exports at US$ 25.3 bn as to compared to US$ 671.5 bn of China in FY 2022-23. This offers ample opportunities to grow specially when import countries are looking at alternative to China.

The industry has significantly benefited from the PLI (Production Linked Incentive) scheme, receiving the majority of the incentives provided. With initiatives like the PLI scheme, significant investments are being made in the electronics industry, particularly in mobile phones and soon in white goods. This trend will pave the way for substantial growth in electronic component manufacturing in the future and strengthen India's position in the electronics industry and promote self-reliance in the sector.

Source: https://www.livemint.com/economy/exports-of-electronic-goods-starred-in-fy23-11683137030727.html

US REMAINS TOP EXPORT DESTINATION FOR INDIAN ELECTRONICS, EU NATIONS GAIN IN RANKINGS

Top export destinations for electronics goods in FY 23

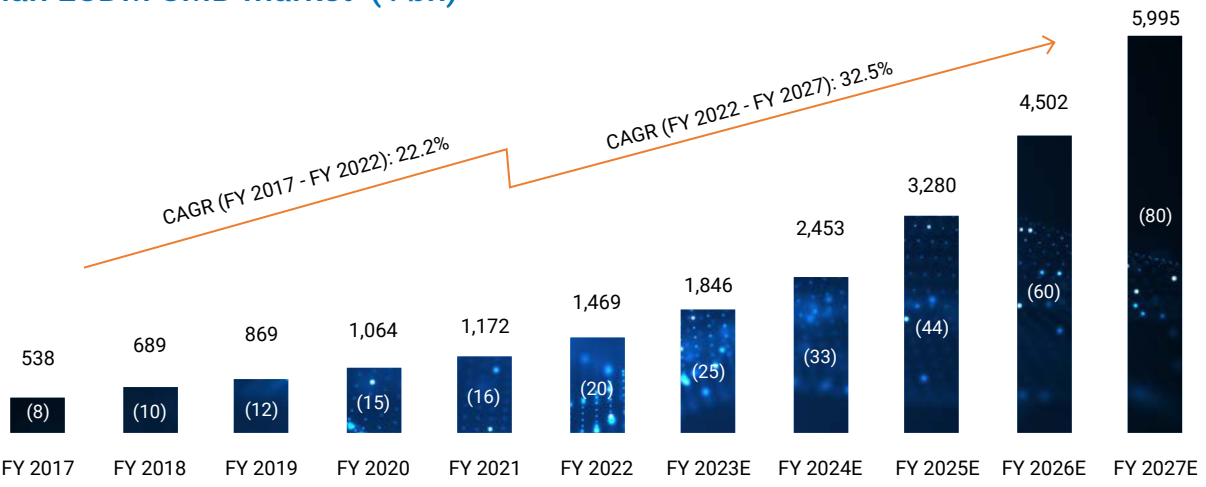
	COUNTRY	US$ bn	Y-O-Y CHANGE (%)
1	USA	6.2	105
2	UAE	3.3	32
3	Netherlands	1.8	111
4	UK	1.2	51
5	Germany	1.0	24
6	Italy	0.9	155
7	Austria	0.8	771
8	China	0.8	-17
9	Czech Republic	0.7	374
10	France	0.7	16

INDIA'S ESDM INDUSTRY OVERVIEW

The Indian Electronics Manufacturing Services (EMS) industry, though relatively nascent, has swiftly emerged as a prominent player in the global market over the past three decades. However, it is in the last decade, particularly within the last five years, that the industry has experienced a remarkable surge in prominence and influence.

The Indian market presents a compelling opportunity propelled by the anticipated geographical diversification strategy pursued by global OEMs in their manufacturing requirements. This strategic shift aims at friendshoring opportunities and seeks to leverage the availability of lucrative government incentives and other schemes. These factors, among others, contribute to the immense growth potential of the Indian market.

Indian ESDM SMD market (₹ bn)



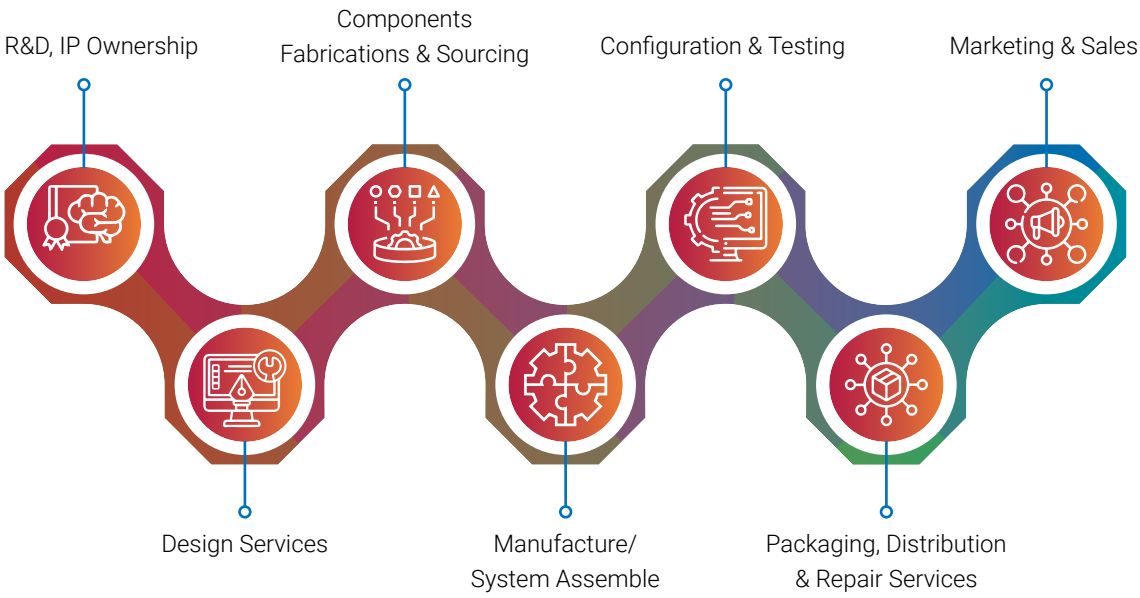
*Values in brackets are in US$ bn

Note: E refers to Estimate

Source: Meity, ELCINA, Frost & Sullivan Analysis

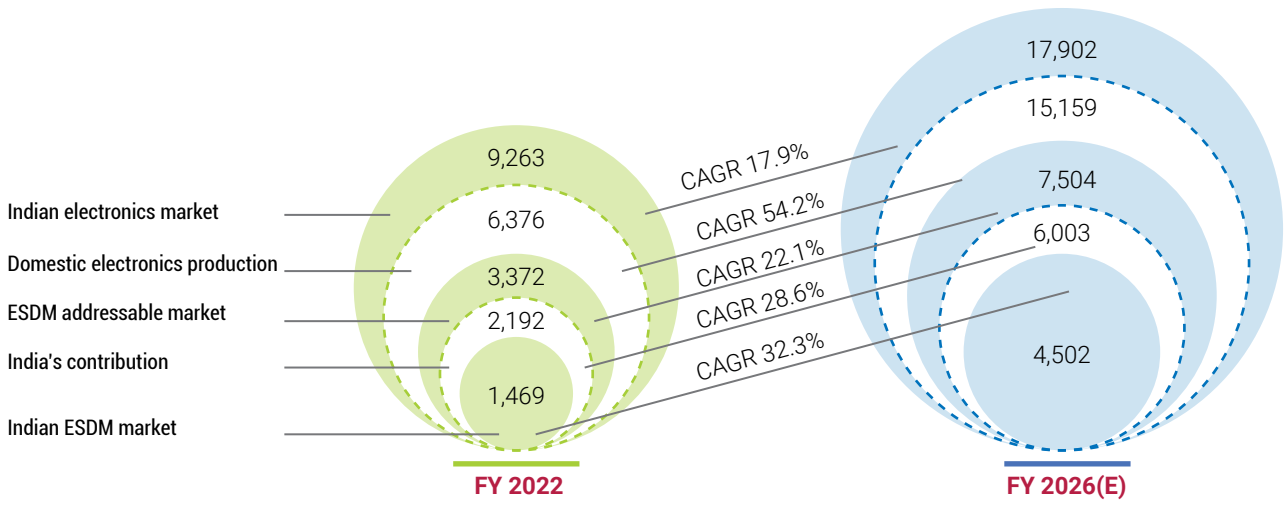
THE VALUE CHAIN OF ESDM INDUSTRY

The ESDM industry value chain comprises right from Original Design Manufacturer (developing product design as per the specification of OEMs) to EMS (assembling components) to job work to after-sale-services.



Indian ESDM addressable market vs. contribution of ESDM companies for goods made in India

(₹ mn)

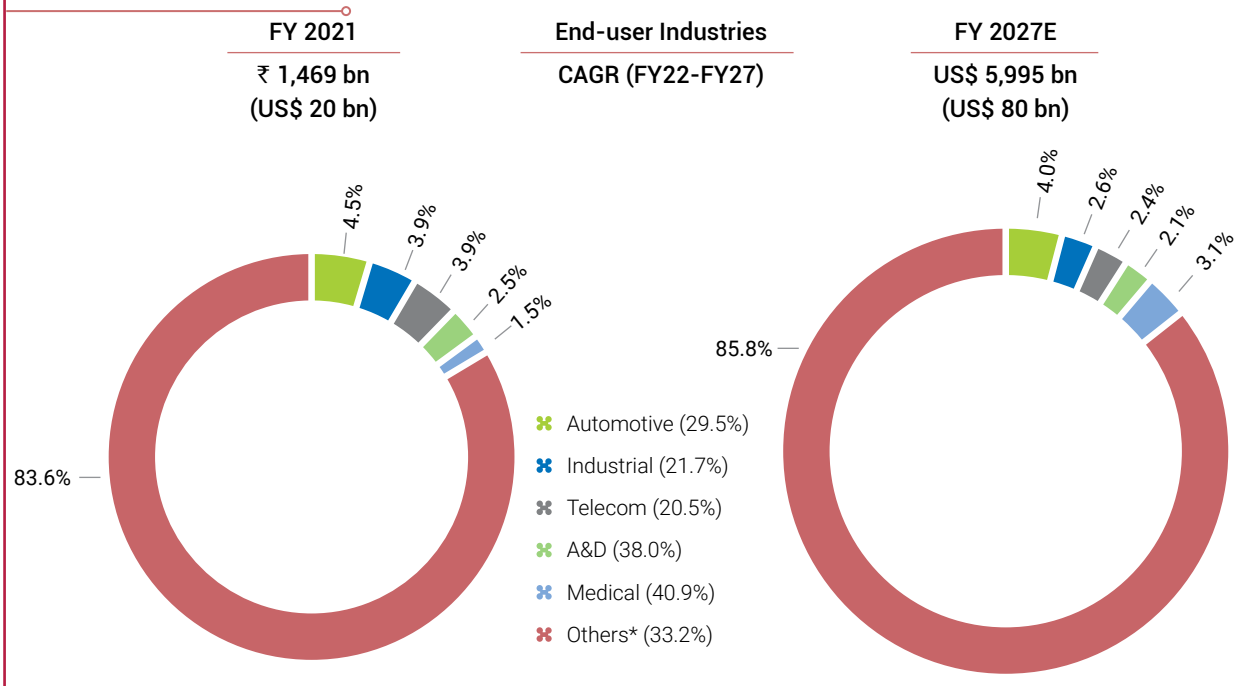


The (ESDM) sector has emerged as a frontrunner, propelled by a robust consumer economy characterised by a substantial surge in demand for consumer and industrial electronics. This burgeoning demand has thrusted the Indian ESDM sector into the spotlight. Both industry players and the Government have recognised the significance of promoting domestic electronics production, primarily driven by the imperative of reducing dependence on imports and fostering import substitution. This focus on bolstering indigenous manufacturing capabilities has garnered significant attention and support.

₹ 9,966 bn

worth of ESDM addressable market size is estimated over FY 2021 - 26

Sectors driving growth



*Others include: Mobile Phones, CEA (Consumer electronics and appliances), IT (Information Technology products), Lighting, Energy, Values in brackets are in US$ bn

Source: MeitY, ELCINA, Frost & Sullivan Analysis

Note: E refers to Estimate

ELECTRONICS MANUFACTURING	OPPORTUNITIES
INDUSTRIAL SECTOR	▶ Technology up-gradation ▶ Adoption of Industry 4.0 ▶ Huge potential in smart metering in electricity/water/gas
AUTOMOTIVE SEGMENT	▶ Autonomous cars development ▶ Electric car commercialisation activities ▶ Rising use of telematics control units, infotainment units, and other electronic components ▶ Awareness about advanced safety and communication services
RAILWAY SECTOR	▶ Signal safety related electronic system ▶ Safe communication and processing system
MEDICAL SECTOR	▶ More medical technology parks to stimulate domestic medical equipment manufacturing
AEROSPACE AND DEFENCE	▶ Modernisation and indigenisation programmes are being undertaken to push for Make in India

Growth Drivers

MAKE IN INDIA

The 'Make in India' initiative, launched by the Government of India in 2014, aims to establish the country as a global manufacturing hub. It facilitates the setup of manufacturing bases in India by both domestic and international companies. Special funds have been allocated to boost local manufacturing of mobile phones and electronic components. The initiative includes various measures such as promoting foreign direct investment, strengthening intellectual property rights, and developing the manufacturing sector. Part of the larger 'Atmanirbhar Bharat Abhiyan' (Self-reliant India), 'Make in India' fosters import substitution and stimulates local manufacturing by creating demand for low-technology products within the country.

PRODUCTION LINKED INCENTIVE (PLI) SCHEME

This scheme was initially announced in 2019 by the Government of India and concerns the increase of investment and sales of manufactured goods specifically to the mobile phone and component markets in India. It is expected to promote exports over the next few years. As per the scheme, a total production value of ₹ 11,500 bn is expected, including ₹ 7,000 bn in exports, in the next five years. PLI for large-scale electronics manufacturing was announced in April 2020.

REMISSION OF DUTIES AND TAXES ON EXPORTED PRODUCTS (RoDTEP)

Taking a major step to boost exports, increase their competitiveness, and contribute to the overall economy, the Government has introduced the RoDTEP scheme. This scheme, based on globally accepted principles that taxes should not be exported, provides rebates or refunds for embedded central, state and local duties and taxes to exporters that were previously not being refunded. By refunding duties and levies borne on exported products, the RoDTEP scheme aims to support domestic industry to make it more competitive in international markets and boost exports and employment generation.

LOCALISATION OF SUPPLY CHAIN

Increasing domestic volumes and consumption, along with higher outsourcing, will drive electronics manufacturers in India to enhance local component sourcing and adopt a stronger, more interconnected supply chain. This localisation effort aims to bolster the domestic ecosystem and improve self-sufficiency in the electronics industry.

EMERGING TECHNOLOGIES

Rapid technological advancements and evolving customer preferences have led to shorter electronic product life cycles. The emergence of newer, upgraded products and the ease of replacement through consumer-to-consumer websites have accelerated this trend. Additionally, the demand for high-speed data and premium smartphones has surged, driving innovation in the consumer electronics industry.

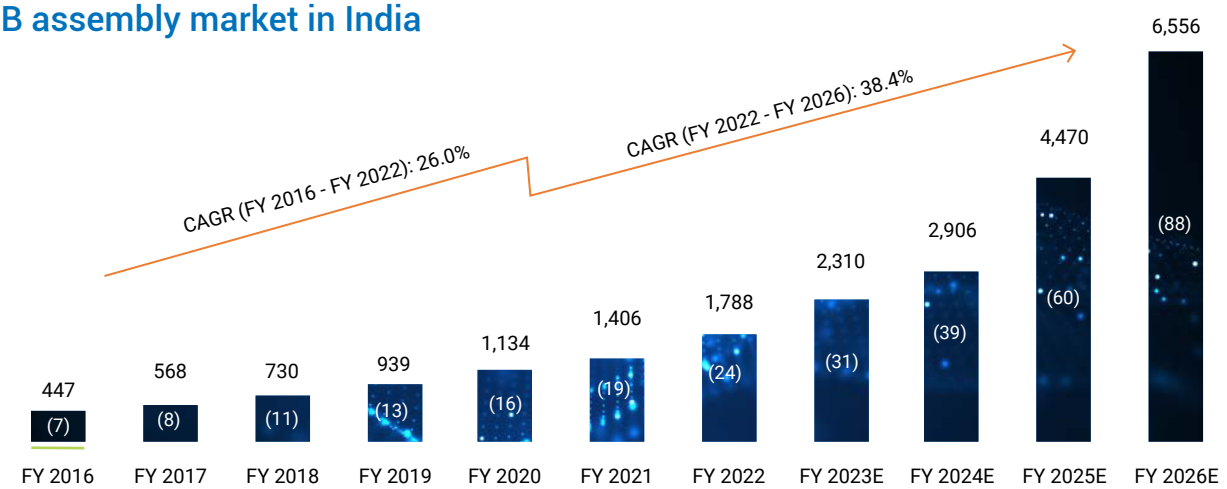
SYSTEM AUTOMATION

Indian design companies are at the forefront of end-to-end product development, embracing advanced technologies such as miniaturisation, Internet of Things (IoT), automation, artificial intelligence (AI), and defence applications. This focus on cutting-edge product development is expected to be a significant market growth trend in the electronics design industry.

INDIA'S PCBA MARKET

The (PCBA) serves as the central component of electronic devices, incorporating essential elements such as Flash Memory, Application Processor, Graphics Processor, and other semiconductor-based active and passive sub-components. The Indian PCBA market was valued at ₹ 1,788 Bn (US$ 24 bn) in FY 2021 - 22 and is expected to reach ₹ 6,556 bn (US$ 88 bn) in FY 2026. The market is expected to egister a CAGR of 38.4% till FY 2026.

PCB assembly market in India



Note: E refers to Estimate

*Values in brackets are in US$ bn

Source: Statista, Frost & Sullivan Analysis

COMPANY OVERVIEW

Kaynes Technology India Limited (also referred as 'We' or 'KTIL' or The Company') is a prominent player in integrated electronics manufacturing, offering end-to-end and IoT-enabled solutions. With expertise in electronics system design and manufacturing (ESDM) services, we cater to various sectors such as automotive, industrial, aerospace, defence, outer space, nuclear, medical, railways, IoT, IT, and more. With over three decades of experience, we provide conceptual design, process engineering, integrated manufacturing, and life-cycle support. Our manufacturing infrastructure allows us to handle high-mix and high-value products across different industries, with the flexibility to produce variable volumes. We are recognised for delivering optimised product realisation solutions, catering to customers' needs for complex products across industry verticals.

Overview of the business verticals

ORIGINAL EQUIPMENT MANUFACTURER ('OEM') – BOX BUILD

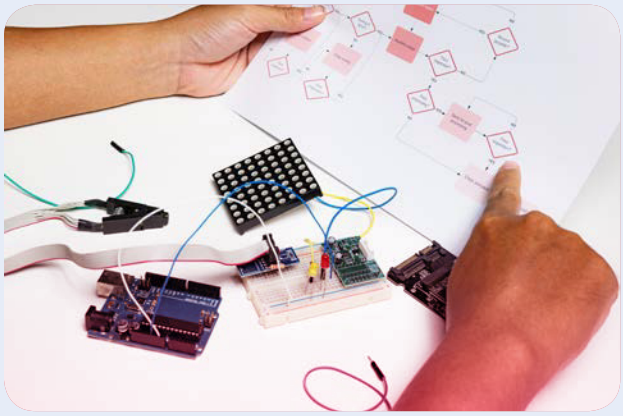
We have a comprehensive manufacturing infrastructure that includes customised production lines for box building, integration, and testing. Our facilities are equipped for manufacturing cable forms and harnesses, as well as plastic moulding and fabrication. To ensure product reliability, we have a dedicated burn-in/soak-test facility. Additionally, we have expertise in designing and building customised testing hardware, including firmware flashing fixtures, PCBA fixtures, end-of-line testers, and product functional testers. Our efficient supply chain allows us to ship our OEM products directly to our customers' warehouses.

OEM - TURNKEY SOLUTIONS - PRINTED CIRCUIT BOARD ASSEMBLIES ('PCBAs')

We offer comprehensive turnkey solutions for PCB assembly manufacturing. Our services include prototyping, sourcing (including supplier development for bare PCBs), test jig construction, and PCB process design. We utilise our SMT lines to manufacture and deliver tested and validated boards to customers worldwide. Our specialisation lies in high mix, high technology, and flexible volume production. We cater to various industries, including aerospace, defence and outer space, railways, medical, IT/ITES, industrial, and automotive electronics. Additionally, we provide value-added services to our customers in these verticals.

ORIGINAL DESIGN MANUFACTURING ('ODM')

The Company provides a comprehensive range of services for product design and development, covering software, PCB, and mechanical design. They specialise in creating customised technology solutions through their Embedded Systems division, catering to high-speed, multi-layer, mixed signal, and RF PCB designing, with the added benefit of two-stage design reviews.

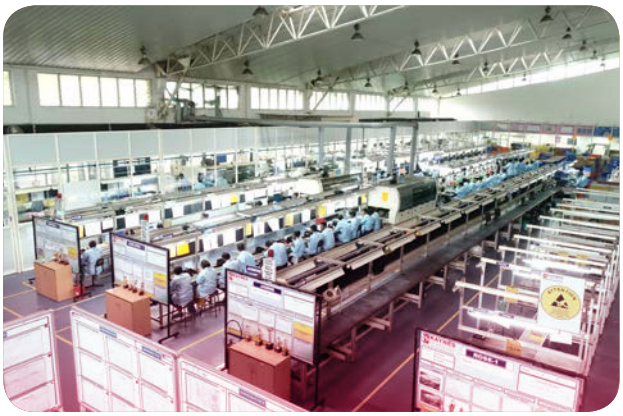


OPPORTUNITY

The Electronics System Design and Manufacturing (ESDM) industry has seen significant growth due to the increasing demand for electronic products and the Government's push for a digital economy. This growth is facilitated by factors such as the National Policy on Electronics, Electronics Manufacturing Clusters, a skilled workforce, and low-cost manufacturing.

Moreover, emerging technologies like IoT, AI, and blockchain can revolutionise various sectors and provide new opportunities for businesses, contributing to India's digital transformation. The substantial cost advantage of Indian ESDM companies over other countries, particularly China, can help them expand their businesses and capture a larger market share.

Looking ahead, the ESDM market presents several opportunities such as the rollout of 5G technology, the growth of AI, and the development of electric and autonomous vehicles, wearable technology, and eco-friendly electronic products. With the increasing demand for technology-driven products and services, the future of the ESDM market in India looks promising.



THREATS

The Electronic System Design and Manufacturing industry in India is encountering significant challenges that can hinder its progress and viability. The lack of Government support for component manufacturing, competition from low-cost countries, and the evolving global electronics design and manufacturing landscape are among the challenges that require immediate attention. The ESDM industry is heavily reliant on global supply chains, and any disruption due to natural disasters, geopolitical tensions, or trade disputes can severely impact its production and delivery capabilities. Moreover, intellectual property theft and regulatory compliance remain ongoing concerns.

Apart from these challenges, the industry is also experiencing technological advancements that necessitate constant innovation and upgradation. The Internet of Things (IoT), Artificial Intelligence (AI), and Machine Learning (ML) are swiftly transforming the electronics industry, requiring companies to stay up-to-date with these technological advancements to remain competitive.

The ESDM industry can address these challenges and threats by collaborating across the industry, engaging in strategic planning, and fostering innovation to maintain a competitive edge and sustainable growth

FINANCIAL HIGHLIGHTS

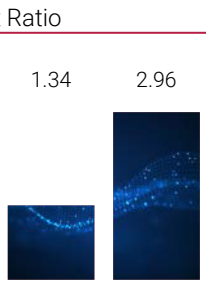
On a consolidated basis, total revenue stood at ₹ 11,261 mn in 2022-23 as compared to ₹ 7062 mn in 2021-22, registering a stupendous growth of 59% YoY. Operational EBITDA at ₹ 1,683 mn in 2022-23 grew by 80% with margins expanding by 60 bps. The profit after tax grew by a whopping 130% over 2021-22 to ₹ 955 mn with net profit margins expanding by 255 bps.

Debtors Turnover Ratio *(Times)*

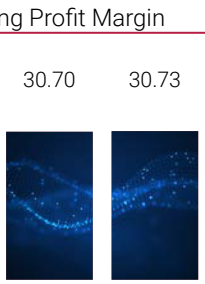
Inventory Turnover Ratio *(Times)*

Interest Coverage Ratio *(Times)*

Current Ratio *(Times)*

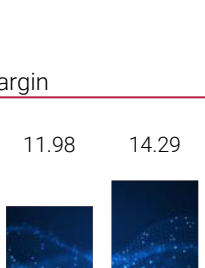


Operating Profit Margin *(%)*



Net Profit Margin *(%)*

EBIT Margin *(%)*



During the year the net profit margin increased on account of strong revenue.

RISK & MITIGATION

The Company places a high priority on risk management and continuously evaluates and improves its risk management practices to adapt to changing business environments and emerging risks. The Board of Directors is responsible for establishing and overseeing the Company's risk management framework to effectively manage and mitigate these risks.

RISK	IMPACT	MITIGATION
Changing Market Environment	Due to the latest developments in the highly competitive global business environment, as well as the potential for consolidation among competitors, the financial conditions of the Company may be adversely impacted.	The Company manufactures and develops diverse solutions for ESDM industry as it grows its business nationally and globally. The Company can raise its market share by strengthening its sales network, offer competitive products and services.
Technology risk	Rapid advancements in technology can lead to the risk of products or services becoming obsolete.	The Company invests in research and development to stay ahead of technological trends, regularly updates its product and service offerings, and maintains a culture of innovation.
Foreign Currency Risk	Fluctuations in foreign currency can dent the profitability and margins of the Company.	The Company mitigates this risk by natural hedging through matching of currency inflows and outflows, use of forward contracts and options to manage exposure to changes in foreign exchange rates.
Reputation Risk	Governments around the world are implementing stricter regulations to address climate change and other environmental concerns. Non-compliance with these regulations can result in fines, penalties, or reputational damage.	The Company invests in compliance management systems, hires legal experts, conducts regular audits, and has hence established a culture of ethical and responsible conduct throughout the organisation.
Operational Risk	Operational efficiency plays a pivotal role in driving a company's profitability and sustainable growth, while also serving as a critical factor in determining its competitiveness among other players in the region.	The Company has successfully integrated a well-suited blend of individuals, procedures, and technology to enhance business performance and achieve sustainable growth. The management team oversees internal processes, ensuring efficient energy conservation, effective technology absorption, and optimal capital utilisation. The Company has implemented robust internal control systems that are tailored to accommodate businesses of any size and complexity, ensuring compliance and smooth operations.

HUMAN RESOURCE

The Company values its employees as valuable assets, respects diversity, and prioritises employee empowerment. It promotes self-motivation, teamwork, and organisational effectiveness. Regular upskilling, training, incentives, and a creative workplace foster a motivated workforce. The Company aims to be an employer of choice, promoting inclusivity and strong talent retention. Investments in training ensure employee competence in evolving business environments, and positive industrial relations are maintained.

As of 31 March, 2023, the Company had 1478 permanent employees.

INTERNAL CONTROLS

The Company's management is committed to ensuring that its internal control systems are in line with its strategic objectives and implemented consistently throughout the organisation. The Company has developed a comprehensive internal control system consisting of policies and procedures aimed at facilitating efficient management of operations, safeguarding of assets, optimal resource utilisation, and accurate financial reporting, while ensuring compliance with applicable laws and regulations. The internal control systems cover all areas of the Company's operations and undergo periodic reviews and testing to ensure their effectiveness. The Company places great emphasis on the continuous enhancement of its internal control systems to mitigate risks and improve operational efficiency.

CAUTIONARY STATEMENT

Certain statements made in this report, including but not limited to the Company's objectives, projections, expectations, and estimates, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Various factors could make a significant difference to the Company's operations and actual results, including but not limited to changes in Government regulations, tax laws, economic developments in India and other countries where the Company conducts business, litigation, and other related factors. This report serves as a cautionary statement, and the Company takes no responsibility for any decisions made based on the information contained herein.

QUALITY CONTROL STATEMENT

The Company's quality policy is centred on meeting customer needs by delivering dependable products and services that conform to regulatory requirements, while continuously enhancing its quality management systems. The Company ensures the quality of its products through a qualification process that covers the entire value chain, thereby guaranteeing that customers receive quality products. The Company's quality control programmes are subjected to regular evaluations and monitoring at most of its manufacturing facilities to ensure adherence to high-quality standards. Additionally, both third-party agencies and customers conduct compliance audits of the Company's manufacturing facilities regarding quality management.

India - ESDM

https://www.ibef.org/industry/electronics-system-design-manufacturing-esdm#

https://auto.economictimes.indiatimes.com/news/industry/india-can-reach-300-bn-electronic-manufacturing-by-2026-meity-icea/89093597

BOARD'S REPORT

To
The Members,
KAYNES TECHNOLOGY INDIA LIMITED

Your Directors take pleasure in presenting the Fifteenth (15th) Annual Report of your Company, along with the Audited Financial Statements and Auditor's Report for the Financial Year ended 31 March, 2023. This is the First Report post listing of the shares of your Company on the Stock Exchanges.

1. FINANCIAL SUMMARY OR HIGHLIGHTS:

(All amounts are in ₹ Millions, except per equity share value)

Particulars	Standalone		Consolidated	
	Year ended 31 March, 2023	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from Operations	10,865.57	6,713.93	11,261.14	7,062.49
Other Income	116.98	47.61	113.98	41.05
Total Income	**10,982.55**	**6,761.54**	**11,375.12**	**7,103.54**
Total Expenses excluding Depreciation	9,560.64	6,062.31	9,927.32	6,381.65
Depreciation and Amortization Expenses	176.74	123.61	187.41	131.62
Profit/(Loss) before exceptional Items and tax	1,245.17	575.62	1,260.39	590.27
Exceptional Items	-	-	-	-
Profit/(Loss)before Tax	**1,245.17**	**575.62**	**1,260.39**	**590.27**
Provision for Tax	302.11	144.74	311.14	153.07
Deferred Tax charge/(credit)	(4.55)	21.03	(2.71)	20.45
Profit/(Loss) for the year	**947.61**	**409.85**	**951.96**	**416.75**
Other Comprehensive Income net of tax	2.08	(1.62)	2.96	(1.83)
Total Comprehensive Income/(Expense) for the year	**949.69**	**408.23**	**954.92**	**414.92**
(Less) Share of Profit / (loss) of minority interest	-	-	1.75	2.27
Total Comprehensive Income/(Expense) for the year, Net of Tax	**-**	**-**	**953.17**	**412.65**
Earnings per Share–Basic in ₹	19.79	9.84	19.84	9.96
Earnings per Share–Diluted in ₹	19.55	8.85	19.61	8.95

2. STATE OF COMPANY'S AFFAIRS AND BUSINESS PROSPECTS

Revenue summary

The Board is pleased to report significantly enhanced levels of business and profitability during the year under Report. This was made possible due to concentrated efforts in various spheres from Business Development to Supply Chain to Operations and all the enabling functions.

Your Company achieved a total revenue of ₹ 10,982.55 Mn during the Financial Year ended 31 March, 2023 as against ₹ 6,761.54 Mn in the previous Financial Year. Your Company has earned a net profit (after depreciation and tax) of ₹ 949.69 Mn in the current year as against ₹ 408.23 Mn in the previous year.

Basic EPS for the year 2022-23 is ₹ 19.79 as against ₹ 9.84 in 2021-22.

Profitability summary

- EBITDA growth over 0.83x and margins improved by 174bps with strong operational performance.
- PAT growth over 1.32x and margins improved by 261bps with improvement in debt matrix and better fixed asset turnover ratio.

3. CHANGE IN THE NATURE OF BUSINESS

There were no changes in the nature of business of the Company during the year ended 31 March, 2023.

4. DIVIDEND

Your Company has in place the Dividend Distribution Policy for the purpose of declaration and payment of Dividend in accordance with the provision of the Companies Act, 2013 (the "Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Dividend Distribution Policy is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_Dividend%20distribution%20policy.pdf under Investors section.

The Board does not recommend any dividend for the Financial Year 2022-23.

5. AMOUNTS TRANSFERRED TO RESERVES

The Company has not proposed to transfer any amount to the general reserve for the year ended 31 March, 2023.

6. ANNUAL RETURN

Pursuant to Sections 92(3) and 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return i.e., Form MGT-7 of the Company for the FY 2022-23 is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Annual%20Return_Form_MGT_7_2022-23.pdf

7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Your Company has an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. The composition of the Board of Directors, Key Managerial Personnel and changes in the composition of the Board of Directors and Key Managerial Personnel as on 31 March, 2023 is exhibited below:

Sl. No.	Name	Designation	Date of appointment
1.	Savitha Ramesh	Chairperson & Whole Time Director	28/03/2008
2.	Ramesh Kunhikannan	Managing Director	28/03/2008
3.	Jairam P Sampath	Whole Time Director & Chief Financial Officer	10/03/2018
4.	S G Murali	Independent Director	21/02/2022
5.	Anup Kumar Bhat	Independent Director	12/01/2022
6.	Vivekanandah Ramasamy	Independent Director	12/01/2022
7.	Alexander Koshy	Independent Director	21/02/2022
8.	Poornima Ranganath	Independent Director	31/03/2022
9.	Rajesh Sharma	Chief Executive Officer	20/12/2021
10.	Srividhya Narayanan	Company Secretary & Compliance officer	31/01/2018

There has been no change in the constitution of Board during the year under review. None of the Directors are disqualified from being appointed as such under the provision of Section 164 of the Companies Act, 2013.

Your Board consists of 8 (Eight) Members, which include 3 (Three) Executive Directors, 5 (Five) Independent Directors including 1 (One) Woman Independent Director as on the date of this Report. The Board periodically evaluates the need for change in its composition and size.

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Savitha Ramesh, Whole Time Director, retires at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The Independent Directors, Mr. S G Murali, Mr. Anup Kumar Bhat, Mr. Vivekanandah Ramasamy, Mr. Alexander Koshy and Mrs. Poornima Ranganath have maintained highest standards of integrity in their dealings with the Company. They also possess the requisite expertise and experience (including Proficiency) necessary for acting as Independent Directors of the Company. Annual Declarations received from the Independent Directors for the year 2022-23 contain affirmations regarding registrations in the data bank.

The Company has 5 (Five) Key Managerial Persons (KMPs) including Executive Directors, Mrs. Savitha Ramesh, Executive Chairperson and Whole Time Director, Mr. Ramesh Kunhikannan, Managing Director, Mr. Jairam Paravastu Sampath, Whole Time Director and Chief Financial Officer, Mr. Rajesh Sharma, Chief Executive Officer and Mr. Ramachandran Kunnath, Company Secretary & Compliance Officer as on the date of this Report.

Changes in Key Managerial Personnel:

Mrs. Srividhya Narayanan resigned as Company Secretary & Compliance Officer of the Company w.e.f closing of business hours on 31 March, 2023. The Board has placed on record its deep appreciation of the contribution made by Mrs. Srividhya Narayanan during her tenure as Company Secretary & Compliance Officer of the Company.

Based on the recommendation of Nomination & Remuneration Committee, the Board at its Meeting held on 30 March, 2023 appointed Mr. Ramachandran Kunnath as Company Secretary & Compliance Officer w.e.f. 1 April, 2023.

Declaration by Independent Directors:

Declarations under Section 149(7) of the Companies Act, 2013 have been received from all the Independent Directors of the Company confirming that they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the said Act and as per the Listing Regulations.

The Board has evaluated the Independent Directors and confirms that Mr. SG Murali, Mr. Anup Kumar Bhat, Mr. Vivekanandah Ramasamy, Mr. Alexander Koshy and Mrs. Poornima Ranganath have fulfilled the independence criteria as specified in the Listing Regulations and their independence from the management.

Details on terms of appointment of Independent Directors and the familiarization program have been displayed on website of the Company at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_Familiarization%20programme.pdf.

8. BOARD MEETINGS

The Board of Directors of the Company met 13 times during the year under review. The details of these Board Meetings are provided in the Report on Corporate Governance section forming part of the Annual Report. The necessary quorum was present for all the meetings.

The maximum gap between any two meetings was within the stipulated time period as prescribed under the Companies Act, 2013 and the Listing Regulations. The details of the Meetings of the Board and its Committees are exhibited in the Corporate Governance Report which forms an integral part of the Annual Report.

Separate meeting of the Independent Directors - In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, One separate meeting of the Independent Directors was held during FY23. Further details are mentioned in the Corporate Governance report.

9. COMMITTEES OF THE BOARD:

As on 31 March, 2023, your Board has 5 Committees viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Borrowings & Investment Committee. The composition of the Committees, Roles and Responsibilities and Meetings held, as per the applicable provisions of the Act, Rules and the Listing Regulations are given separately in Corporate Governance Report which forms an integral part of the Annual Report.

10. CORPORATE GOVERNANCE:

Your Company has been following and adhering to the best Corporate Governance practices to ensure value system of integrity, fairness, transparency, accountability and adoption of the highest standards of business ethics will reap benefits to all the stakeholders. The Corporate Governance Report in terms of Regulation 34 of the Listing Regulations has been disclosed separately and forms part of the Annual Report.

The Compliance Certificate issued by Mrs. Kalaivani S, Practising Company Secretary, on compliance with conditions of Corporate Governance as stipulated in the Listing Regulations and Corporate Governance Report is annexed to this report as **Annexure – 1**.

11. MANAGEMENT DISCUSSION AND ANALYSIS (MD&A):

A detailed financial performance analysis is provided in the Management Discussion and Analysis Report, which is part of the Annual Report.

12. PERFORMANCE EVALUATION OF THE BOARD AND BOARD DIVERSITY:

The performance evaluation of the Board and its Committees is applicable to the Company from FY 2022-23 pursuant to listing of the shares of the Company on the Stock Exchanges.

Your Board has in place a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairperson of the Board. The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of Board and its Committees. The detailed process in which annual evaluation of the performance of the Board and its Committees, Chairperson and individual Directors including Independent Directors is disclosed in the Corporate Governance Report which forms an integral part of the Annual Report.

Further, the Independent Directors, at their exclusive Meeting held on 21 March, 2023 reviewed the performance of the Board, its Chairman and Non-Independent Directors and other items as stipulated under the Listing Regulations.

A diverse Board enables efficient functioning through its access to Broad perspectives and diverse thought processes underpinned by a range of scientific, industrial and management expertise, gender, knowledge and geographical origins.

The Board recognises the importance of diverse composition and has adopted a Board Diversity Policy, which sets out the approach to diversity. The Board diversity policy of the Company is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_Board%20diversity%20policy.pdf

13. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of Board's knowledge and belief and according to the information and explanations obtained by the Board of Directors, Your Directors make the following statements in terms of Sections 134(3)(c) & 134(5) of the Companies Act, 2013:

a) In the preparation of the annual accounts for FY 2022-23, the applicable Indian Accounting Standards (Ind AS) have been followed along with proper explanation relating to material departures,

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March, 2023 and of the Profit and Loss of the Company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Your Company has adopted Nomination & Remuneration Policy for the purpose of Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a Director, in accordance with Section 178(3) of the Companies Act, 2013 and the rules made thereunder. The copy of said Policy is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_NRC%20policy.pdf.

15. DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014:

Disclosures required under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 have been annexed as **Annexure - 2**. Particulars of Employees' Remuneration, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the said information, is being sent to the shareholders of the Company and others entitled thereto. The information is available for inspection at the registered office of the Company during working hours up to the date of the ensuing AGM. Any shareholder interested in obtaining such information may write to the Company at kaynestechcs@kaynestechnology.net in this regard.

16. LOANS, GUARANTEES AND INVESTMENTS:

Particulars of Loans granted, Guarantees given and Investments made by the Company pursuant to Section 186 of the Companies Act, 2013 and the rules made thereunder are provided in financial statements which forms a part of the Annual Report.

17. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts/arrangements/transactions entered by the Company during FY 2022-23 with its related parties were in the ordinary course of business and on arm's length basis. All Related Party Transactions (RPTs) were placed before the Audit Committee for its approval.

During FY 2022-23, your Company had not entered into any materially significant transaction which requires the approval of Shareholders under Regulation 23 of the Listing Regulations or Section 188 of the Act. The disclosures on Related Party Transactions under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is enclosed to this report as **Annexure - 3**. The details of Related Party Transactions are also furnished in Notes to Financial Statements (both Standalone and Consolidated), as per the applicable Accounting Standards.

The Policy on RPTs as approved by the Board is available on the Company's website at

https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_RPT%20policy.pdf

18. SHARE CAPITAL:

1. Changes In Share Capital:

A. Capital Structure As on 31 March, 2023:

Particulars	Authorised Share Capital in ₹	Issued, Subscribed, Paid-up Capital in ₹
Number of Equity shares	70,000,000	58,142,496
Nominal amount per Equity Share	10	10
Total amount of Equity Shares	700,000,000	581,424,960
Number of Preference Shares	2,000,000	-
Nominal value per Preference Share	10	10
Total amount of Preference Shares	20,000,000	-
Total	**720,000,000**	**581,424,960**

During the year under review, the Paid up Share Capital of the Company was increased from ₹ 465,371,520/- to ₹ 581,424,960/-. The Company issued and allotted 616,770 Equity Shares of ₹ 10/- each pursuant to conversion of 333,323 Series B Compulsorily Convertible Preference Shares (CCPS) and 45,823 Series C CCPS on 12 October, 2022 on preferential basis. Further, the Company issued and allotted 1,439,237 and 899,523 Equity Shares of ₹ 10/- each at a premium of ₹ 545.85 per Share through Private Placement to Acacia Banyan Partners and Volrado Venture Partners Fund II on 12 October, 2022 and 14 October, 2022 respectively.

Further, in the month of November 2022, the Company issued and allotted 9,028,900 Equity Shares of ₹ 10/- each at a premium of ₹ 577/- per Share thereby raising ₹ 530 Crores through an Initial Public Offer (IPO).

The Company has taken necessary approvals of the Board and Shareholders for the aforesaid issue of Equity Shares.

B. Details of Buy Back of Securities:

The Company has not bought back any of its securities during the year under review.

C. Details of issue of Sweat Equity Shares:

The Company has not issued any Sweat Equity Shares during the year under review.

D. Details of issue of Bonus Shares:

No Bonus Shares were issued during the year under review.

E. Details of Issue of Equity Shares with Differential Rights:

The Company has not issued any Equity Shares with differential rights during the year under review.

F. Disclosure in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates:

There are no such cases arisen during the year under review.

19. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Your Company being one of top 1000 listed entities based on Market Capitalisation Value, is required to include Business Responsibility and Sustainability Report in the Annual Report describing the initiatives taken by the Company from environmental, social and governance perspective.

20. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the amount in Unpaid Dividend Account, the application money received for allotment of any securities and due for refund, principal amount of matured deposits and debentures and interest accrued thereon, redemption amount of preference shares, etc. remaining unclaimed and unpaid for a period of 7 (Seven) years from the date it became due for payment by the Company shall be transferred to the Investor Education and Protection Fund established by the Central Government. In addition to that, the Shares on which Dividend has not been paid or claimed by the Shareholders for 7 (Seven) consecutive years or more shall be transferred by the Company to IEPF, pursuant to section 124(6) of the Act and the rule made thereunder.

During the FY 2022-23, there were no amounts which were required to be transferred to the IEPF by the Company.

21. EMPLOYEE STOCK OPTION SCHEME:

Your Company has an Employee Stock Option Scheme under '**KAYNES ESOP SCHEME 2022**', which is administered by the Nomination & Remuneration Committee for the benefit of employees.

The Compliance Certificate from the Secretarial Auditor of the Company stating that the Kaynes ESOP Scheme 2022 has been implemented in accordance with SEBI (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 is annexed to this report.

The disclosures as required under SEBI (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 forms part of this report.

Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the applicable disclosures as on 31 March, 2023 are as follows:

DETAILS OF ESOP

(i) Description of the existing ESOP Plan is summarized below:

Sl. No.	Particulars	KAYNES ESOP SCHEME 2022
1.	Date of Shareholder's Approval	12 January, 2022
2.	Date of last Modification	14 October, 2022
3.	Total number of Options approved	923,160
4.	Exercise Price Per option	₹ 138/-
5.	Pricing Policy	₹ 138/-
6.	Vesting period	4 years
7.	Exercise Period	Within 2 years from the date of vesting
8.	Variation in terms of Options during FY 2022-23	None

(ii) Movement of options during the FY 2022-23 is as follows:

Sl. No.	Particulars	ESOP Plan 2022
1.	Number of Options outstanding at the beginning of the FY 2022-23 (1 April, 2022)	923,160
2.	Number of Options granted during the FY 2022-23 (including re-grant of surrendered options)	923,160
3.	Number of Options forfeited/lapsed during the FY 2022-23	61,919
4.	Number of Options vested during the FY 2022-23	-
5.	Number of Options exercised during the FY 2022-23	-
6.	Number of shares arising as a result of exercise of options	-
7.	Money realized by exercise of options (₹)	-
8.	Number of options outstanding at the end of the FY 2022-23 (31 March, 2023)	861,241
9.	No. of options exercisable as of 31 March, 2023	-

(iii) Employee wise details of options granted during the FY 2023 is as follows:

Sl. No.	Particulars	Number of Options Granted (including Re-Issue)	Exercise Price per Option (in ₹)
1	**Key Managerial Personnel (MD, CEO, CFO, CS)**		
	Jairam P. Sampath (WTD & CFO)	20,980	₹ 138.00
	Rajesh Sharma (CEO)	20,980	₹ 138.00
	Srividhya Narayanan (CS)	2,170	₹ 138.00
2	**Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year**	Nil	Nil
3	**Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant**	Nil	Nil

22. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of Energy:

The Company continues to accord priority to energy conservation. The Company's 'energy saving' team is committed to minimize the energy consumption and is implementing several energy saving projects. Consistent efforts are being made for identifying potential areas for energy saving.

B. Technology absorption:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations require significant import of technology.

C. Foreign Exchange Earnings and Outgo:

Total Foreign Exchange Used (Cash basis)	As on 31 March, 2023: ₹ 6,282.65 Mn
Total Foreign Exchange Earned (Accrual Basis)	As on 31 March 2023: ₹ 1,040.80 Mn

23. A STATEMENT ON THE DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company ensures that all the risks are timely defined and mitigated in accordance with the Risk Management Process.

24. CORPORATE SOCIAL RESPONSIBILITY(CSR):

In line with Section 135 read with Schedule VII of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy. The annual report on CSR activities for the Financial Year ended 31 March, 2023 is attached hereto and is marked as **Annexure - 4**.

25. INTERNAL FINANCIAL CONTROL:

Your Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. Internal Controls in the Company have been designed to further the interest of all its stakeholders by providing an environment which is facilitative to conduct its operations and to take care of, inter alia, financial and operational risks with emphasis on integrity and ethics as a part of work culture.

The scope and authority of the Internal Audit (IA) is defined by the Audit Committee. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal financial control system in the Company and its compliance with accounting procedures, financial reporting and policies at all locations of the Company. Based on the report of internal audit, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee and the Board. No major internal control weakness was identified during the year. The Company also has a well-functioning Whistle Blower Policy in place.

Your Company has laid down set of standards, process and structures which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively.

26. PROHIBITION OF INSIDER TRADING:

In compliance with SEBI (Prohibition of Insider Trading) Regulation 2015, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading'. The said Code is available on the Company's website at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_Code%20of%20conduct%20for%20prevention%20of%20insider%20trading.pdf.

27. VIGILANCE MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Section 177 of the Companies Act, 2013, the Company has established a Whistle Blower Policy for Directors and employees to report any unethical conduct, misuse of unpublished price sensitive information, actual or suspected fraud or violation of Company's Code of Conduct.

The detailed Policy is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Project%20catalyst_Policy%20on%20prevention%20of%20sexual%20harrasment%20at%20workplace.pdf.

28. DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES AS REQUIRED UNDER THE PROVISIONS OF SECTION 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE AS FOLLOWS:

A. Employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than ₹ 10,200,000/- for 12 Months:

Sl. No.	Name Messrs	Designation	Qualification	Age (years)	Experience (years)	Date of commen_ cement of emplo- yment	Remune- ration Received (₹ in Mn)	Last employment	
								Employer Name	Post Held
1	Ramesh Kunhikannan	Managing Director	Bachelor's degree in Electrical Engineering	59	35	28-03-2008	18.0	NA	NA
2	Savitha Ramesh	Chairperson & Whole Time Director	Bachelor's degree in Commerce	51	27	28-03-2008	18.0	NA	NA

B. Employees who were employed for part of the year and were in receipt of remuneration in aggregate of not less than ₹ 8,50,000/-per month.

Sl. No.	Name	Designation	Qualification	Age (years)	Experience (years)	Date of Commen- cement of employment	Remune- ration Received (₹ in Mn)	Last employment	
								Employer Name	Post Held
NIL									

C. Remuneration received by Managing Director /Whole Time Director from Holding or Subsidiary Company:

During the year under review, Managing Director /Whole Time Director have not received any Remuneration or Commission from Subsidiaries of the Company. Further, the Company is not subsidiary to any other Company.

D. Affirmation that the payment of remuneration is as per the Remuneration Policy of the Company:

Your Board hereby affirms that the payment of remuneration is as per the Remuneration Policy of the Company.

29. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AND JOINT VENTURES:

Sl. No.	Name of Company	SUBSIDIARY / ASSOCIATE	Holding percentage
1	Kemsys Technologies Private Limited	Subsidiary	100%
2	Kaynes Embedded Systems Private Limited	Subsidiary	60%
3	Kaynes Electronics Manufacturing P Ltd (KEMPL)	Subsidiary	100%
4	Kaynes Technology Europe GmbH	Subsidiary	60%
5	Kaynes International Design & Manufacturing Private Limited	Subsidiary	95.21%

Statement relating to Subsidiary Companies in Form AOC-1 is part of this report as **Annexure - 5**

30. AUDITORS AND AUDITOR'S REPORT:

A. STATUTORY AUDITORS:

In terms of the requirement of the Companies Act, 2013, Messrs K P Rao & Co, Chartered Accountants, having the Institute of Chartered Accountants of India, Firm Registration No.003135S, were appointed as Statutory Auditors of the Company for a term of 5 (five) years, to hold office from the conclusion of 13th (Thirteenth) Annual General Meeting until the conclusion of 18th (Eighteenth) Annual General Meeting. Ratification of Auditors in every General Meeting is not required as first proviso to Section 139 has been deleted pursuant to notification dated 7 May, 2018.

The Auditors' Report read together with Annexure referred to in the Auditors' Report for the Financial Year ended 31 March, 2023 do not contain any qualification, reservation, adverse remark or disclaimers.

The Auditor's Report is enclosed with the Financial Statements and forms part of the Annual Report

During the year under review, the Statutory Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section134(3)(ca) of the Act.

B. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at its meeting held on 21 May, 2022 had appointed Mrs. Kalaivani S, Practising Company Secretary (CP No.: 22158), to undertake the Secretarial Audit of the Company for the Financial Year 2022-23.

The Secretarial Audit Report is annexed herewith as **Annexure - 6.**

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

C. INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013, Messrs Brahmayya & Co., Chartered Accountants, Bengaluru, Firm Registration No. 000515S, were appointed as the Internal Auditors of the Company at its Meeting held on 12 January, 2022 to undertake the Internal Audit of the Company for the Financial Year 2022-23.

During the year under review, the Internal Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

D. COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of your Company at its meeting held on 21 May, 2022 had appointed Messrs. GA and Associates, Cost Accountants, Mysuru (Firm Registration Number: 000409) as the Cost Auditors of the Company to undertake the Cost Audit of the Company for the Financial Year 2022-23.

31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place the Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Project%20catalyst_Policy%20on%20prevention%20of%20sexual%20harrasment%20at%20workplace.pdf.

An Internal Complaints Committee has been setup to redress complaints received regarding sexual harassment.

The following is the summary of sexual harassment complaints received and disposed off during the year:

No. of complaints received in Financial Year 2022-23: NIL

No. of complaints disposed off during the Financial Year 2022-23: NIL

No. of complaints pending as on end of the Financial Year 2022-23: NIL

32. SECRETARIAL STANDARDS:

During the Financial Year 2022-23, your Company has complied with the all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

33. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

Following are material changes and commitment affecting the financial position of the Company during the period between the end of the Financial Year and the Date of the report.

Based on recommendation of Nomination & Remuneration Committee, the Board at its Meeting held on 30 March, 2023 appointed Mr. Ramachandran Kunnath as Company Secretary & Compliance Officer w.e.f 1 April, 2023.

34. MATERIAL CHANGES & COMMITMENTS:

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year to which the financial statements relate to and the date of this report.

35. OTHER DISCLOSURES:

Disclosures	Board's Comment
Deposits	The Company has not accepted any public deposits within the meaning of Section 73 and under Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014 during FY 2022-23. Hence, the disclosures as required under Rule 8(5)(v) of the Companies (Accounts) Rule, 2014 are not applicable.
Debentures	The Company has not issued any debentures during FY 2022-23.
Insolvency and Bankruptcy Code, 2016	During FY 2022-23, no application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
One-Time Settlement with the banks and financial institutions	During FY 2022-23, your Company has not entered into any One-Time Settlement with the Banks and Financial Institutions.
Cost Audit	In terms of the Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost accounting records and get them audited every year from Cost Auditor and accordingly such accounts and records are made and maintained by your Company. The Board of Directors appointed Messrs GA & Associates, Cost Accountants (FIRM REG. No. 000409) as Cost Auditors to audit the cost accounts of your Company for the Financial Year 2022-23. The Cost Audit Report for the FY 2022-23 will be filed with the Ministry of Corporate Affairs within the due date.
Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future	During FY 2022-23, no significant or material orders were passed by any of the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
Statement of Deviation(s) or Variation(s)	During FY 2022-23, your Company has raised ₹ 530 Crores from Initial Public Offer (IPO). Your Board hereby confirms that there were no deviation(s) or variation(s) in the utilization of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable.

36. ACKNOWLEDGEMENTS:

The Board of Directors wish to place on record its appreciation of the co-operation extended by all the Stakeholders and State Governments, Financial Institutions & Banks, employees, investors and customers.

For and on behalf of the Board of Directors
KAYNES TECHNOLOGY INDIA LIMITED

	Savitha Ramesh	**Ramesh Kunhikannan**
Date:16 May, 2023	(Executive Chairperson & WTD)	(Managing Director)
Place: Mysuru	DIN: 01756684	DIN: 02063167

Annexure-1

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To
The Members of
Kaynes Technology India Limited
23-25, Belagola, Food Industrial Estate
Metagalli P O, Mysuru, Karnataka

I have examined the compliance of the conditions of Corporate Governance by Kaynes Technology India Limited for the year ended 31 March, 2023 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Kalaivani S
Practising Company Secretary
ACS: 57112 CP: 22158
UDIN: A057112E000319055

Date: 16 May, 2023
Place: Bengaluru

Annexure-2

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	**Director Name**	**Ratio to median remuneration**
		Mrs. Savitha Ramesh	1:80
		Mr. Ramesh Kunhikannan	1:80
		Mr. Jairam P Sampath	1:29
		Mr. Anup Kumar Bhat	1:1
		Mr. Vivekanandah Ramasamy	1:3
		Mr. S G Murali	1:2
		Mr. Alexander Koshy	1:3
		Ms. Poornima Ranganath	1:2
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	**Director/KMP Name**	**% of increase**
		Mrs. Savitha Ramesh	56%
		Mr. Ramesh Kunhikannan	37%
		Mr. Jairam P Sampath	33%
		Mr. Anup Kumar Bhat	*
		Mr. Vivekanandah Ramasamy	*
		Mr. S G Murali	*
		Mr. Alexander Koshy	*
		Ms. Poornima Ranganath	*
		Mr. Rajesh Sharma	0%**
		Mrs. Srividhya Narayanan	79%
		*Remuneration paid by way of sitting fees with effect from April 22(FY 2022-23). ** Employed for part of the year in FY 2021-22.	
3	The percentage increase in the median remuneration of employees in the financial year;	4%	
4	The number of permanent employees on the rolls of company;	1478	
5	The explanation on the relationship between average increase in remuneration and company performance;	The remuneration and increase in remuneration are as per the Remuneration Policy of the Company	
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The aggregate remuneration of Key Managerial Personnel is ₹ 54.30 which is 0.5% of the Company's total turnover of ₹ 10,982.55. As per the Company's Remuneration Policy, the compensation of the Key Managerial Personnel is based on individual and company's performance.	
7	**Variation in**	**31.03.2023**	**31.03.2022**
	Market Capitalization	55,980	NA
	Price Earnings Ratio	49	NA
	Percentage Increase/decrease of the market quotations	NA	
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;		

9	Comparison of each remuneration of the Key Managerial Personnel against the performance of the company	**Director Name**	**Ratio to Turnover of the Company**
		Mrs. Savitha Ramesh	0.17%
		Mr. Ramesh Kunhikannan	0.17%
		Mr. Jairam P Sampath	0.06%
		Mrs. Srividhya Narayanan	0.01%
		Mr. Rajesh Sharma	0.07%
		Mr. Anup Kumar Bhat	0.00%
		Mr. Vivekanandah Ramasamy	0.01%
		Mr. S G Murali	0.00%
		Mr. Alexander Koshy	0.00%
		Ms. Poornima Ranganath	0.01%
10	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	No employee received remuneration in excess of the highest paid director	
11	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, the remuneration is as per the Remuneration Policy of the Company.	

For and on behalf of the Board of Directors
KAYNES TECHNOLOGY INDIA LIMITED

Savitha Ramesh
(Executive Chairperson & WTD)
DIN: 01756684

Ramesh Kunhikannan
(Managing Director)
DIN: 02063167

Date:16 May, 2023
Place: Mysuru

Annexure-3

FORM AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for the year ended 31 March, 2023

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

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

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

Date of the Board Meeting in which transactions were approved: 16 May, 2022

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Rupees in Million
1	Kaynes International Design & Manufacturing Private Limited	Sale of material and Purchases	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'	5.08
2	Kemsys Technologies Private Limited	Purchases	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'	1.05
3	Kaynes Interconnection Systems India Private Limited	Sale of material and Purchase of material	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'	56.4
4	Kaynes Technology Inc.	Services rendered and Services received	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'	48.17
5	Ms. Premita Ramesh	Office of place of profit	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'	0.32
6	Mr. Govind Shasiprasad Menokee	Office of place of profit	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'	0.40

For and on behalf of the Board of Directors
KAYNES TECHNOLOGY INDIA LIMITED

Savitha Ramesh
(Executive Chairperson & WTD)
DIN: 01756684

Ramesh Kunhikannan
(Managing Director)
DIN: 02063167

Date:16 May, 2023
Place: Mysuru

Annexure-4

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

   Pursuant to Section 135 of the Companies Act 2013 the Company is obligated to spend on Corporate Social Responsibility (CSR) for FY 2022-23.

   CSR Policy has been designed keeping in view the Company's business vision, its CSR vision and long-term social objectives that the company wants to achieve. Your Company's CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.

2. **Composition of the CSR Committee:**

Name of the Members	Category	Designation	No of meeting of CSR Committee held during the year	No of meeting of CSR committee attended during the year
Mrs. Savitha Ramesh	Whole time Director	Chairperson	1	1
Mr. SG Murali	Independent Director	Member		1
Mr. Anup Kumar Bhat	Independent Director	Member		0

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:**

   The details can be accessed on: https://www.kaynestechnology.co.in/investors.html

4. **Executive Summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

   Not Applicable for F.Y. 2022-23

5. a. Average net profit of the Company as per sub- section (5) of section 135: ₹ **264,480,290**
   b. Two percent of average net profit of the Company as per sub- section (5) of section 135: ₹ **5,289,606**
   c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
   d. Amount required to be set off for the financial year, if any: **NIL**
   e. Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ **5,289,606**

6. a. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
5,289,606	Not Applicable				

Details of CSR amount spent against ongoing projects for the financial year:

1.	2.	3.	4.	5.		6.	7.	8.	9.	10.	11.	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Christian Medical College - Installation and commissioning of a STP at the campus	Promoting education	No	Tamil Nadu	Vellore		1,876,200	1,876,200	NIL	Indirect	Christian Medical College Vellore Association	CSR00001924
2	Zoo wildlife - golf cart vehicle	Animal welfare	Yes	Karnataka	Mysuru		498,750	498,750	NIL	Direct	Zoo Authority of Karnataka, Sri Chamarajendra Zoological Garden	CSR00014828
3	Goshala – 1) Infrastructure 2) Feeding of food to cows at Goshala 3) Medical facility to cows at Goshala	Animal welfare	Yes	Karnataka	Bengaluru		800,000	800,000	NIL	Indirect	ISKCON	CSR00005241
4	Nadipathy Goshala - Kakinada	Animal welfare	No	Andhra Pradesh	Kakinada		1,000,000	1,000,000	NIL	Direct	Nadipathy Goshala - Kakinada	NA
5	V P A C and C Trust (R) Goshala	Animal welfare	Yes	Karnataka	Mysuru		300,000	300,000	NIL	Direct	V P A C and C Trust (R) Goshala	NA
6	Sree Sankara Vidyamandiram (School Building)	Promoting education	No	Kerala	Kozhikode		200,000	200,000	NIL	Indirect	Bharatheeya Vidhya Niketan Keshava Mandir	CSR00019323
7	Provision for sanitation and drinking water at the village (Hemaragala)	Promoting health care	Yes	Karnataka	Mysuru		500,000	500,000	NIL	Direct	NA	NA
8	Cash felicitation for people involved in art and culture	Promotion and development of traditional art	Yes	Karnataka	Mysuru		100,000	100,000	NIL	Direct	Sriramabhyudaya Sabha Charitable Trust	CSR00047907
	TOTAL						**5,274,950**	**5,274,950**				

Details of CSR amount spent against other than ongoing projects for the financial year: nil

b. Amount spent in Administrative Overheads: ₹ 14,656

c. Amount spent on Impact Assessment, if applicable: Nil

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 5,289,606

e. Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per sub- section (5) of section 135	-
(ii)	Total amount spent for the financial year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. a. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second Provision to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding Financial Years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital asset have been created or acquired through CSR amount spent in the financial year: **No**

If yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such assets(s) so created or acquired through CSR amount spent in the Financial year:

Sl. No.	Short particulars of the property or asset (s) [including complete address and location of the property]	Pincode of the property or asset (s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: NA

For and on behalf of the Board of Directors
KAYNES TECHNOLOGY INDIA LIMITED

Savitha Ramesh
(Executive Chairperson & WTD)
DIN: 01756684

Ramesh Kunhikannan
(Managing Director)
DIN: 02063167

Date:16 May, 2023
Place: Mysuru

Annexure-5

FORM AOC-1

Statement pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014 relating to Subsidiary Companies for the year ended March 31, 2023

Part A – Subsidiaries

(All amounts are in ₹ Millions, except per equity share Value)

Sl. no.	Particulars	Details				
1	**Name of the Subsidiary**	**Kaynes Embedded Systems Private Limited**	**KEMSYS Technologies Private Limited**	**Kaynes Technology Europe GmbH**	**Kaynes International Design & Manufacturing Private Limited**	**Kaynes Electronics Manufacturing Private Limited**
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	1 April, 2022 to 31 March, 2023 same as holding company's reporting period	1 April, 2022 to 31 March, 2023 same as holding company's reporting period	1 January, 2022 to 31 December, 2022 different from the holding Company's reporting period (for the purpose of consolidation, financials are being prepared from 1 April, 2022 to 31 March, 2023.)	1 April, 2022 to 31 March, 2023 same as holding company's reporting period	30 March, 2022 to 31 March, 2023 (First Financial Year)
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees & Indian Subsidiary	Indian Rupees & Indian Subsidiary	Swiss Franc (CHF) – 85.94 & Foreign Subsidiary	Indian Rupees & Indian Subsidiary	Indian Rupees & Indian Subsidiary
4	Share capital	5.00	5.00	45,000 CHF	1.58	0.10
5	Reserves & surplus	0	-87.11	222,543 CHF	84.62	-3.12
6	Total assets	0	169.87	295,094 CHF	243.70	108.74
7	Total liabilities	0	169.87	295,094 CHF	243.70	108.74
8	Investments	0	0	0	8.36	0
9	Turnover	0	90.46	18,092 CHF	311.07	0
10	Profit before taxation	0	-13.19	1,673 CHF	33.06	-3.12
11	Provision for taxation	0	-0.22	16,419 CHF	8.98	0
12	Profit after taxation	0	-12.97	0	24.08	0
13	Proposed Dividend	0	0		0	0
14	% of shareholding	60%	100%	60%	95.21%	100%

Part B - Associates and joint ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable

For and on behalf of the Board of Directors
KAYNES TECHNOLOGY INDIA LIMITED

Savitha Ramesh
(Executive Chairperson & WTD)
DIN: 01756684

Ramesh Kunhikannan
(Managing Director)
DIN: 02063167

Date:16 May, 2023
Place: Mysuru

Annexure-6

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

KAYNES TECHNOLOGY INDIA LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kaynes Technology India Limited** (CIN: L29128KA2008PLC045825) (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31 March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Kaynes Technology India Limited for the financial year ended on 31 March, 2023 according to the provisions of:

i) The Companies Act, 2013 and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA, 1956")and the Rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (" SEBI Act, 1992"): -

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018

   (h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;

   (j) Circulars/Guidelines issued there under;

(vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.

(vii) The other general laws as may be applicable to the Company including the following:

   (1) Employer/ Employee Related Laws & Rules:

   - The Factories Act, 1948
   - The Employees State Insurance Act, 1948
   - The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
   - Contract Labour (Regulation and Abolition) Act, 1970

Annexure-6 (Contd.)

- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- The Karnataka Labour Welfare Fund Act, 1965
- The Apprentices Act, 1961
- The Industrial Employment Standing Orders Act, 1946
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963
- The Karnataka Public Safety (Measures) Enforcement Act, 2017
- Karnataka Shops & Commercial Establishment Act, 1961
- The Environment Protection Act, 1986
- The Water (Prevention & Control of Pollution) Act, 1974
- The Air (Prevention & Control of Pollution) Act, 1981
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS – 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. In my opinion, the Company needs to strengthen the compliances under the Companies Act read with the Rules thereto and the Secretarial Standards as well as other laws including HR and Labor Law. Certain non-material findings made during the course of the audit relating to the provisions of the Companies Act, 2013, HR and Labour Laws were noted which have been communicated to the Company.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the information received from the Company Secretary, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

The decisions were carried through majority while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Kalaivani S
Practising Company Secretary
ACS: 57112 CP: 22158
UDIN: A057112E000319033

Date: 16 May, 2023
Place: Bengaluru

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Services Tax Act.
4. Wherever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Kalaivani S
Practising Company Secretary
ACS: 57112 CP: 22158

Date: 16 May, 2023
Place: Bengaluru

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To
The Members
Kaynes Technology India Limited
23-25, Belagola, Food Industrial Estate
Metagalli P O, Mysuru, Karnataka

I, Kalaivani S, Practising Company Secretary, have verified the relevant records and documents of **Kaynes Technology India Limited** (hereinafter referred to as 'the Company'), with CIN: L29128KA2008PLC045825 and having its Registered Office at 23-25, Belagola, Food Industrial Estate, Metagalli P O, Mysuru, Karnataka, India. This Certificate is issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the year ended 31 March, 2023.

MANAGEMENT RESPONSIBILITY:

It is the responsibility of the Management of the Company to implement the scheme(s) including designing, maintaining records and devising proper systems and effective internal controls to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

VERIFICATION:

The Company has implemented **Kaynes ESOP Scheme 2022** (hereinafter collectively referred to as the 'Scheme') in accordance with the Regulations and the Special Resolution passed by the Members at the Extra Ordinary General Meetings of the Company held on 01 April, 2022 and on 14 October, 2022.

For the purpose of verifying the compliances of the Regulations, I have examined the following documents:

1. Scheme furnished by the Company;
2. Articles of Association of the Company;
3. Minutes of the Meetings of the Board of Directors;
4. Minutes of the General Meetings held for approving the Scheme;
5. Minutes of the Meetings of the Nomination and Remuneration Committee;
6. Detailed Terms and Conditions of the scheme as approved by Nomination and Remuneration Committee; and
7. Relevant provisions of the Rules and Regulations under the Companies Act, 2013 and the applicable provisions there under.

CERTIFICATION:

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company has implemented the Scheme in accordance with the applicable provisions of the Regulations and the resolution passed by the Members of the Company in the General Meeting.

ASSUMPTIONS & LIMITATION OF SCOPE AND REVIEW:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. My responsibility is to give certificate based upon the examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

Kalaivani S
Practising Company Secretary
ACS: 57112 CP: 22158
UDIN: A057112E000684684

Date: 16 May, 2023
Place: Bengaluru

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Kaynes Technology India Limited
23-25, Belagola, Food Industrial Estate
Metagalli P O, Mysuru, Karnataka

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kaynes Technology India Limited having CIN:L29128KA2008PLC045825 and having Registered Office at No.23-25, Belagola, Food Industrial Estate, Metagalli PO, Mysuru, Karnataka (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31 March, 2023 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Seeplaputhur Ganapathiramaswamy Murali	00348902	21/02/2022
2.	Mrs. Poornima Ranganath	00349450	31/03/2022
3.	Mrs. Savitha Ramesh	01756684	28/03/2008
4.	Mr. Ramesh Kunhikannan	02063167	28/03/2008
5.	Mr. Anup Kumar Bhat	06470857	12/01/2022
6.	Mr. Vivekanandah Ramasamy	06563820	12/01/2022
7.	Mr. Alexander Koshy	07896084	21/02/2022
8.	Mr. Jairam Paravastu Sampath	08064368	10/03/2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Kalaivani S
Practising Company Secretary
ACS: 57112 CP: 22158
UDIN: A057112E000319066

Date: 16 May, 2023
Place: Bengaluru

DISCLOSURE ON SHARE BASED EMPLOYEE BENEFITS FOR FINANCIAL YEAR 2022-23

(Pursuant to the provisions of Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021)

As on 31 March, 2023, the Company has 1 (One) Employee Stock Option Scheme, namely: **Kaynes ESOP Scheme 2022**.

The disclosures on Kaynes ESOP Scheme 2022 for the Financial Year 2022-23 are as follows:

A. Relevant disclosures in terms of the Accounting Standards (AS) prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for Employee Share-Based Payments' issued in that regard from time to time.

The relevant disclosures in relation to the above has been disclosed in Note No.35 of the Notes to Standalone Financial Statements and Note No.36 of the Notes to Consolidated Financial Statements of the Company for the Financial Year 2022-23 which forms an integral part of Annual Report of the Company for the Financial Year 2022-23.

B. Diluted Earnings Per Share (EPS) on issue of Shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard' issued by Central Government or any other relevant Accounting Standards as issued from time to time.

Refer Note No. 31 of the Standalone Financial Statements and Note No. 32 Consolidated Financial Statements of the Company for the Financial Year 2022-23.

Disclosures on EPS are provided in accordance with Indian Accounting Standard (Ind AS)-33 - 'Earnings Per Share'.

C. Details related to ESOP/ESOS:

(i) The description of the Kaynes ESOP Scheme 2022, including the general terms and conditions, are provided hereunder.

Particulars	Kaynes ESOP Scheme 2022
Date of Shareholder's Approval	12 January, 2022 (prior to IPO)
Date of last Modification by the Shareholders#	14 October, 2022 (prior to IPO)
Total number of Options approved	923,160 Options
Vesting requirements	Options granted under Kaynes ESOP Scheme 2022 would vest not less than 1 year and not later than 5 years from the date of grant of such Options. Vesting of Options would be subject to continued employment with the Company and thus, the Options would vest on passage of time. In addition to this, the Board may also, if it feels necessary in certain or in all cases, specify certain performance parameters based – corporate, individual or a combination - subject to which the Options would vest.
Pricing formula	The Options will be granted at the following exercise prices as decided by the Board: i. Post listing, at a price equal to the latest available closing price, prior to the date of the meeting of the Board, in which options are granted/shares are issued, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered; or at the fact of the equity share as decided by the Board; ii. Prior to listing, at a price equal to the per share price determined by an independent valuer for the equity shares of the Company.
Maximum term of options granted	Within 2 years from the date of vesting.
Sources of Shares (Primary, Secondary or Combination)	Primary
Variation in terms of Options during the FY 2022-23#	

Variation of terms of options or Modification of Kaynes ESOP Scheme 2022 during the FY 2022-23:

1) The Shareholders of the Company at the Extra-ordinary General Meeting held on 1 April, 2022, have approved and passed resolution for the following:

Amended ESOP Scheme for increase in number of ESOP Shares to 923,160.

2) The Shareholders of the Company at the Extra-ordinary General Meeting held on 14 October, 2022, have approved and passed resolution for the following:

Extending benefits of Employees Stock Option Plan to the employees of Subsidiary Company(ies).

(ii) Method used to account for Kaynes ESOP Scheme 2022:

Fair Value.

(iii) Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

Not Applicable

(iv) The movement in options during the Financial Year:

A) Kaynes ESOP Scheme 2022:

Particulars	FY 2023	FY 2022
Number of options outstanding at the beginning of the year	-	-
Number of options granted during the year (including re-grant of surrendered/ lapsed options)	923,160	-
Number of options forfeited/ lapsed during the year	61,919	-
Number of options vested during the year	-	-
Number of options exercised during the year	-	-
Number of shares arising as a result of exercise of options	-	-
Money realized by exercise of options (in ₹)	-	-
Number of options outstanding at the end of the year	861,241	-
Number of options exercisable at the end of the year	-	-

(v) Weighted average exercise prices and weighted average fair values of options:

The relevant disclosure in relation to the above has been disclosed in Note No. 35 of the Notes to Standalone Financial Statements and Note No. 36 of the Notes to Consolidated Financial Statements of the Company for the Financial Year 2022-23 which forms an integral part of Annual Report of the Company for the Financial Year 2022-23.

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

a) Senior Managerial Personnel:

Name	Designation	No. of Options Granted (including re-issue of surrendered options)	Exercise Price per Option (in ₹)
Financial Year 2022-23			
Jairam P. Sampath	WTD & CFO	20,980	₹ 138/-
Rajesh Sharma	CEO	20,980	₹ 138/-
Financial Year 2021-22			
NIL			

b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: NIL

c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: NIL

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options at the time of grant:

The relevant disclosure in relation to the above has been disclosed in Note No. 35 of the Notes to Standalone Financial Statements and Note No. 36 of the Notes to Consolidated Financial Statements of the Company for the Financial Year 2022-23 which forms an integral part of Annual Report of the Company for the Financial Year 2022-23.

(viii) Disclosures in respect of grants made in 3 years prior to the Initial Public Offer (IPO):

(a) Kaynes ESOP Scheme 2022:

Disclosures in respect of grants made in 3 years prior to the IPO under the Kaynes ESOP Scheme 2022 of the Company has been disclosed in the table hereinabove under the heading *"the movement in options during the Financial Year."*

D.	**Details related to Employees Stock Purchase Scheme (ESPS)**	:	Not Applicable
E.	**Details related to Stock Appreciation Rights Scheme (SAR)**	:	Not Applicable
F.	**Details related to General Employee Benefits Scheme/Retirement Benefit Scheme (RBS)**	:	Not Applicable
G.	**Details related to Trust**	:	Not Applicable

CORPORATE GOVERNANCE REPORT

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that Corporate Governance is a set of practices and processes, adopted and followed by an organisation, to help in building an environment of trust, transparency, fairness and accountability necessary for enhancing the organisation's wealth, creating value for stakeholders and fostering long-term investment, financial stability and business integrity and thereby supporting sustainable economic growth.

Your Company has been following and adhering to the best Corporate Governance practices which helps in enhancing the Stakeholder's trust and confidence in the Company and creating value for the Company keeping in mind the sustainable economic growth.

The Company has adopted a set of Policies and Codes as mandated by Securities and Exchange Board of India (SEBI) and other regulatory bodies for the purpose of Corporate Governance. The Company's Corporate Governance philosophy has been further strengthened through "Code of Conduct for Prevention of Insider Trading Policy" and "Whistle Blower Policy". Your Company has been adhering and will endeavor to adhere to the same in letter and spirit.

2. BOARD OF DIRECTORS:

Your Company's Board has an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management.

As on the date of this report, the Board consists of 8 (Eight) Members, which includes 3 (Three) Executive Directors, 5 (Five) Independent Directors including 1 (one) Woman Independent Director.

All Independent Directors possess the requisite qualifications and are experienced in their respective professional fields. None of the Directors, is a Director in more than 7 (seven) Listed Companies or 10 (ten) Public Limited Companies or acts as an Independent Director in more than 7 (seven) Listed Companies. The Executive Chairperson, Managing Director and Whole Time Director do not serve as Independent Director on any other Listed Company. Further, none of the Directors acts as members of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees in Public Limited Companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their directorships and have been taken on record by the Board.

a) The Board composition and categories of Directors, the number of Directorships, Committee Membership(s)/ Chairmanship(s) in other Companies as on 31 March, 2023, along with their shareholding in the Company as on 31 March, 2023 are exhibited below:

Sl. No.	Name of the Director	DIN	Designation & Category	Number of Directorship held in other Companies*	Number of Committee membership held in other Companies		No. of Equity Shares held in the Company
					As Chairperson	As Member	
1	Savitha Ramesh	01756684	Chairperson & Whole Time Director and Promoter	9	0	0	19,800
2	Ramesh Kunhikannan	02063167	Managing Director and Promoter	7	0	1	36,943,633
3	Jairam P Sampath	08064368	Whole Time Director and Chief Financial Officer	3	0	1	165
4	S G Murali	00348902	Independent Director	10	2	2	0
5	Anup Kumar Bhat	06470857	Independent Director	4	0	1	82

Sl. No.	Name of the Director	DIN	Designation & Category	Number of Directorship held in other Companies*	Number of Committee membership held in other Companies		No. of Equity Shares held in the Company
					As Chairperson	As Member	
6	Vivekanandah Ramasamy	06563820	Independent Director	3	0	1	0
7	Alexander Koshy	07896084	Independent Director	0	1	2	0
8	Poornima Ranganath	00349450	Independent Director	5	0	0	0

*Excluding Section 8 Companies and Foreign Companies as per the Companies Act, 2013 but including Directorship in Kaynes Technology India Limited

^Reckoned only the memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies, including committees of Kaynes Technology India Limited as per Regulation 26(1)(b) of the SEBI (LODR) Regulations.

b) Directorships held in other listed entities:

Names of other listed entities in which Director holds Directorship and the category of Directorship as on 31 March, 2023 are given below:

Sl. No.	Name of the Directors	Name of other listed entity	Category of Directorship
1	Savitha Ramesh	NIL	NA
2	Ramesh Kunhikannan	NIL	NA
3	Jairam P Sampath	NIL	NA
4	S G Murali	NIL	NA
5	Anup Kumar Bhat	NIL	NA
6	Vivekanandah Ramasamy	NIL	NA
7	Alexander Koshy	NIL	NA
8	Poornima Ranganath	NIL	NA

c) Attendance of each Director at the Board Meetings and Annual General Meeting (AGM) held during the financial year FY 2022-23:

Sl. No.	Name of the Director	No. of Board Meetings entitled to attend	No. of Board Meetings attended	Whether attended the last AGM held on 04 July, 2022
1	Savitha Ramesh	13	13	Yes
2	Ramesh Kunhikannan	13	13	Yes
3	Jairam P Sampath	13	11	Yes
4	S G Murali	13	10	No
5	Anup Kumar Bhat	13	4	No
6	Vivekanandah Ramasamy	13	10	No
7	Alexander Koshy	13	11	No
8	Poornima Ranganath	13	12	No

d) Board Meetings held during the FY 2022-23:

The Board met at least 1 (one) time in each of the quarter and maximum gap between two consecutive Meetings did not exceed 120 (one hundred and twenty) days. During the year under review, the Board met 13 (Thirteen) times as per details below.

The Agenda and notes thereon for the Meeting were circulated to the Directors in advance. Minutes of Meetings of the Board are circulated to the Directors within the stipulated time limit and maintained according to the provisions of Secretarial Standards and the Companies Act, 2013.

Number of Board Meetings held during the FY 2022-23 and attendance of the Directors:

Sl. No.	Date of Meeting	No. of Directors attended
1	Monday, 04 April , 2022	6
2	Friday, 08 April , 2022	3
3	Wednesday, 13 April , 2022	6
4	Saturday, 21 May , 2022	8
5	Saturday, 17 September , 2022	7
6	Sunday, 09 October , 2022	7
7	Wednesday, 12 October , 2022	6
8	Thursday, 13 October , 2022	6
9	Saturday, 15 October , 2022	6
10	Tuesday, 01 November , 2022	8
11	Friday, 18 November , 2022	7
12	Tuesday, 31 January, 2023	7
13	Thursday, March 30, 2023	7

e) Inter-se relationship between Directors:

None of the Directors are related to each other except Mrs. Savitha Ramesh being spouse of Mr. Ramesh Kunhikannan.

f) Key Skills, Expertise and Competencies of Board of Directors:

Your Board comprises of qualified members who are expert in different fields and areas and bring in the required skills, competence and expertise that allow them to make contribution to the Board and its Committees and for growth of the Company. The key skills, expertise and competence identified by the Board of Directors as required in context of Company's business to function effectively and said skills available with the Board, are disclosed hereunder:

Particulars	Name of Directors							
	1	2	3	4	5	6	7	8
	Savitha Ramesh	Ramesh Kunhikannan	Jairam P Sampath	S G Murali	Anup Kumar Bhat	Vivekanandah Ramasamy	Alexander Koshy	Poornima Ranganath
Leadership and Management skills:								
Strong leadership & management experience, Business Development, Strategic thinking & vision, decision making. Entrepreneurial skills to evaluate risk and rewards and perform advisory role	✓	✓	✓	✓	✓	✓	✓	✓
Industry Knowledge and experience:								
Knowledge and experience in Electronics, information technology & digital, major risks/ threats and potential opportunities in the industry and customer insight	✓	✓	✓			✓		

Particulars	Name of Directors							
	1	2	3	4	5	6	7	8
	Savitha Ramesh	Ramesh Kunhikannan	Jairam P Sampath	S G Murali	Anup Kumar Bhat	Vivekanandah Ramasamy	Alexander Koshy	Poornima Ranganath
Governance including Legal Compliance:								
Experience in high governance standard with an understanding of changing regulatory framework. Knowledge of the Rules and Regulations applicable to the Company, understanding rights of Shareholders and obligations of the Management	✓	✓	✓	✓	✓	✓	✓	✓
Financial Skills:								
Financial acumen, Capital Management, Investment Analysis, Knowledge of Accounting and Auditing, tax matters	✓	✓	✓	✓			✓	
Behavioral skills attributes and competencies:								
Personal characteristics such as integrity, accountability, attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	✓	✓	✓	✓	✓	✓	✓	✓

g) Performance evaluation of the Board and its criteria:

The performance evaluation of the Board and its Committees is applicable to the Company from FY 2022-23, pursuant to listing of shares of the Company on stock exchanges. Accordingly, the annual performance evaluation of the Board, its Chairperson, its Committees and of individual Directors including Independent Directors was carried out by each Director.

Performance evaluation of the entire Board:

Performance of the entire Board was evaluated by each Director on the parameters such as its roles and responsibilities, appropriateness of board size and composition, Board diversity, understanding of operational programmes, meetings of the Board, availability of quality information in a timely manner etc. Independent Directors also carried out evaluation of the entire Board's performance.

Performance evaluation of Committees of the Board:

Board Committees were evaluated by the respective Committee members on the parameters such as its role and responsibilities, effective performance of the Committee vis-a-vis assigned role, appropriateness of Committee composition, timely receipt of information by the Committee, knowledge updation by the Committee members, etc.

Performance evaluation of the Chairperson:

Performance of the Chairperson was evaluated by all the Directors and separately by Independent Directors after considering the views of Executive and Non-Executive Directors on the parameters such as external insights into future functioning of the Company, updates with the latest developments, representing concerns of Independent Directors to executive management and overall assessment of Chairman.

Performance evaluation of Individual Director:

All Directors were also evaluated individually by the other Directors (except the Director himself being evaluated) on the parameters such as his/her attendance at the Board Meeting and preparedness for the Board Meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board Meetings, contribution to development of the company and general compliance framework and Corporate Governance of the company. In addition to this, Independent Directors were evaluated based on their performance and fulfilment of criteria of independence and their independence from the Management. Also, the performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

h) Independent Directors:

Your Company has an appropriate combination of Independent and Non-Independent Directors. The Independent Directors of the Company have been appointed in compliance with the requirements of the Companies Act, 2013 (the "Act") and SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 ("the Listing Regulations") and other applicable law for the time being force.

The Company has issued letter of appointment, setting out the terms and conditions of his/her appointment, to all the Independent Directors at the time of appointment of Independent Directors. Copy of terms and conditions of appointment of Independent Directors is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Regulation-46-of-sebi-lodr-regulation/Policy_on_Director_s_appointment_and_remuneration.pdf.

At the time of appointment and thereafter at the beginning of each financial year and whenever there is any change in the disclosures already made, the Independent Directors submit a declaration to the effect that they meet the criteria of independence as provided under Section 149(6) of the Act and the Listing Regulations.

Based on the disclosures/declarations received from all the Independent Directors, the Board is of the opinion that, all the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and are independent of the management. No Independent Director of the Company serves as a Director or as an Independent Director in more than 7 listed companies.

Familiarisation Programmes for Independent Directors:

Your Company has in place a Familiarisation Programme for its Independent Directors. The purpose of the said programme is to provide insights and updates of the Company to enable the Independent Directors to understand the business in depth and to contribute their ideas, knowledge and experience with the Company. It also enables the Independent Directors to understand their roles, rights and responsibilities in the Company, nature of industry, Company's strategy, Organisation Structure, business model, performance updates of the Company, risk management, code of conduct and policies of the Company etc.

The disclosure on Familiarisation Programme for Independent Director, as required under the Listing Regulations, is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Regulation-46-of-sebi-lodr-regulation/Familiarisation_Programme.pdf.

Meeting of the Independent Directors:

Meeting of the Independent Directors, without the attendance of Non-Independent Directors and Members of the Board of the Company, was held on March 21, 2023. The Independent Directors, inter-alia, evaluated performance of Non-Independent Directors, the Chairperson of the Company and the Board as a whole. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Outcome of the evaluation was submitted to the Chairperson of the Company. The Chairperson briefed the outcome of performance evaluation to the Board. The Directors discussed and expressed their satisfaction with the entire evaluation process.

i) Compliance Certificate by Managing Director, Chief Executive Officer and Chief Financial Officer:

Managing Director, Chief Executive Officer and Chief Financial Officer have together furnished Compliance certificate, certifying that the Financial Statements for the financial year ended 31 March, 2023 do not contain any

materially untrue statement and present a true and fair view of the Company's affairs and other matters as specified under Regulation 17(8) read with Part B of Schedule-II of the Listing Regulations, to the Board in compliance with the said Regulations. The said Compliance Certificate is annexed this report as **Annexure-1**.

j) Declaration by Chief Executive Officer:

All the Members of Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year 2022-23 in compliance with Regulation 26(3) read with Para D of Schedule-V of the Listing Regulations. The declaration signed by Managing Director, Chief Executive Officer and Chief Financial Officer to that effect is annexed this report as **Annexure-2**.

3. COMMITTEES OF THE BOARD:

Your Board has constituted several Committees of Directors with adequate delegation of powers to focus effectively on the issues and ensure expedient resolution of diverse matters. Each Committee has specific terms of reference setting forth the purpose, roles and responsibilities of the Committee. Members of the Committee are appointed by the Board as and when required with the consent of majority of the Directors. Further, the Company Secretary of the Company acts as Secretary to all the Committees. All recommendations of the Committees are placed before the Board for its approval or information, if required. During the financial year ended 31 March, 2023, all the recommendations of/submissions by the Committees which were mandatorily required, were accepted by the Board. These Committees meet as often as statutorily required and other business requirements. The existing Committees of the Board as on the date of this report are as follows:

A. Audit Committee
B. Nomination and Remuneration Committee
C. Stakeholders' Relationship Committee
D. Corporate Social Responsibility Committee
E. Borrowing and Investment Committee

The composition of the Committees, brief description of terms of reference and Meetings held during the year and attendance of the Members at the Committee Meeting, are provided hereunder:

A. Audit Committee:

i. Brief description of terms of reference of Audit Committee are as follows:

a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment and replacement, remuneration and terms of appointment of the Statutory Auditor and the fixation of audit fee;

c) Review and monitor the Auditor's independence and performance and the effectiveness of audit process;

d) Reviewing with the management, annual financial statements and the Auditors' Report thereon before the submission to the Board for approval, with particular reference to;

e) Scrutiny of inter-corporate loans and investments;

f) Valuation of undertakings or assets of the Company, wherever it is necessary;

g) Evaluation of internal financial controls and risk management systems;

h) Monitoring the end use of funds raised through public offers and related matters; and

i) Such other roles as assigned by the Board from time to time.

The members of the Audit Committee are financially literate and the Chairperson of the Audit Committee has accounting and financial management expertise. Senior Management Personnel including Chief Executive Officer, Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings.

ii. Composition of Audit Committee and Meetings held during the financial year:

Composition of the Audit Committee along with number of meetings & attendance details are mentioned below:

Name of the Members	Category	Designation	Meetings	
			Held during tenure	Attended
S G Murali	Independent Director	Chairman	4	4
Alexander Koshy	Independent Director	Member	4	4
Anup Kumar Bhat	Independent Director	Member	4	1
Ramesh Kunhikannan	Managing Director	Member	4	4

During the FY 2022-23, 4 (four) Audit Committee Meetings were held on 04 April, 2022, 20 May, 2022, 17 September, 2022 and 31 January, 2023.

B. Nomination and Remuneration Committee:

i. Brief description of terms of reference of Nomination and Remuneration Committee are as follows:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors; and

g) Such other roles as assigned by the Board from time to time.

ii. Composition of Nomination & Remuneration Committee and meetings held during the financial year:

Composition of Nomination & Remuneration Committee along with number of meetings and attendance details are mentioned below:

Name of the Members	Category	Designation	Meetings	
			Held during tenure	Attended
Anup Kumar Bhat	Independent Director	Chairman	3	2
Vivekanandah Ramasamy	Independent Director	Member	3	2
Alexander Koshy	Independent Director	Member	3	3

During the FY 2022-23, 3 (three) Meetings of Nomination and Remuneration Committee were held on 20 October, 2022, 30 January, 2023 and 30 March, 2023.

C. Stakeholders' Relationship Committee

i. Brief description of terms of reference of Stakeholders Relationship Committee are as follows:

a) Redressal of grievances of shareholders, debenture holders and other security holders, including but not limited to the complaints with respect to transfer of shares, non-receipt of declared dividends, Annual Financial Statements, Annual Report or any other documents or information to be sent by the Company to its Shareholders;

b) Consider and approve the allotment of Equity Shares consequent to the exercise of stock options in accordance with the Employee Stock Option Plan of the Company;

c) To approve the offer letter and allotment of shares on preferential basis, Rights issue and the approval of Form PAS-4 and PAS-5 and carry out all activities incidental thereto;

d) To approve and register transfer and/or transmission of Equity Shares, preference shares, debentures or any other securities of the Company;

e) To subdivide, consolidate and issue Equity Share certificates, preference share certificates, debenture certificates and/or or any other securities certificates on behalf of the Company;

f) To issue duplicate Equity Share certificates, preference share certificates, debenture certificate and/or or any other securities' certificates;

g) To apply for dematerialisation of the equity, preference shares, debentures or any other securities of the Company; and

h) Such other roles as assigned by the Board from time to time.

ii. Composition of Stakeholders' Relationship Committee and meetings held during the financial year:

Composition of the Stakeholders' Relationship Committee along with number of Meetings and attendance details are mentioned below:

Name of the Members	Category	Designation	Meetings	
			Held during tenure	Attended
Alexander Koshy	Independent Director	Chairman	8	1
Jairam P Sampath	Whole Time Director	Member	8	8
Vivekanandah Ramasamy	Independent Director	Member	8	8

During the FY 2022-23, 8 (eight) Meetings of Stakeholders' Relationship Committee were held on 04 April, 2022, 06 May, 2022, 24 June, 2022, 12 July, 2022, 21 July, 2022, 06 October, 2022, 21 October, 2022 and 30 January, 2023.

iii. The numbers of shareholders' complaint(s) received, not resolved and pending at the end of FY 2022-23 are mentioned below:

Number of shareholders' complaints received during the FY	896
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints	0

NAME AND DESIGNATION OF COMPLIANCE OFFICER:

M. Ramachandran Kunnath - Company Secretary & Compliance Officer

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

i. Brief description of terms of reference of Corporate Social Responsibility Committee are as follows:

a) Formulating and recommending to the Board the Corporate Social Responsibility Policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the Rules made thereunder;

b) Identifying Corporate Social Responsibility Policy partners and Corporate Social Responsibility Policy Programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company; and

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required.

e) Such other roles as assigned by the Board from time to time.

ii. Composition of Corporate Social Responsibility Committee and meetings held during the financial year:

Composition of the Corporate Social Responsibility Committee along with number of meetings & attendance details are mentioned below:

Name of the Members	Category	Designation
Savitha Ramesh	Whole time Director	Chairperson
S G Murali	Independent Director	Member
Anup Kumar Bhat	Independent Director	Member

During the FY 2022-23, 1 (one) CSR Committee Meeting was held on 30 January, 2023 and All the Members of the CSR Committee were present in the Meeting.

E. Borrowing and Investment Committee

The Board at its Meeting held on 21 May , 2022 constituted the Borrowing and Investment Committee.

i. Brief description of terms of reference of Borrowing and Investment Committee are as follows:

(a) To borrow monies and the total amount outstanding at any one time upto which moneys may be borrowed by the Committee shall not exceed ₹ 200 crores;

(b) To invest the funds of the Company and the total amount outstanding upto which the funds may be invested and the nature of investments which may be made by the Committee shall not exceed ₹ 100 crores;

(c) To grant loans or give guarantee or provide security in respect of loans and the total amount outstanding upto which loans may be made by the Committee, together with the purposes and the maximum amount in respect of each individual case shall not exceed ₹ 50 crores.

ii. Composition of the Borrowing and Investment Committee and Meetings held during the financial year and attendance details are mentioned below:

Name of the Members	Category	Designation	Meetings Held during tenure	Attended
Mr. Ramesh Kunhikannan	Managing Director	Member	4	4
Mrs. Savitha Ramesh	Whole Time Director	Member	4	4
Mr. Jairam P Sampath	Whole Time Director	Member	4	4

During the FY 2022-23, 4 (four) Meetings of Borrowing and Investment Committee were held on 20 June, 2022, 02 September, 2022, 29 September, 2022 and 18 February, 2023.

F. Initial Public Offer (IPO) Committee:

Considering the materialisation of purpose for which the IPO Committee was constituted, the Board in its meeting held on 31 January, 2023 dissolved the said Committee with effect from 31 January, 2023.

4. REMUNERATION OF DIRECTORS:

A. EXECUTIVE DIRECTORS:

i. Savitha Ramesh - Executive Chairperson & Whole Time Director

ii. Ramesh Kunhikannan - Managing Director

iii. Jairam P Sampath - Whole Time Director & Chief Financial Officer

a) The details of remuneration paid to Executive Directors during FY 2022-23 are disclosed below:

(All amounts are in ₹ mn)

Particulars	Savitha Ramesh	Ramesh Kunhikannan	Jairam P Sampath
Salary and Allowances	18.00	18.00	6.40
Variable Pay	-	-	-
Perquisites#	-	-	-
Others (Mediclaim, Provident Fund)	-	-	-
Total	**18.00**	**18.00**	**6.40**

b) Details of Employee Stock Options (ESOPs):

Date of Grant	Name of the Director	No. of Options Granted (including re-issue)	Period of Vesting	Options Exercised (as on 31 March, 2023)
21 October, 2022	Jairam P Sampath	20,980	4 Years	Nil

c) Service Contracts, Notice Period, Severance Fees:

Service Contracts	There is no separate service contract executed for the appointment of Directors. The Appointment is contractual in nature.
Notice Period	He may resign from the office of Director of the Company by giving ninety (90) days written notice.
Severance Fees	The Company is not obligated to pay any severance fees in case of any termination.

d) Other Notes:

- Incentives, Personal Accident and Term Life Insurance, Mediclaim Coverage, notice period etc. will be as per the Company's policy.
- The variable pay of Executive Directors is linked to the desired performance and business objectives of the organisation. The criteria for variable pay, which is paid out quarterly/annually, includes financial parameters like revenue and other strategic goals as decided by the Board from time to time.

B. NON-EXECUTIVE DIRECTORS:

a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

During the year under review, no such relationship or transaction was identified with the Non-Executive Directors.

b) Criteria of making payments to Non-Executive Directors:

The Company is not paying any remuneration to Non-Executive and Independent Directors of the Company, except the sitting fees of ₹ 40,000/- for every meeting of the Board of Directors attended by them and ₹ 20,000/- for every meeting of the Committees of the Board attended by them.

The sitting fees schedule is as follows: *(All amounts are in ₹ Mn)*

Category of Director Independent Director	Board Meeting	Committee Meetings			
		Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting
S G Murali	0.40 mn	0.08 mn	NA	NA	0.02 mn
Anup Kumar Bhat	0.16 mn	0.02 mn	0.02 mn	NA	0.02 mn
Vivekanandah Ramasamy	0.40 mn	NA	0.04 mn	0.16 mn	NA
Alexander Koshy	0.44 mn	0.08 mn	0.02 mn	0.02 mn	NA
Poornima Ranganath	0.48 mn	NA	NA	NA	NA

*the payment of sitting fees is subject to deductions, if any, under tax laws for the time being force.

5. CODES AND POLICIES:

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has adopted the following codes and policies:

i. Code of conduct for prevention of insider trading;

ii. Code of conduct for Board of Directors and Senior Management Personnel;

iii. Nomination & Remuneration Policy;

iv. Code for fair disclosure of Unpublished Price Sensitive Information;

v. Policy on board diversity;
vi. Policy for determining materiality of event or information;
vii. Policy on familiarisation programmes for independent directors;
viii. Policy on preservation of documents/archival policy on website;
ix. Policy of related party transactions;
x. Corporate Social Responsibility Policy;
xi. Risk Management Policy;
xii. Whistle blower policy/vigil mechanism;
xiii. Dividend Distribution Policy;
xiv. Succession Policy;
xv. Whistleblower Policy;
xvi. Terms and Conditions of Appointment of Independent Directors; and
xvii. Business Reporting and Sustainability Policy

The aforesaid policies are made available on the website of the Company (web link: https:// www.kaynestechnology.co.in.)

6. GENERAL BODY MEETINGS:

a) Details of Annual General Meetings (AGMs) held during last 3 (three) financial years is mentioned below:

Financial Year	Date	Time (IST)	Place/Location	No. of agenda items approved through Special Resolution
2021-22 (14th AGM)	04 July, 2022	3.30 PM	At the Registered Office	Nil
2020-21 (13th AGM)	29 November, 2021	4.30 PM	At the Registered Office	Nil
2019-20 (12th AGM)	31 December, 2021	11.30 AM	At the Registered Office	Nil

All resolutions moved at the Annual General Meetings were passed by show of hands by the requisite majority of Members present at the meeting.

b) Special Resolutions passed through Postal Ballot during the FY 2022-23:

During the financial year, no special resolutions were passed through postal ballot by Shareholders of the Company.

7. MEANS OF COMMUNICATION:

The Company believes that the prompt and timely communication of information to the investors and shareholders reflects that the transparency and good Corporate Governance practice of an organisation.

a) Financial Results and newspaper publication:

The quarterly, half-yearly and annual financial results are regularly submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), where shares of the Company are listed. The Financial Results are generally published in Financial Express (English newspaper-all India edition) and Vijaya Karnataka (Kannada-Regional newspaper) and simultaneously uploaded on the Company's website.

b) Website:

The Company has an active website www.kaynestechnology.co.in and has separate section for Investors called "Investors". Various sections of Investors keep the investors updated on the key and material developments of the Company by providing timely information like brief profile of the Company, Board structure and Committees of the Board, press release, financial results, presentations made to institutional investors or analysts, annual reports, shareholding pattern, Codes and Policies, Stock Exchange filings etc.

The website of the Company i.e. www.kaynestechnology.co.in contains a separate and dedicated "investors" section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, financial results including subsidiaries financials, stock exchanges disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General

Meetings, details of Registrar and Transfer Agents, details of unclaimed dividend and IEPF related information amongst others. The Company's Annual Report along with supporting documents are also available on the website in a user-friendly and downloadable form. As per the recent requirements of Stock exchanges, the Company has created a separate tab for the above disclosures.

c) Investors/Analyst Meets:

Your Company holds Meetings with the analyst/investor, post disclosure of financial results for each quarter. The details schedule of analyst/investor meet and presentation made before them are disseminated to the stock exchanges and also uploaded on the Company's website at https://www.kaynestechnology.co.in/investors.html. The audio recordings and transcripts of analyst/investor meet are also available on the Company's website at the same link.

8. GENERAL SHAREHOLDER INFORMATION:

General Shareholders' Information	
Day and date of Annual General Meeting	Friday, 15 September, 2023
Time	3.30 PM IST
Venue	The meeting shall be held through video conferencing/other audio- visual means. The deemed venue for the meeting shall be Registered Office of the Company at 23-25, Belagola, Food Industrial Estate, Metagalli PO, Mysuru 570016, Karnataka, India
Financial year	1st day of April to 31st day of March in the next calendar year
Dividend payment date	NA
Date of Book Closure / Record Date / Cut off	18 August , 2023
Listing of Stock Exchanges	National Stock Exchange of India Limited (NSE) Address: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 BSE Limited (BSE) Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Payment of annual listing fees	PAID
Stock Symbol /Code	NSE: KAYNES BSE: 543664
International Securities Identification Number (ISIN)	INE918Z01012
Face Value per share	₹ 10/-
Date of Listing	22 November, 2022

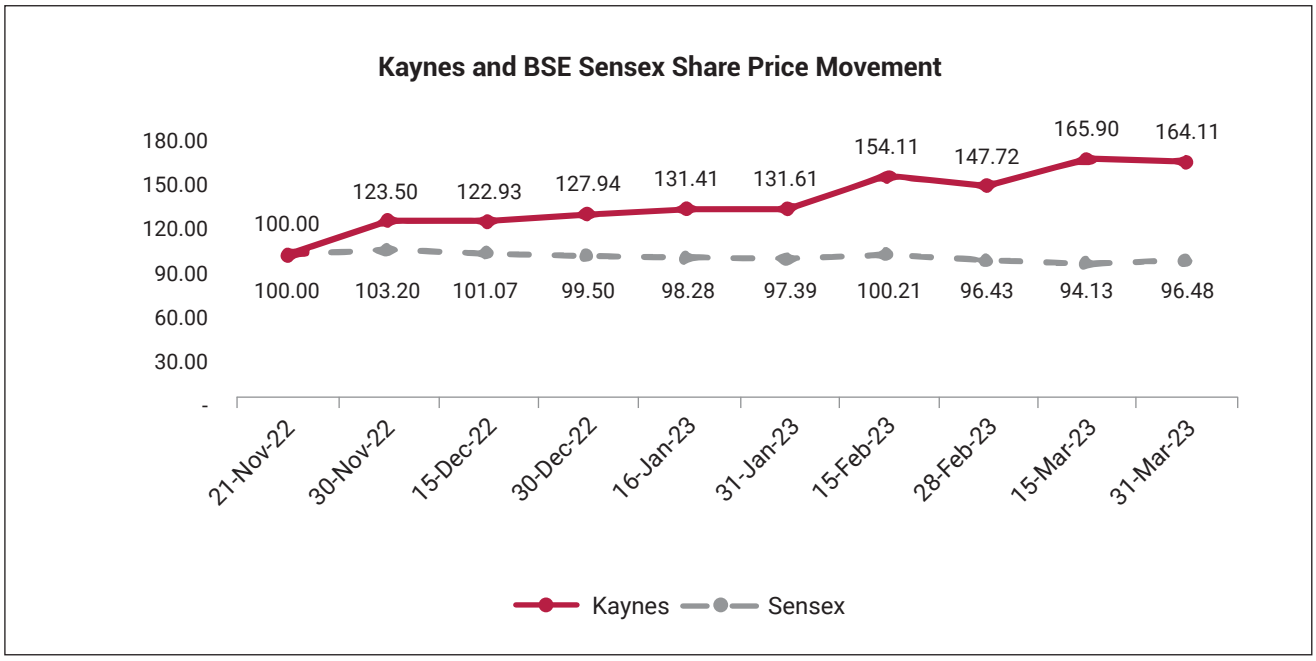
a) Stock Market price data:

Monthly High & Low (based on daily closing prices) during each month of FY 2022-23 on BSE and NSE is mentioned below:

MONTH	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	NA	NA	NA	NA
May 2022	NA	NA	NA	NA
June 2022	NA	NA	NA	NA
July 2022	NA	NA	NA	NA
August 2022	NA	NA	NA	NA
September 2022	NA	NA	NA	NA
October 2022	NA	NA	NA	NA
November 2022	749.45	690.10	749.90	689.95
December 2022	759.80	678.90	759.55	680.25
January 2023	800.00	736.75	800.50	738.35
February 2023	951.50	808.65	952.75	808.80
March 2023	1,004.80	873.30	974.65	872.50

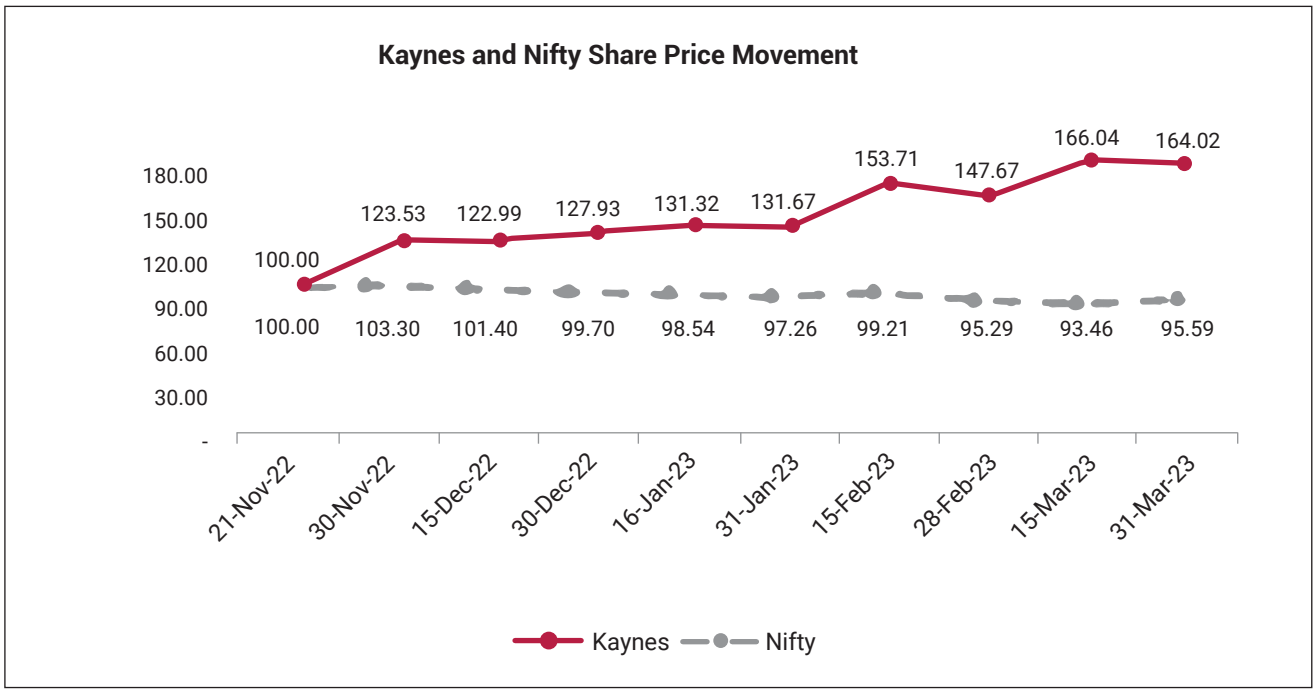
b) Company's Share Performance (i.e. Closing share price on last trading day of every Fifteen Days) in comparison to BSE-SENSEX and NSE-NIFTY:

i. Company's Share Performance (KAYNES) in comparison to BSE-SENSEX:



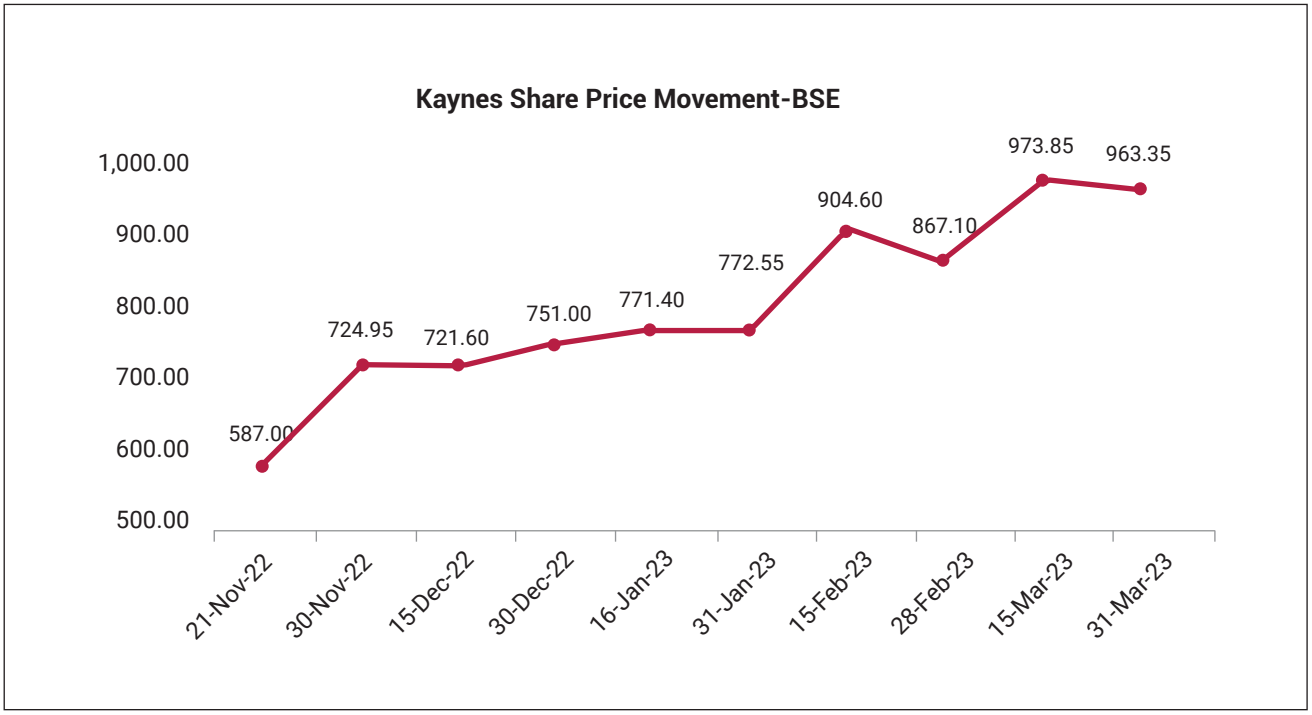
Note: For the purpose of above graph, base value is taken as 100 as on November 2022 listing month and then projected accordingly.

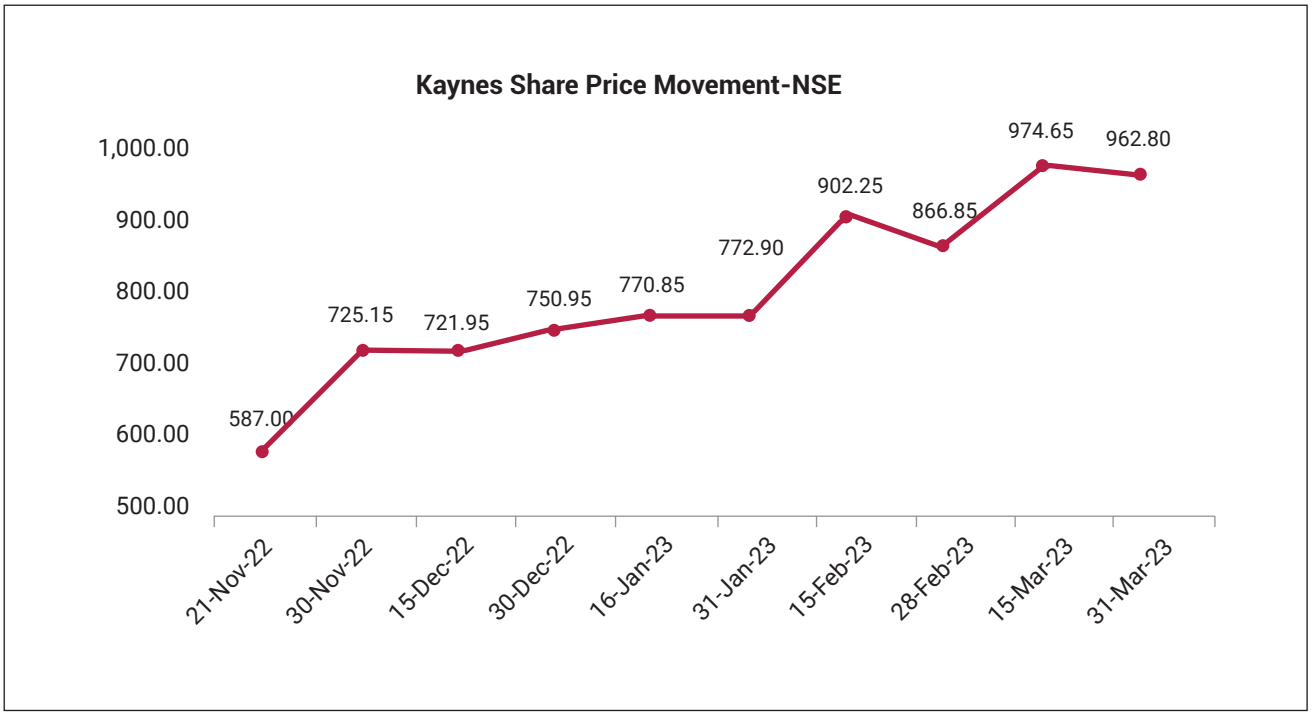
ii. Company's Share Performance (KAYENS) in comparison to NSE-NIFTY:



Note: For the purpose of above graph, base value is taken as 100 as on November 2022 listing month and then projected accordingly.

iii. Company's Share Performance (KAYENS) since listing





c) Whether securities of the Company are suspended from trading during the FY 2022-23:

No.

d) Registrar and Share Transfer Agents (RTA):

Link Intime India Private Limited is the Registrar and Share Transfer Agent ('RTA') of the Company. All the investor related activities are attended to and processed by the Company's RTA including issue of new shares, transfer/ transmission of shares, change of mandate, dematerialisation and rematerialisation of Shares. The Contact details of RTA are furnished below:

Link Intime India Private Limited

247 Park, C 101 1st Floor, LBS Marg, Vikhroli (W), Mumbai – 400083, Maharashtra, India. Tel: +91 22 49186000.

Detailed list of Link Intime Offices is available at their website (www.linkintime.co.in).

e) Share Transfer System:

The entire shares of the Company are in dematerialised form except 120 Equity Shares are held in physical form. The transfer and transmission of shares are carried out through Depositories & Depository Participants based on the request of beneficial owner.

f) Summary of category wise Shareholding Pattern and Distribution of Shareholding as on 31 March, 2023:

i. Summary of category wise Shareholding Pattern as on 31 March, 2023:

Category of Shareholders	Number of Equity Shares held	% of Shareholding
Promoter & Promoter Group	36,963,533	63.57
Mutual Funds	5,033,363	8.66
Alternate Investment Funds	2,459,901	4.23
Foreign Portfolio Investors	4,745,744	8.16
Insurance Companies	40,083	0.07
Bodies Corporate	567,542	0.98
Limited Liability Partnerships	41,174	0.07
Clearing Members	7,852	0.01
Foreign Company	2,715,583	4.67
Hindu Undivided Family	156,215	0.27
Trusts	453	0.00
Indian Public	3,252,717	5.59
Non-Resident Indians (NRI)	2,158,336	3.72
Total	**58,142,496**	**100.00**

ii. Distribution of Shareholding as on 31 March, 2023:

Distribution Range (No. of Shares)		No. of shareholders	% of Total Shareholders	Total No. of Shares for the Range	% of Issued Capital
From	To				
1	500	44,914	97.9885	1,380,598	2.3745
501	1,000	368	0.8029	281,024	0.4833
1,001	2,000	221	0.4822	307,426	0.5287
2,001	3,000	102	0.2225	250,473	0.4308
3,001	4,000	43	0.0938	151,128	0.2599
4,001	5,000	33	0.0720	152,710	0.2626
5,001	10,000	53	0.1156	375,164	0.6452
10,001 and above		102	0.2225	55,243,973	95.0148
Total		**45,836**	**100.0000**	**58,142,496**	**100.0000**

g) Dematerialisation of Shares and liquidity:

As on 31 March, 2023, the entire shares of your Company are in dematerialised form and except 120 shares held in physical form. As on the date of this report, the Equity shares are frequently traded on BSE and NSE. The shares of the Company are held with National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and break-up of the same is as follows:

Name of the Depository	No. of Shares	% of Shares
NSDL	56,637,013	97.41
CDSL	1,505,363	2.59
PHYSICAL	120	0.00
Total	**58,142,496**	**100.00**

Company's shares are available for trading only in electronic form. We have established connectivity with both the depositories, namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the shares under the Depository System is INE918Z01012.

h) Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or Warrants or any convertible instruments, conversion date and likely impact on equity:

During the financial year, the Company has not issued any Foreign Currency Convertible Bonds (FCCBs)/GDRs/ ADRs/Warrants or any convertible instruments and has no outstanding FCCBs/GDRs/ADRs/Warrants or any convertible instruments as of 31 March, 2023.

i) Commodity price risk or foreign exchange risk and hedging activities:

The Company has Foreign Exchange Risk Management Policy. Accordingly, during the financial year, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure and hedging are disclosed in notes to the financial statements

As per the Company's Policy for Determination of Materiality of Events and Information, the Company does not have material exposure to any commodity and accordingly, no hedging activities for the same are carried out. Therefore, the disclosures as require under SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated 15 November , 2018 are not applicable to the Company.

j) Plant locations

MYSORE CORPORATE OFFICE H.O & Regd. Off.: #23-25, Belagola Food Industrial Area, Metagalli PO, Mysuru – 570 016. Karnataka, India	HIMACHAL PRADESH Plot No. 4, Sector 5, Near Parwanoo Govt. School, Solan District, PO PARWANOO – 173 220. Himachal Pradesh, India	UTTARAKHAND Khasra No. 323 Mi, Ground Floor, Central Hope Town, Camp Road, Industrial Area, SELAQUI – 248 197. Dehradun District, Uttarakhand, India
BANGALORE No. A-53, 2nd Main, II Stage, Peenya Industrial Area, BANGALORE – 560 058. Karnataka, India	BANGALORE No.555, IV Phase, Peenya Industrial Area, BANGALORE – 560 058 Karnataka, India	MYSORE Plot No. 399, Hebbal Industrial Area, Hebbal, Mysuru – 570 016 Karnataka, India
MANESAR Plot No.: 58, Sector 6, IMT Manesar, Gurgaon – 122 050, Haryana, India	MANESAR Plot No.: 20, Sector 4, IMT Manesar, Gurgaon – 122 050, Haryana, India	CHENNAI Plot No. 40/3, Siva budam Village, Chettiar-Agaram Main Road, Vanagaram, Chennai – 600 095. Tamil Nadu, India
MUMBAI 412 ,414, Shree Nanda Dama , Plot 59, Sector 11, BD Belapur , NAVI MUMBAI –400 614, Maharashtra, India	COCHIN No. 63/2801, Sulakshana, Thripti Lane, Near Manorama Junction, SA Road, Kochi – 682 016, Kerala, India	

k) Address for correspondence:

For Investor Queries			
For Shareholders' Grievance Redressal		**For Institutional Investors**	**Registered Office Address**
Company Secretary & Compliance Officer: M. Ramachandran Kunnath Email: k.ramachandran @ kaynestechnology.net Tel No.:+91 - 0821428027	Registrar and Share Transfer Agent: Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India Tel: +91 22 49186000 Email: rnt.helpdesk@ linkintime.co.in Website: www.linkintime.co.in	Chief Financial Officer Mr. Jairam P Sampath Email: jps@ kaynestechnology.net Tel No.:+91 - 0821428027	KAYNES TECHNOLOGY INDIA LIMITED 23-25, Belagola, Food Industrial Estate Metagalli PO, Mysuru 570016 India Tel No.:+91 - 0821428027

l) Credit Ratings:

Credit rating on the bank facilities availed by the Company as hereunder:

Summary of rating action			
Instrument	**Previous Rated Amount (₹ crores)**	**Current Rated Amount (₹ crores)**	**Rating Action**
Long-term Fund-based – Cash Credit	25.00	191.00	[ICRA]BBB(Stable); Reaffirmed/ assigned
Long-term Fund-based – Packing Credit	0.00	25.00	[ICRA]BBB(Stable); assigned
Total	**25.00**	**216.00**	

9. OTHER DISCLOSURES:

a) Related Party Transactions:

Your Company has not entered in to any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transaction are provided in Notes to Financial Statements (both Standalone and Consolidated), as per the applicable Accounting Standards.

b) Details of Non-Compliances and penalties imposed on matters related to capital markets:

The Shares of the Company are listed and trading of the said Shares commenced on the Stock Exchanges with effect from 22 November , 2022. During the financial year or in the last 3 (three) years, there were no cases of non-compliance by the Company and no penalties or strictures were imposed on the Company either by the Stock Exchanges or SEBI or any other statutory authority for the non-compliance of any matter related to capital markets.

c) Vigil Mechanism/ Whistle Blower Policy:

Pursuant to Section 177 of the Companies Act, 2013 and the rules made thereunder and SEBI (LODR) Regulations, Your Company has in place Whistle Blower Policy for Directors and employees to report any genuine concerns, unethical behaviors, misuse of unpublished price sensitive information, actual or suspected fraud or violation of Company's Code of Conduct. The vigil mechanism provides adequate safeguards against victimisation of director(s) or employee(s) or any other person who avail the mechanism.

The copy of the said policy is available on the website of the Company at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_Whistle%20blower%20and%20vigil%20mechanism%20policy.pdf

Your Company affirms that no personnel have been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

Your Company has complied with all the applicable mandatory requirements of SEBI (LODR) Regulations. Details of adoption of non-mandatory requirements are provided in clause11 below.

e) Web link for Policy on Related Party Transactions of the Company:

Aforementioned policy can be accessed at https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_RPT%20policy.pdf

f) Disclosure of commodity price risks and commodity hedging activities:

As disclosed in point no. 8(i) above, the disclosures as require under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15 November , 2018 are not applicable to the Company.

g) Weblink Policy on policy determining material subsidiary is disclosed.

As on the date of this report Company does not have any material subsidiary.

h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):

i. Funds raised through initial public offer:

During the financial year, the Company has raised ₹ 5300 mn through initial public offer in accordance with provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Companies Act, 2013 and the rules made thereunder.

The funds raised are being utilised for the purpose for which it has been raised as mentioned in the explanatory statement to the notice of General Meeting and there is no deviation in the utilisation of the same.

The bifurcation utilisation of fund raised through initial public offer as follows:

(All amounts are in ₹ mn, except per equity share value)

Objects of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up to 31 March, 2023	Utilisation as on 31 March, 2023
Repayment Or prepayment in full or part of certain borrowings surveyed by our company	1,300.00	1,300.00	-
Funding Capital Expenditure Towards Expansion of our existing manufacturing facility at Mysuru Karnataka and near our existing manufacturing facility at Manesar Haryana	989.30	-	989.30
Investment in our wholly owned subsidiary Kaynes Electronics Manufacturing Private Limited for setting up a new facility at Chamrajnagar Karnataka	1,493.00	-	1,493.00
Funding working capital requirements of our company	1,147.40	873.69	273.71
General Corporate Purpose	1,327.74	110.00	1,217.74
Total	**6,257.44**	**2,283.69**	**3,973.75**

*the funds which remain unutilised are temporarily parked in Fixed Deposits and a part of utilised funds to the tune of ₹ 18.75 mn has been kept as contingency for higher than estimated Issue related expenses in Public Issue Account.

ii. Funds raised through qualified institutions placement:

During the financial year, the Company issued and allotted 1,439,237 and 899,523 Equity Shares of ₹ 10/- each at a premium of ₹ 545.85 per Share through Private Placement to Acacia Banyan Partners and Volrado Venture Partners Fund II (Private Placement) on 12 October, 2022 and 14 October, 2022 respectively.

i) Certificate from Practising Company Secretary on Non-Disqualification of Directors:

The Company has obtained a certificate from a Practising Company Secretary that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with the Listing Regulations. The said Certificate is annexed this report as Annexure-3.

j) Recommendation of Committees:

During the financial year, the Board of Directors of the Company has accepted recommendations of all the Committees of the Board, which were mandatorily required.

k) Auditors' Remuneration:

The details of total fees paid by the Company to Messers K P Rao & Co, the Statutory Auditors, for all services including the reimbursement of out of pocket expenses during the FY 2022-23, are available in the Financial Statements.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Disclosed separately in Note No. 31 of the Board's Report.

m) Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested:

During the FY 2022-23, by the Company and its subsidiaries have granted loans or advances to firms/companies in which the Directors are interested. The details of which are provided in the notes to Financial Statements of the Company:

10. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT UNDER SUB-PARAS (2) TO (10) OF SECTION C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IF ANY:

Your Company has fully complied the requirement of corporate governance report under sub-paras (2) to (10) of para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there are no such non-compliances to the said report.

11. DISCRETIONARY REQUIREMENTS:

Your Company has adopted the following discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations:

a) Chairperson:

Chairperson of the Company is an Executive Director.

b) Chairperson and Managing Director or Chief Executive Officer:

Your Company has appointed separate persons to the Offices of Chairperson, Managing Director and Chief Executive Officer who is not a Director.

Chairperson of the Company is an Executive Director and is related to Managing Director of the Company.

c) Modified Opinion(s) in Audit Report:

The Auditors of the Company have issued Audit Reports with unmodified opinion on the standalone and consolidated financial statements for the financial year ended 31 March, 2023 and there are no qualifications in the Audit Report.

d) Reporting of Internal Auditor:

The Internal Auditors report directly to the Audit Committee and attend the Audit Committee meetings held every quarter and present their report.

12. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in suspense account lying at the beginning of the year	Nil	NA
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	NA
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil	NA

13. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE AND THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Your Company is in compliance with the mandatory Corporate Governance requirements of the SEBI (LODR) Regulations. Further, the Company confirms the compliance with Corporate Governance requirements as specified in Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI (LODR) Regulations.

The Company has obtained a certificate from Mrs. Kalaivani S, a Practising Company Secretary, (Membership Number: 57112 COP No: 22158) on compliance of conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations. The said Certificate is annexed as Annexure-4 to the Corporate Governance Report.

Annexure-1 to the Corporate Governance Report

Compliance Certificate by Managing Director, Chief Executive Officer and Chief Financial Officer

(Pursuant to Regulation 17(8) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015)

To
The Board of Directors
Kaynes Technology India Limited

We, Ramesh Kunhikannan (Managing Director) Rajesh Sharma, (Chief Executive Officer) and Jairam P Sampath, (Whole time Director & Chief Financial Officer) of Kaynes Technology India Limited (the "Company"), to the best of our knowledge and belief, hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31 March, 2023 and that to the best of our knowledge and belief, we state that:
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee:
   1. Significant changes, if any, in internal control over financial reporting during the year;
   2. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ramesh Kunhikannan
Managing Director
DIN: 02063167

Rajesh Sharma
Chief Executive Officer
PAN: AQQPS3558R

Jairam P Sampath
Chief Financial Officer & Whole Time Director
DIN: 08064368

Date: 16 May, 2023
Place: Mysuru

Annexure-2 to the Corporate Governance Report

Declaration on Code of Conduct

(Pursuant to Part D of Schedule V of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015)

I, Rajesh Sharma, Chief Executive Officer of Kaynes Technology India Limited (the "Company"), hereby declare that all the members of Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year FY 2022-23.

For Kaynes Technology India Limited

Rajesh Sharma
Chief Executive Officer

Date: 16 May, 2023
Place: Mysuru

Annexure-3 to the Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Kaynes Technology India Limited
23-25, Belagola, Food Industrial Estate
Metagalli P O, Mysuru, Karnataka

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kaynes Technology India Limited having CIN: L29128KA2008PLC045825 and having Registered Office at No.23-25, Belagola, Food Industrial Estate, Metagalli PO, Mysuru, Karnataka (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31 March, 2023 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Seeplaputhur Ganapathiramaswamy Murali	00348902	21 February, 2022
2.	Mrs. Poornima Ranganath	00349450	31 March, 2022
3.	Mrs. Savitha Ramesh	01756684	28 March, 2008
4.	Mr. Ramesh Kunhikannan	02063167	28 March, 2008
5.	Mr. Anup Kumar Bhat	06470857	12 January, 2022
6.	Mr. Vivekanandah Ramasamy	06563820	12 January, 2022
7.	Mr. Alexander Koshy	07896084	21 February, 2022
8.	Mr. Jairam Paravastu Sampath	08064368	10 March, 2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Kalaivani S
Company Secretary
ACS: 57112 CP: 22158
UDIN: A057112E000319066

Date: 16 May 2023
Place: Bengaluru

Annexure-4 to the Corporate Governance Report

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To
The Members of
Kaynes Technology India Limited
23-25, Belagola, Food Industrial Estate
Metagalli P O, Mysuru, Karnataka

I have examined the compliance of the conditions of Corporate Governance by Kaynes Technology India Limited for the year ended 31 March, 2023 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Kalaivani S
Company Secretary
ACS: 57112 CP: 22158
UDIN: A057112E000319055

Date: 16 May 2023
Place: Bengaluru

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L29128KA2008PLC045825
2.	Name of the Listed Entity	Kaynes Technology India Limited
3.	Year of incorporation	28 March, 2008
4.	Registered office address	23-25, Belagola Food Industrial Area, Metagalli P.O., Mysuru - 570 016 Karnataka, INDIA
5.	Corporate address	23-25, Belagola Food Industrial Area, Metagalli P.O., Mysuru - 570 016 Karnataka, INDIA
6.	E-mail	Kaynestechcs@kaynestechnology.net
7.	Telephone	+91 821 2582595
8.	Website	www.kaynestechnology.co.in
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	NSE & BSE
11.	Paid-up Capital	₹ 581,424,960
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Rajesh Sharma +91 821 2582595 rajesh.sharma@kaynestechnology.net
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Electronics Manufacturing Services	Electronics System Design and Manufacturing (ESDM)	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of bare printed circuit boards, loading of components onto printed circuit boards; manufacture of interface cards	261	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	11	2	13
International	0	0	0

*Includes two service stations

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	7
International (No. of Countries)	26

b.	**What is the contribution of exports as a percentage of the total turnover of the entity?**	9.58%
c.	**A brief on types of customers**	Dedicated to B2B excellence, our group delivers specialised solutions to an array of industries. Our valued clientele spans Automotive, Industrial, Railways, Aerospace & Defence, Medical and Consumer/IoT sectors. With a deep understanding of diverse challenges, we provide tailored services to empower businesses and foster growth.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	603	464	76.95%	139	23.05%
2.	Other than Permanent (E)	1	1	100%	0	-
3.	Total employees (D + E)	604	465	76.99%	139	23.01%
	WORKERS					
4.	Permanent (F)	1,434	1,033	72.04%	401	27.96%
5.	Other than Permanent (G)	828	487	58.82%	341	41.18%
6.	Total workers (F + G)	2,262	1,520	67.20%	742	32.80%

b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	0	-			
2.	Other than Permanent (E)	0				
3.	Total differently abled employees (D + E)	0				
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	-			
5.	Other than permanent (G)	0				
6.	Total differently abled workers (F + G)	0				

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25.00%
Key Management Personnel	2	1	50.00%

20. Turnover rate for permanent employees and workers *(Disclose trends for the past 3 years)*

Particulars	2022-23 (Turnover rate in current FY)			2021-22 (Turnover rate in previous FY)			2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39.82%	51.85%	42.67%	40.05%	51.96%	43.13%	28.69%	42.34%	32.38%
Permanent Workers	104.33%	66.95%	94.03%	65.21%	57.88%	62.98%	51.70%	57.24%	53.66%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding /subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity*	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kemsys Technologies Private Limited	Subsidiary	100.00%	No
2	Kaynes Electronics Manufacturing Private Limited	Subsidiary	100.00%	No
3	Kaynes International Design & Manufacturing Private Limited	Subsidiary	95.20%	No
4	Kaynes Embedded Systems Private Limited	Subsidiary	60.00%	No
5	Kaynes Technology Europe GmbH	Subsidiary	60.00%	No

VI. CSR Details

22.

(i)	Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii)	Turnover (in ₹)	10,866 mn
(iii)	Tangible Net worth (in ₹)	8,829 mn

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2022-23 Current Financial Year			2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes Web-link	0	0	-	0	0	-
Investors (other than shareholders)	Yes Web-link	896	0	IPO-related grievances	0	0	
Shareholders	Yes Web-link	0	0	-	0	0	
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	0	0	-	0	0	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)	-	0	0	-	0	0	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste management	Risk	Inadequate waste management poses risks to electronics manufacturing companies, including regulatory non-compliance, reputational damage, increased operational costs and environmental impact. Improper handling and disposal of waste materials can lead to pollution, legal liabilities and negative public health, impacting the Company's performance and sustainability.	To effectively manage waste and hazardous materials, we implement measures to address present and future risks, mitigating environmental impact through proper disposal and containment. We also adopt eco-friendly materials, optimise consumption and closely monitor usage for a sustainable approach.	Negative

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Community wellbeing	Opportunity	Community well-being presents an opportunity for electronics manufacturing companies to build strong relationships, enhance brand reputation and foster long-term sustainability. Engaging in initiatives that support local communities, such as education, job creation and social welfare programmes, can create positive social impact and contribute to a thriving business ecosystem.		Positive
3	Business Ethics and governance	Risk	Lack of business ethics, integrity and proper governance poses risks to electronics manufacturing companies, including damage to reputation, legal consequences, loss of stakeholder trust and financial losses. Engaging in unethical practices, such as bribery or fraud, can lead to legal disputes, regulatory penalties and erosion of the Company's credibility and long-term viability.	At Kaynes Technology, we place a paramount emphasis on business ethics and governance, recognising its crucial role in driving sustainable business performance and promoting transparency. To uphold these values, we have implemented several mechanisms and policies, such as the code of conduct, risk management policy, Board Diversity policy and Related Party Transactions policy. These policies work together to govern and ensure ethical practices throughout the Company, fostering a culture of integrity and responsible decision-making.	Negative
4	Material sourcing efficiency	Risk	Inefficient material sourcing poses risks to electronics manufacturing companies, including supply chain disruptions, increased costs, reputational damage and environmental impact. Reliance on non-sustainable or unreliable sources can result in material shortages, price fluctuations, ethical concerns and failure to meet stakeholder expectations for responsible sourcing, affecting the Company's operations and competitiveness.	The rationale behind material sourcing efficiency and building an efficient supply chain is to ensure a smooth production function and meet customer demands effectively. These efforts have a significant impact on the overall business, as they lead to streamlined operations, reduced costs and enhanced customer satisfaction, ultimately contributing to the Company's success and growth.	Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Product design and Lifecycle management	Risk	Inadequate product design and lifecycle management pose risks to electronics manufacturing companies, including product failures, market rejection, legal liabilities and negative environmental impact. Poorly designed products, insufficient quality control and lack of end-of-life planning can lead to safety issues, customer dissatisfaction and non-compliance with regulations, jeopardising the Company's reputation and financial success.	To effectively manage use of hazardous materials, we implement measures to address present and future risks, mitigating environmental impact through gradually adopting eco-friendly materials, optimising consumption and closely monitoring usage for a sustainable approach.	Negative
6	Data Privacy and Cybersecurity	Risk	Inadequate IT security infrastructure and procedures can result in data security and integrity issues. However, we closely monitor critical aspects like access controls, physical security and logical security to ensure comprehensive protection.	As per the risk management roadmap, necessary actions are implemented to mitigate the adverse effects of actual or potential threats.	Negative
7	Customer Satisfaction	Opportunity	The significance of customer satisfaction lies in elevating our Net Promoter Score (NPS), which directly correlates with improved customer loyalty and advocacy. By prioritising customer satisfaction, we cultivate a loyal customer base who are more likely to recommend our products and services to others.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	No	ISO 9001:2015; IATF 16949:2016; ISO/TS 22163:2017; AS 9100 REV D; ISO 13485:2016; Nadcap AC 7120 & AC 7121; AS 9110; ACE; IRIS Certification; ANSI certification	ISO 45001:2018; SA 8000:2014	No	SA 8000:2014	ISO 14001:2015	No	No	No
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Embracing a sustainable future, Kaynes is dedicated to integrating environmental and social responsibility into its operations. We aim to achieve our sustainability goals by reducing our carbon footprint, promoting green energy, responsible resource management and fostering a culture of sustainability throughout our organisation, making a positive impact on the world we live in.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

   At Kaynes Technology, success as a technology-driven enterprise is entwined with the well-being of communities and cherished environment. As conscientious corporate citizens, we embrace ESG principles, proudly presenting our Business Responsibility Report.

   Our corporate philosophy prioritises community care. Through education and skill development, we empower individuals to contribute meaningfully, benefitting both the Company and community.

   Health and wellness are paramount in nurturing thriving societies. Our comprehensive programmes promote employee well-being and support neighbouring communities' healthcare needs.

   Environmental sustainability is central to our operations. Committed to biodiversity conservation, we minimise impact on delicate ecosystems through energy and water conservation.

   Aligned with ESG targets, we aim to elevate contributions to community and environment. Our achievements showcase united efforts and unwavering support. We're dedicated to continuous improvement and innovation.

   In conclusion, Kaynes believes in flourishing communities and a healthy environment for ethical practices and long-term success. Our Business Responsibility Report reflects firm dedication to ESG principles, forging a brighter, sustainable future together.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Rajesh Sharma, Chief Executive Officer, Kaynes Technology India Limited
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No. We are currently in the process of implementing an inclusive Environmental, Social and Governance (ESG) framework. This initiative will be guided and overseen by a newly-formed ESG committee of the Board.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Committee of the Board									Quarterly								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Committee of the Board									Quarterly								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	-	Yes Bureau Veritas; Intertek; Performance Review Institute (PRI), Maruti and National Quality Assurance (NQA)	Yes Bureau Veritas	-	Yes Bureau Veritas	Yes Bureau Veritas	-	-	-

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done in the next financial year (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 : Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	12	The training and awareness programme for board members encompasses crucial topics like vision and strategy, emphasising people culture and safety. They receive orientation on the code of conduct and their committee responsibilities. Regular industry strategy updates keep them informed about market dynamics. Additionally, plant visits offer firsthand insights into Company operations, fostering well-informed decision-making for the Company's long-term sustainability. These comprehensive training components empower the Board of Directors to stay up-to-date with the organisation's status and strategise effectively for its continued growth and success.	100%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	12	The training and awareness programme for Key Managerial Personnel encompasses crucial topics like vision and strategy, emphasising people culture and safety. They receive orientation on the code of conduct and their committee responsibilities. Regular industry strategy updates keep them informed about market dynamics. Additionally, plant visits offer firsthand insights into Company operations, fostering well-informed decision-making for the Company's long-term sustainability. These comprehensive training components empower the Board of Directors to stay up-to-date with the organisation's status and strategise effectively for its continued growth and success.	100%
Employees other than BoD and KMPs	257	At Kaynes Technology, we prioritise the development of our employees through various comprehensive training programmes. These sessions focus on technical upskilling, health and safety protocols, crisis management, operational efficiency, policy awareness and behavioural skills. The collective impact of these trainings greatly influences our overall business success. By continually updating our workforce, we ensure that Kaynes remains adaptive to the dynamic requirements of the industry, fostering a skilled and well-prepared team to navigate any challenges and seize opportunities effectively.	100%
Workers	233	Our workers undergo diverse training sessions encompassing technical skills, health and safety protocols, quality assurance, operational efficiency, EHS (Environmental, Health and Safety) awareness, waste management and behavioural development, tailored to specific needs. These training initiatives play a pivotal role in keeping us updated with industry demands and meeting rigorous quality standards, leading to utmost customer satisfaction. By continuously enhancing our workforce's knowledge and expertise, we remain well-equipped to address industry challenges and consistently deliver products and services that exceed our customers' expectations.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on e entity's website

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Monetary					
Penalty/ Fine	Nil	NA	-	NA	NA
Settlement	Nil	NA	-	NA	NA
Compounding fee	Nil	NA	-	NA	NA
Non-Monetary					
Imprisonment	Nil	NA	-	NA	NA
Punishment	Nil	NA	-	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. Yes. BRSR policy.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
4	We have organised several training sessions for our vendors, covering essential topics like 5S and 7QC Tools, 8D methodology, ISO 9001 standards and NC (Non-Conforming) parts handling. These trainings aim to enhance the vendors' capabilities, ensuring they adhere to industry best practices and maintain high-quality standards. By providing them with the necessary tools and knowledge, we foster a strong partnership with our vendors, enabling them to deliver products and services that meet our stringent quality requirements and contribute to our overall success.	53.25%

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.** Yes.

   Conflict of interest is an integral component of our comprehensive Code of Conduct. This policy encompasses Directors, Senior Management and Independent Directors, outlining their specific duties and responsibilities in addressing potential conflicts of interest. By adhering to this policy, we ensure transparency, accountability and ethical decision-making across all levels of the organisation, fostering an environment of trust and integrity. This approach reinforces our commitment to upholding the highest standards of corporate governance and safeguarding the interests of our stakeholders.

   Policy web link: https://www.kaynestechnology.co.in/doc/Codes-and-Policies/Kaynes%20Technology_Code%20of%20conduct%20for%20prevention%20of%20insider%20trading.pdf.

PRINCIPLE 2 : Businesses Should Provide Goods and Services In A Manner That Is Sustainable And Safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Particulars	Current Financial Year 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R&D	17.22%	-	R&D expenses aimed at impacting energy efficiency in motor controllers for BLDC fans
Capex	-	-	-

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)** No

   b. If yes, what percentage of inputs were sourced sustainably? Not Applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   (a) Plastics (including packaging) - Not applicable.

   (b) E-waste is handed over to an authorised agency (agency manages E-waste in line with EPR guidelines)

   (c) Hazardous waste and (d) other waste – Not applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.** No

   The Company reuses or disposes of through an authorised recycler.

PRINCIPLE 3 : Businesses Should Respect And Promote The Well-Being Of All Employees, Including Those In Their Value Chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	464	464	100%	0	-	N.A.	-	288	62.07%	464	100%
Female	139	139	100%	0	-	63	45.32%	N.A.	-	139	100%
Total	**603**	**603**	**100%**	**0**	**-**	**63**	**45.32%**	**288**	**62.07%**	**603**	**100%**
Other than Permanent Employees											
Male	1	1	100%	0	-	0	-	0	-	0	-
Female	0	0	0	0	-	0	-	0	-	0	-
Total	**1**	**1**	**100%**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,033	1,033	100%	0	-	N.A.	-	634	61.37%	1,033	100%
Female	401	401	100%	0	-	260	64.84%	N.A.	-	401	100%
Total	**1,434**	**1,434**	**100%**	**0**	**-**	**260**	**64.84%**	**634**	**61.37%**	**1,434**	**100%**
Other than Permanent workers											
Male	487	487	100%	0	-	N.A.	-	447	91.79%	487	100%
Female	341	341	100%	0	-	274	80.35%	N.A.	-	341	100%
Total	**828**	**828**	**100%**	**0**	**-**	**274**	**80.35%**	**447**	**91.79%**	**828**	**100%**

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	2022-23 Current Financial Year			2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	48%	68%	Yes	46%	76%	Yes
Gratuity	20%	31%	No	24%	43%	No
ESI	30%	64%	Yes	27%	74%	Yes
Others – Please Specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

No. However, the Company actively fosters an inclusive environment, offering the necessary support and equal opportunities to all employees and workers without any form of discrimination. Our commitment to creating an inclusive workplace remains steadfast and we will continue to take all necessary steps to promote inclusivity in the future.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

No.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	72.73%	100%	36.36%
Female	100%	66.67%	100%	50.00%
Total	**100%**	**70.58%**	**80.00%**	**40.00%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. The Company has established a proactive Works Committee to address any concerns raised by its employees. This committee serves as an open forum for mutual discussion of issues, enabling a collaborative approach to finding resolutions. By fostering a transparent and inclusive environment, the Company ensures that employee voices are heard, leading to effective problem-solving and the overall well-being of its workforce.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union(D)	% (D/C)
Total Permanent Employees	**603**	**0**	**-**	**536**	**0**	**-**
Male	464	0	-	405	0	-
Female	139	0	-	131	0	-
Total Permanent Workers	**1,434**	**0**	**-**	**1,146**	**0**	**-**
Male	1,033	0	-	836	0	-
Female	401	0	-	310	0	-

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	465	465	100%	465	100%	405	405	100%	405	100%
Female	139	139	100%	139	100%	131	131	100%	131	100%
Total	**604**	**604**	**100%**	**604**	**100%**	**536**	**536**	**100%**	**536**	**100%**
Workers										
Male	1,520	1,520	100%	1,520	100%	1,146	1,146	100%	1,146	100%
Female	742	742	100%	742	100%	513	513	100%	513	100%
Total	**2,262**	**2,262**	**100%**	**2,262**	**100%**	**1,659**	**1,659**	**100%**	**1,659**	**100%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	465	465	100%	405	405	100%
Female	139	139	100%	131	131	100%
Total	**604**	**604**	**100%**	**536**	**536**	**100%**
Workers						
Male	1,520	1,520	100%	1,146	1,146	100%
Female	742	742	100%	513	513	100%
Total	**2,262**	**2,262**	**100%**	**1,659**	**1,659**	**100%**

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).**

If yes, the coverage of such system? Yes.

We have established Environmental, Health and Safety (EHS) procedures and guidelines that are diligently implemented and followed at our premises to ensure the health and safety of our employees and workers.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company takes several measures to identify work-related hazards and assess risks. These include conducting regular Safety Audits, implementing ASIM (Accident Severity Index Measurement) and conducting HIRA (Hazard Identification and Risk Assessment) studies both routinely and whenever there are any changes in the process to identify and manage potential risks effectively.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)** Yes

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)** Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	10	11
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We are committed to adhering to all legal requirements for maintaining a safe and healthy workplace. Additionally, we conduct a Hazard Identification and Risk Assessment (HIRA) study for any new or modified processes to ensure a proactive approach to safety.

13. Number of Complaints on the following, made by employees and workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

Particulars	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable

PRINCIPLE 4: Businesses Should Respect the Interests of and be Responsive to all its Stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The process of identifying stakeholders at our Company has been carefully considered, with factors such as regular engagement, their role in ensuring business sustainability, industry relevant factors and their impact on the overall Company. The following stakeholders have been recognised as essential for promoting transparency:

1. Shareholders/investors
2. Customers
3. Employees
4. Management
5. Suppliers

6. Government & Regulators
7. Banks/financial institutions
8. Community

By acknowledging these stakeholders, we aim to foster open communication and collaborative relationships, leading to a more responsible and successful business ecosystem.

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, Website, Letters, meeting and Telephone	Quarterly and on-demand	To provide updates on Company performance, discuss strategies, address concerns and promote transparency, ensuring their involvement and alignment with the Company's direction.
Customers	No	Email, Website, Letters, meeting and Telephone	Ongoing	The significance for customers lies in the assurance of receiving products and services of high quality, competitive pricing and timely delivery. Additionally, effective communication ensures their needs are understood and met efficiently.
Employees	No	Email, Website, Letters, meeting, Notice Board, internal chat platform Intranet and Telephone	On-going	The scope of engagement with employees includes fostering a positive work environment, ensuring job security, prioritising health and safety, providing training opportunities, offering clear career paths and recognising and rewarding their contributions.
Management	No	Email, Website, Letters, meeting and Telephone	On-going	The scope of engagement with management encompasses driving growth in sales and profitability, enhancing the efficiency and effectiveness of operations and achieving greater profitability, return on investment and market value growth for the organisation.
Suppliers	No	Email, Website, Letters, meeting and Telephone	On-going	The purpose of engagement with suppliers includes discussing payment terms, expanding the scope and volume of purchases, establishing long-term contractual arrangements and exchanging information on future requirements to foster a strong and mutually beneficial partnership.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government & Regulators	No	Email, Website, Letters, meeting and Telephone	On-going	Engagement with the Government and regulators is to ensure timely submission of required information and documentation in adherence to the timelines specified under respective regulations. This helps maintain compliance and transparency, fostering a positive relationship with regulatory and Government authorities.
Banks, Lenders	No	Email, Website, Letters, meeting and Telephone	Ongoing	The importance of communicating with banks and lenders lies in addressing funding requirements and showcasing good financial performance. This transparent communication fosters a strong relationship and instills confidence in the organisation's ability to meet its financial obligations effectively.
Community	No	Email, Website, Letters, meeting and Telephone	As per regulatory time frame	The importance of communicating with the community for environmental protection, ethical behaviour, fostering business growth and contributing taxes that aid in building infrastructure to support community services, activities and institutions. This collaboration ensures a sustainable and mutually beneficial relationship between the organisation and the broader community.

PRINCIPLE 5 : Businesses Should Respect and Promote Human Rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	603	316	52.40%	536	278	51.87%
Other than permanent	1	1	100%	0	0	-
Total Employees	**604**	**410**	**67.88%**	**536**	**278**	**51.87%**
Workers						
Permanent	1,434	446	31.10%	1,146	323	28.18%
Other than permanent	828	277	33.45%	513	160	31.19%
Total Workers	**2,262**	**723**	**31.96%**	**1,659**	**483**	**29.11%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees	**603**	**9**	**1.49%**	**594**	**98.51%**	**536**	**22**	**4.10%**	**514**	**95.90%**
Male	464	6	1.29%	458	98.71%	405	16	3.95%	389	96.05%
Female	139	3	2.16%	136	97.84%	131	6	4.58%	125	95.42%
Other than Permanent Employees	**1**	**1**	**100%**	**0**	**-**	**0**	**0**	**-**	**0**	**-**
Male	1	1	100%	0	-	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-
Permanent Workers	**1,434**	**280**	**19.53%**	**1,154**	**80.47%**	**1,146**	**394**	**34.38%**	**752**	**65.62%**
Male	1,033	209	20.23%	824	79.77%	836	265	31.70%	571	68.30%
Female	401	71	17.71%	330	82.29%	310	129	41.61%	181	58.39%
Other than Permanent Workers	**828**	**828**	**100%**	**0**	**-**	**513**	**513**	**100%**	**0**	**-**
Male	487	487	100%	0	-	282	282	100%	0	-
Female	341	341	100%	0	-	231	231	100%	0	-

3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	6	620,000	2	9,240,000
Key Managerial Personnel	1	8,000,000	1	1,520,000
Employees other than BoD and KMPs	464	324,087	139	312,152
Workers	1,033	210,420	401	175,920

Note: Only permanent employee data is considered for above median remuneration calculation.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has established three essential committees, namely the Works Committee, Safety Committee and Canteen Committee, each with a specific focus on addressing human rights impacts or issues resulting from our business activities. Committees play a vital role in ensuring that we maintain a responsible and ethical approach to our operations, safeguarding the well-being and rights of all individuals involved in our business sphere.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Works Committee plays a vital role in addressing grievances concerning human rights and safeguarding the interests of our internal stakeholders.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has implemented a POSH (Prevention of Sexual Harassment) mechanism, offering employees and workers an avenue to address issues related to harassment or discrimination. This initiative ensures that our workplace remains free from such misconduct, promoting an environment where every employee is treated with utmost dignity and respect. Additionally, the mechanism is designed to protect complainants from any adverse consequences they may face as a result of coming forward with their concerns.

8. Do human rights requirements form part of your business agreements and contracts?(Yes/No)

No

9. Assessments for the year:

Indicators	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

PRINCIPLE 6: Businesses Should Respect and Make Efforts To Protect And Restore The Environment

Essential Indicators

1. Details of total energy consumption (in Joules) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	25,475.37	22,907.71
Total fuel consumption (B)	5,610.29	4,744.23
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	**31,085.66**	**27,651.94**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	2.83	4.09
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Note: Energy intensity is per mn rupee of turnover.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	37,953.00	37,593.00
(iii) Third party water	22,426.50	16,656.90
(iv) Seawater / desalinated water	0	0
(v) Others	13,528.00	13,738.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**73,907.50**	**67,987.90**
Total volume of water consumption (in kilolitres)	**73,907.50**	**67,987.90**
Water intensity per rupee of turnover (Water consumed / turnover)	6.73	10.06
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

Note: Water intensity is per mn rupee of turnover.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.** No. The Company's operations do not generate any hazardous waste water.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Nox	Parts per million by volume	9.56	9.47
Sox	Parts per million by volume	4.09	4.05
Particulate matter (PM)	Microgram per cubic metre	49.92	49.42
Persistent Organic Pollutants (POP)	-	-	-
Volatile Organic Compounds (VOC)	-	-	-
Hazardous Air Pollutants (HAP)	-	-	-
Others– please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes.

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6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	638.67	416.88
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	5,731.96	5,154.23
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.58	0.82
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No

8. **Provide details related to waste management by the entity, in the following format**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	32.57	29.93
E-waste (B)	4.96	3.86
Bio-medical waste (C)	0.0041	0.0011
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Other Hazardous waste. Please specify, if any. (G)	2.11	1.89
Spent Solvents, Discarded Containers		
Other Non-hazardous waste generated (H).		
Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	86.68	108.44
Paper waste/Corrugated boxes	4.62	4.24
Food waste	3.86	4.01
Metal Waste	19.67	11.86
Garden Waste	0.09	0.08
Carton Box	0.04	0.04
Wire Waste	0.04	0.04
Brase Waste		
Total (A+B + C + D + E + F + G + H)	**154.66**	**164.38**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	1.70	0
(iii) Other disposal operations	153.43	167.88
Total	**155.13**	**167.88**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has taken significant strides in waste management by implementing comprehensive practices. To ensure effective waste handling, a well-defined waste management work instruction is in place, guiding employees on proper procedures. Moreover, the Company conducts monthly monitoring of chemicals, proactively identifying potential risks and adhering to safety protocols. Taking environmental responsibility seriously, waste is diligently handed over to authorised agencies, guaranteeing proper disposal and minimising any negative impact on the environment. By prioritising such practices, the Company aims to contribute to sustainable practices and ecological preservation, while meeting its social responsibility commitments.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes.

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

PRINCIPLE 7 : Businesses, When Engaging in Influencing Public and Regulatory Policy, Should Do So In A Manner That Is Responsible And Transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.** 11

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sl.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	ELCINA	National
2	IPC (Institute of Printed Circuits)	National
3	Indo German chamber of commerce	National
4	MAIT (Manufacturer association of information technology)	National
5	India electronics and semi conductor association (IESA)	National
6	CII Mysuru under Southern Region	State
7	TIE Mysuru Chapter	State
8	Lahari Mysuru ESDM cluster	State
9	Industry Model Town	State
10	Parwano Industry Association (PIA)	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others – please specify)	Web Link, if available
1	**ERSO Regulations for India** Advanced Electronics Test Facility under ESDM Cluster. Common Facility Centre concept was brought in Mysuru for Electronics Systems Design Manufacturing companies (ESDM) located in Mysuru for quicker reliability tests and time to market. This was mooted along with IESA by Kaynes Technology and now is a model Reliability Lab named LAHIRI with funds from Central Govt, State Govt contributing majorly in association with EMS & Electronic design companies of Mysuru.	Under Leadership of IESA & Kaynes through E&Y	Yes	Not applicable	http://www.lahiriaetf.com

PRINCIPLE 8 : Businesses Should Promote Inclusive Growth and Equitable Development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NIL						

3. Describe the mechanisms to receive and redress grievances of the community.

To uphold the rights of our stakeholders, we have implemented a whistle blower policy that offers a mechanism and contact details for addressing any complaints. This policy ensures that concerns are taken seriously and resolved appropriately. The policy, along with its details, is readily available on the Company's website, ensuring transparency and accessibility for all stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	21.80%	17.83%
Sourced directly from within the district and neighbouring districts	12.30%	14.25%

Leadership Indicators

1. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Christian Medical College - Installation and commissioning of a STP at the campus	80,000	65%
2	Zoo wildlife animal adoption or golf cart vehicle	18,000	0%
3	Provision for sanitation and drinking water at the village (Hemaragala)	2,976	0%
4	Goshala – 1) Infrastructure 2) Feeding of food to cows at Goshala 3) Medical facility to cows at Goshala	Beneficiaries are cows	NA
5	Nadipathy Goshala - Kakinada	Beneficiaries are cows	NA
6	V P A C and C Trust (R) Goshala	Beneficiaries are cows	NA
7	Promotion of art and culture	50	0%
8	Sree Sankara Vidyamandiram	120	100%

PRINCIPLE 9 : Businesses Should Engage With and Provide Value To Their Consumers In A Responsible Manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Business Development and Project Management team takes care of customer complaints by managing them through emails and phone calls. Kaynes adheres to a customer complaint handling procedure, which strictly follows the following timelines:

1) Initial response within 24 hours
2) Containment action within 24 hours
3) Customer corner display in shop floor and awareness within 24 hours
4) 3D report to customer within 3 days
5) 5D report with fishbone, why-why analysis and action plan within 7 days
6) Final 8D report to customer within 7 days of action implementation

2. Turnover of products / services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover*
Environmental and social parameters relevant to the product	NIL
Safe and responsible usage	NIL
Recycling and/or safe disposal	NIL

*Not applicable, Kaynes operates as a Tier-2 supplier of OEM components and do not manufacture final product for consumption purpose, producing components in accordance with the specifications and requirements of our OEM clients. However, our products are Restriction of Hazardous Substance (RoHS) compliant and caters to various industries, promoting sustainability goals (like EV, energy efficient applications, etc.)

3. Number of consumer complaints in respect of the following:

Particulars	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-

Particulars	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. **Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.** Yes. (Internal policy)

   Kaynes has a comprehensive IT policy along with Standard Operating Procedures (SOPs) that specifically address authorisation and reporting mechanisms.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable

INDEPENDENT AUDITOR'S REPORT

To The Members of

Kaynes Technology India Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Ind AS financial statements of **Kaynes Technology India Limited** which comprise the Standalone Balance Sheet as at 31 March, 2023, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Standalone State of Affairs of the Company as at 31 March, 2023 and its profit and the total comprehensive income, the cash flows and the changes in equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report:

REVENUE RECOGNITION:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The company has ascertained that all performance obligations are performed at a point in time.

AUDITOR'S RESPONSE:

Audit procedures performed to address the key audit matter:

Our audit procedures included, among others, inquiries with management regarding significant new contracts and relevant changes in existing contracts.

The procedures also included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition.

On a sample basis, we reconciled revenue to the supporting documentation, such as sales orders, invoices and other relevant documents.

A specific emphasis was set on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognised in the proper accounting period by comparing revenues close to the balance sheet date with the respective contractual terms.

Our procedures also involved testing the performance obligations in the contract and the variable consideration, if any. We also test-checked instances for transfer of control to the customer with the necessary documentation.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance, of the Division in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Division has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division's ability to continue as a going concern. If we conclude that a material

i. The Company does not have any pending litigations which would impact its financial position in its Ind AS financial statements. The Company has disclosed the impact of pending litigations as at 31 March, 2023 on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

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

b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

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

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) (a) and (iv) (b) contain any material mis-statement.

iv. The company has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

v. Proviso to rule 3(1) of Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording accounting trial (Edit log) facility is applicable to the company w.e.f 01 April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for the financial year ended 31 March, 2023.

For **K.P. Rao & Co.**
Chartered Accountants
Firm Reg. No. 003135S

Mohan R Lavi
Partner
Membership No.: 029340
UDIN: 23029340BGWHW01219

Place: Mysuru
Date: 16 May, 2023

ANNEXURE - A *TO THE INDEPENDENT AUDITOR'S REPORT*

(Referred to in report on other legal and regulatory requirements Section of our report of even date)

i. a. A. The company has maintained showing proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

B. the company has maintained proper records showing full particulars of intangible assets;

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, PPE has been physically verified by the management during the year. And no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except below mentioned for which title deeds are not in the name of the Company

Description	Gross Carrying Value	Held in name of	Whether promoter/director or their relative or employee	Period held	Reason for not being in name of company
Land	1.18 mn	P K Bansal	No	12 April, 2012	To be registered

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or Intangible Assets during the year.

e. According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

The Company has provided guarantee and has granted advances in the nature of loans, to companies during the year as stated in sub-clause (a) below.

a. A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted advance/ guarantee to its subsidiaries

Particulars	Amount (mn)	Secured/ Unsecured	Nature
Kemsys Technology Private Limited	180.96	Unsecured	Advance
Kaynes International Design & Manufacturing Private Limited	84.00	Unsecured	Guarantee

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to a party other than subsidiaries.

b. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest is regular.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

Except loan given to subsidiary :-

Particulars	Amount (In Millions)
Kemsys Technology Private Limited	177.23

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

Except loan given to subsidiary :-

Particulars	Amount (In Millions)
Kemsys Technology Private Limited	180.96

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. a. The company has been regular in depositing undisputed statutory dues including Income Tax, Cess and other statutory dues with the appropriate authorities during the year.

b. According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Nature of the statute	Nature of the Dues	Amount mn	Period	Forum where dispute is pending
The Income tax Act, 1961	Income-tax	6.05	AY 2017-18	Commissioner of Income Tax (Appeals)
The Income tax Act, 1961	Income-tax	3.32	AY 2018-19	Commissioner of Income Tax (Appeals)
The Income tax Act, 1961	TDS	62.69	Various Years	Commissioner of Income Tax (TDS)
Central Sales Tax Act,1956	Non submission of books for assessment	0.48	2013-14, 2014-15, 2015-16, 2016-17	Joint Commissioner
Central Sales Tax Act,1956	Order passed for non submission of CST Forms	18.59	2013-14, 2014-15, 2015-16, 2016-17	Joint Commissioner
Central Sales Tax Act, 1956	CST Form	3.98	2016-17	Deputy Commissioner (DCCT-2) Audit
PF Act, 1952	Order passed under section 148 &7Q	70.40	2014-18, 2016-17	PF Tribunal
The Central Excise Act- 1974	Interest & Penalty	28.30	2014-15, 2015-16	CESTAT

Annexure - A to the Independent Auditor's Report (Contd.)

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been declared wilful defaulter by any bank or financial institution or other lender.

c. According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

d. According to the information and explanations given to us and the procedures performed by us and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e. According to the information and explanations given to us and procedures performed by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. According to the information and explanations given to us and procedures performed by us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

x. a. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of initial public offer/ further public offer (including debt instruments) for the purposes for which they were raised.

b. The Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partially or optionally convertible) during the year under review and hence, reporting requirements under clause 3(x) (b) is not applicable.

xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. As represented to us by the Management, there are no whistle-blower complaints received by the company during the year.

xii. According to the information and explanations given to us, the company is not a Nidhi Company and therefore the provisions of Para 3(xii) of the Companies (Auditors Report), 2020 are not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv. a. The company has an internal audit system commensurate with the size and nature of its business.

b. We have considered the internal audit reports of the company issued till date, for the period under audit.

xv. In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

b. The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Para 3(xvi)(c) is not applicable.

d. As per the information and explanations given to us, there are no Core Investment Companies as part of the Group. Accordingly, the provisions of Para 3(xvi)(d) is not applicable.

xvii. The company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, the Company has transferred the amount to be spent on CSR to a specific bank account.

For **K.P. Rao & Co.**
Chartered Accountants
Firm Reg. No. 003135S

Mohan R Lavi
Partner
Membership No.: 029340
UDIN: 23029340BGWHW01219

Place: Mysuru
Date: 16 May, 2023

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

OPINION

We have audited the internal financial controls with reference to standalone financial statements of the Company as of 31 March, 2023 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be completely and appropriately documented. In critical areas such as revenue recognition, the Company has to ensure that the internal control procedure has a process of reconciling the revenue data (both qualitative and quantitative) with other regulatory records such as direct and indirect taxes.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required the Companies Act, 2013 ('the Act').

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. This includes those policies and procedures that:

i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **K.P. Rao & Co.**
Chartered Accountants
Firm Reg. No. 003135S

Mohan R Lavi
Partner
Membership No.: 029340
UDIN: 23029340BGWHW01219

Place: Mysuru
Date: 16 May, 2023

Standalone Balance Sheet

(All amounts are in ₹ mn, unless otherwise stated)

Particulars	Note	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	832.18	634.98
Capital work-in-progress	3(b)	112.62	44.20
Intangible assets	3(c)	207.12	270.82
Intangible under development	3(d)	143.27	-
Rights-of-Use Assets	3(e)	154.41	163.07
Financial assets			
i) Investments	4	40.14	27.86
ii) Loans and deposits	5(a)	67.21	33.28
iii) Other financial assets	5(b)	131.73	35.28
Other non-current assets	6	84.60	65.79
Total Non-Current Assets (A)		**1,773.28**	**1,275.28**
Current Assets			
Inventories	7	4,016.33	2,165.41
Financial asset			
i) Trade receivables	8(a)	2,202.58	1,888.99
ii) Cash and cash equivalents	8(b)	231.84	55.07
iii) Bank balances other than cash and cash equivalents	8(c)	4,559.13	141.87
iv) Loans and deposits	8(d)	214.96	172.67
v) Other financial assets	8(e)	110.42	24.46
Current tax assets (net)	9	33.53	-
Other current assets	10	858.05	368.74
Total Current Assets (B)		**12,226.84**	**4,817.21**
Total Assets (A + B)		**14,000.12**	**6,092.49**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11(A)	581.42	461.58
Instruments entirely equity in nature	11(B)	-	3.79
Other Equity	12	9,002.44	1,562.48
Total Equity (A)		**9,583.86**	**2,027.85**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	13	155.48	258.05
- Lease liabilities	32	139.80	149.49
Deferred Tax Liabilities (Net)	14	76.82	80.70
Long Term Provisions	15	47.83	46.65
Total Non-current Liabilities (B)		419.93	534.89
CURRENT LIABILITIES			
Financial Liabilities			
- Short-term borrowings	16(a)	1,121.83	1,393.97
- Trade payables	16(b)		
- Total outstanding dues of micro enterprises and small enterprises		202.28	45.31
- Total outstanding dues to other than micro enterprises and small enterprises		1,951.42	1,510.80
- Other financial liabilities	16(c)	110.25	102.52
- Lease liabilities	32	33.86	27.86
Current tax liabilities (net)	17	-	132.67
Other current liabilities	18	566.43	307.93
Short-term provisions	19	10.26	8.69
Total Current Liabilities (C)		**3,996.33**	**3,529.75**
Total Liabilities (B+C)		**4,416.26**	**4,064.64**
Total Equity And Liabilities (A+B+C)		**14,000.12**	**6,092.49**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Rajesh Sharma
Chief Executive Officer

Place: Mysuru
Date: 16 May, 2023

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Standalone Statement of Profit and Loss

(All amounts are in ₹ mn, Except per Equity Share Value)

Particulars	Note	For the year ended 31 March, 2023	For the year ended 31 March, 2022
INCOME			
Revenue from operations	20	10,865.57	6,713.93
Other Income	21	116.98	47.61
Total Income (A)		**10,982.55**	**6,761.54**
EXPENSES			
Cost of materials consumed	22	8,272.07	4,730.70
Changes in inventories of Finished goods and work in progress	23	(671.47)	(37.50)
Employee Benefit Expenses	24	700.05	560.92
Finance Cost	25	343.83	250.43
Depreciation and amortisation expense	26	176.74	123.61
Other Expenses	27	916.16	557.76
Total Expenses (B)		**9,737.38**	**6,185.92**
Profit / (Loss) before tax (A-B)=C		**1,245.17**	**575.62**
Tax Expenses			
Income taxes - Current tax		283.40	144.74
- Earlier year tax adjustments		18.71	-
Deferred tax Charge/ (Credit)		(4.55)	21.03
Total tax expense (D)		**297.56**	**165.77**
Profit / (Loss) for the year (C - D)=E		**947.61**	**409.85**
Other comprehensive income (net)			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Re-measurement gains/ (losses) on defined benefit plans		2.78	(2.16)
Income tax effect		(0.70)	0.54
Total other comprehensive income for the year, net of tax (F)		**2.08**	**(1.62)**
Total comprehensive income for the year, net of tax (E+F)		**949.69**	**408.23**
Earnings per share ₹ (nominal value of ₹ 10 each)			
Basic	31	19.79	9.84
Diluted	31	19.55	8.85
Significant accounting policies and notes to financial statement	1 to 2		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Rajesh Sharma
Chief Executive Officer

Place: Mysuru
Date: 16 May, 2023

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Standalone Statement of Cash Flows

(All amounts are in ₹ mn, unless otherwise stated)

Particulars			For the year ended 31 March, 2023	For the year ended 31 March, 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before extraordinary items and tax		1,245.17	575.62
	Adjustments for :			
	Depreciation and Amortisation Expense		135.42	93.04
	Provision for doubtful debts		14.99	8.95
	Fair valuation impact of Security deposit		(1.31)	(1.53)
	Gain On Fair Valuation of Mutual Funds		0.34	(0.21)
	Unrealised foreign exchange gain (net)		-	(0.73)
	Interest expense		343.83	250.43
	Interest income		(96.98)	(18.43)
	Operating profit before working capital changes, extraordinary items:		**1,641.46**	**907.14**
	Adjustments for :			
	(Increase)/ decrease in Inventories		(1,850.92)	(640.20)
	(Increase)/Decrease in Trade receivables		(313.59)	(673.53)
	(Increase)/Decrease in Loans and Advances and other assets		(394.42)	(390.90)
	Increase/(Decrease) in Trade payable and other liabilities		860.13	953.69
	Increase/(Decrease) in Provisions		2.75	18.43
	Cash Generated (used in) / From Operations		**(54.59)**	**174.63**
	Income tax Received / (Paid)		(468.27)	(27.37)
	Net Cash from Operating Activities	**(A)**	**(522.86)**	**147.26**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets		(471.95)	(362.63)
	Interest Received		96.98	18.43
	Proceeds from sale of investments / fixed deposits matured		(4,429.64)	(27.63)
	Net Cash used in Investing activities	**(B)**	**(4,804.61)**	**(371.83)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of Share Capital :			
	- Equity		113.68	-
	- Preference		(3.79)	3.79
	Securities Premium received :			
	- Equity		6,486.35	0.01
	- Preference		(2.39)	223.70
	Share issue expenses		(371.07)	-
	Repayment of long term borrowings		(102.57)	90.36
	Proceeds from short term borrowings		(272.14)	191.46
	Interest expense		(343.83)	(250.43)
	Net Cash from/(used) in Financing Activities	**(C)**	5,504.24	258.89
	Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**176.77**	**34.32**
	Cash and cash equivalents as on 01 April		55.07	20.75
	Cash and cash equivalents as on 31 March		**231.84**	**55.07**

Standalone Statement of Cash Flows (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Components of cash and cash equivalents		
	Balance with scheduled banks on:		
	- on Current Account	231.75	54.37
	- on deposit accounts	-	-
	Cash on Card		
	Cash on Hand	0.09	0.70
	Total	**231.84**	**55.07**

Notes

a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Significant accounting policies and notes to financial statement 1 to 2

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Rajesh Sharma
Chief Executive Officer

Place: Mysuru
Date: 16 May, 2023

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Standalone Statement of changes in equity

(All amounts are in ₹ mn, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	No. of Shares	Amount
As at 01 April, 2021	6,800,002	68.00
Change during the year	39,358,004	393.58
As at 31 March, 2022	**46,158,006**	**461.58**
Change during the year	11,984,490	119.84
As at 31 March, 2023	**58,142,496**	**581.42**

B. INSTRUMENTS ENTIRELY OF EQUITY NATURE

Particulars	CCPS Series A		CCPS Series B		CCPS Series C	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
As at 01 April, 2021	**1,079,990**	**10.80**	**-**	**-**	**-**	**-**
Change during the year	(1,079,990)	(10.80)	333,323	3.33	45,823	0.46
As at 31 March, 2022	**-**	**-**	**333,323**	**3.33**	**45,823**	**0.46**
Change during the year	-	-	(333,323)	(3.33)	(45,823)	(0.46)
As at 31 March, 2023	**-**	**-**	**-**	**-**	**-**	**-**

C. OTHER EQUITY

For the year ended 31 March, 2023

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations	
As at 01 April, 2022	**107.64**	**124.69**	**1,324.74**	**5.31**	**-**	**-**	**0.10**	**1,562.48**
Profit for the period	-	-	949.69	-	-	-	-	949.69
On issue of Equity shares	6,486.35	-	-	-	-	-	-	6,486.35
On conversion of Preference shares into equity	(2.39)	-	-	-	-	-	-	(2.39)
Utilised towards redemption of debentures	-	-	-	(5.31)	-	-	-	(5.31)
Transfer from Debenture redemption reserve	-	5.31	-	-	-	-	-	5.31
Share based payment expenses	-	-	-	-	6.31	-	-	6.31
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	(2.08)	-	-	-	2.08	-
As at 31 March, 2023	**6,591.60**	**130.00**	**2,272.35**	**-**	**6.31**	**-**	**2.18**	**9,002.44**

Standalone Statement of changes in equity (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

For the year ended 31 March, 2022

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations	
As at 01 April, 2021	**266.71**	**110.88**	**915.77**	**19.12**	**-**	**-**	**1.72**	**1,314.20**
Profit for the period	-	-	408.23	-	-	-	-	408.23
On issue of New Preference shares	223.70	-	-	-	-	-	-	223.70
On issue of Equity shares	0.01	-	-	-	-	-	-	0.01
On issue of Bonus shares	(385.90)	-	-	-	-	-	-	(385.90)
On conversion of Preference shares into equity	3.12	-	-	-	-	-	-	3.12
Utilised towards redemption of debentures	-	-	-	(13.81)	-	-	-	(13.81)
Transfer from Debenture redemption reserve	-	13.81	-	-	-	-	-	13.81
Other Ind AS adjustments	-	-	0.10	-	-	-	-	0.10
Fair value adjustments of investments	-	-	(0.98)	-	-	-	-	(0.98)
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	1.62	-	-	-	(1.62)	-
As at 31 March, 2022	**107.64**	**124.69**	**1,324.74**	**5.31**	**-**	**-**	**0.10**	**1,562.48**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

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Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: 16 May, 2023

Notes to the Standalone Financial Statements

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") is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in Design and Manufacturing of advanced electronic modules and solutions catering to a wide range of industries.

The 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 24 March, 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 31 March, 2022.

2 BASIS OF PREPARATION

These standalone Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

Functional and presentation currency

Items included in these Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone Ind AS financial statements are presented in Indian rupee (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than ₹ 100,000 have been rounded and are presented as ₹ 0.00 million in these Ind AS financial statements.

Basis of measurement

The Standalone Financial Statements has been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities	Fair Value
Defined benefits liability	Fair value of plan assets less present value of defined benefit obligations.

2.1 Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Expected to be realised within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company 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 Company 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 Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Use of estimates and judgements

The estimates used in the preparation of the Standalone Financial Statements of each year presented are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Company regularly assesses these estimates, actual results could differ materially from these estimates even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the Standalone Financial Statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

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 34 – Measurement of defined benefit obligations: key actuarial assumptions;

Notes 28 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 38 – Impairment of financial assets;

2.4 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 recognised 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 recognised 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 recognised 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 (2.8) 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.

Contract Liability

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

The Company presents revenues net off indirect taxes in the statement of profit and loss.

2.5 Other Income

Interest income is recognised on time proportion basis and other income, if any, recognised on the basis of certainty of receipts and on accrual basis and this is included in the finance income in the statement of profit and loss.

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Government Grant:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.6 Employee Benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Provident Fund

This is a defined benefit plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions equal to a specified percentage of the employee's salary to the provident fund. The Company contributes to the government administered pension fund.

c) Gratuity

This is a defined benefit plan. The Company provides for Gratuity covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

d) Leave Encashment

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company's liability for Gratuity and Leave encashment are actuarially determined using the Projected Unit Credit method at the end of each year.

Actuarial gains and losses are recognised immediately in the retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled.

e) Employees' Stock Option Plans (ESOP)

The Company recognises compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

f) Social Security 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when

it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

2.7 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Financial instruments

2.8 Financial assets

Initial recognition and measurement

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

Amortised cost;

Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or

Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company 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.

2.9 Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or the Company 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 Company has transferred substantially all the risks and rewards of the asset, or

b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognise the transferred asset to the extent of the continuing involvement. In that case, the Company 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 compnay has retained.

2.10 Impairment of financial assets

The Company 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 Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach, the Company 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 Company 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 Company 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 Company reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company 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.

2.11 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 Company'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.

2.12 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.

2.13 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 Company 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.

2.14 Depreciation and amortisation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management in line with schedule II of the Companies Act, 2013 except in the case of moulds in respect of which the estimated useful life is ascertained as 6 years based on the independent technical evaluation carried out by the internal technical team which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013. Building in leasehold land will be depreciated over the remaining useful life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

Asset Category	Management estimate of useful life & Useful life as per Schedule II
Land	Unlimited
Buildings	30
Plant & Equipment	15
Furniture & Fittings	10
Office Equipments	5
Electrical Fittings	10
Computers	3
Vehicles	8
Airconditioners	5
Leasehold Improvement	3
Software	5
Technical know-how	5

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life of the product. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortisation period and the amortisation method are reviewed at each year end.

2.15 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.

2.16 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.

2.17 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.

2.18 Leases

The Company has lease contracts for office spaces. The Company 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 Company 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 Company 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 Company 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.

ii) Lease liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an interest 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 Company 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.

2.19 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.

2.20 Taxes on Income

Income tax comprises current and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted to recognise tax expense at the new income tax rate as applicable to the Company.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current tax is recognised in Statement of Profit and Loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognised in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 recognised 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 utilised.

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 utilised. 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 realised 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.

2.21 Foreign currencies

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

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on settlement of monetary items, as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise. These exchange differences are presented in the Statement of Profit and Loss on net basis.

2.22 Provisions

General

Provisions are recognised when the Company 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 Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.23 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.

2.24 Earnings per share (EPS)

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.25 Segment Reporting

The Company operates predominantly in one business segment of Electronics Manufacturing Services and accordingly primary reporting disclosures for business segment, is not applicable.

2.26 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

2.27 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.28 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Since the effective date for adoption of the above amendments is annual periods beginning on or after 01 April, 2023, there is no impact on the financial statements for the year ended 31 March, 2023.

Notes to the Standalone Financial Statements

(All amounts are in ₹ mn, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

Particulars			Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Gross Block		As at 01 April, 2021	24.87	170.63	580.76	43.32	14.89	18.58	24.12	62.99	10.73	14.61	965.50
	2021-22	Additions during the year	7.60	0.75	102.64	8.25	0.94	2.65	4.59	4.10	1.62	-	133.14
		Deletions during the year	-	-	-	-	-	-	-	(1.22)	-	-	(1.22)
		As at 31 March, 2022	32.47	171.38	683.40	51.57	15.83	21.23	28.71	65.87	12.35	14.61	1,097.42
	2022-23	Additions during the year	-	-	246.32	4.27	1.78	0.80	7.04	15.04	1.27	-	276.52
		Deletions during the year	(7.60)	-	-	-	-	-	-	-	-	-	(7.60)
		As at 31 March, 2023	24.87	171.38	929.72	55.84	17.61	22.03	35.75	80.91	13.62	14.61	1,366.34

Particulars			Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Accumulated Depreciation		As at 01 April, 2021	-	19.93	253.93	26.11	12.23	11.82	23.06	32.93	8.36	11.24	399.61
	2021-22	Charge for the year	-	5.79	40.17	3.47	0.94	1.16	2.27	6.43	0.96	2.14	63.33
		Deletions during the year	-	-	-	-	-	-	-	(0.50)	-	-	(0.50)
		As at 31 March, 2022	-	25.72	294.10	29.58	13.17	12.98	25.33	38.86	9.32	13.38	462.44
	2022-23	Charge for the year	-	5.76	47.86	3.67	1.02	1.29	3.15	6.74	1.14	1.09	71.72
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
		As at 31 March, 2023	-	31.48	341.96	33.25	14.19	14.27	28.48	45.60	10.46	14.47	534.16
Net Block		Net Block											
		As at 31 March, 2023	24.87	139.90	587.76	22.59	3.42	7.76	7.27	35.31	3.16	0.14	832.18
		As at 31 March, 2022	32.47	145.66	389.30	21.99	2.66	8.25	3.38	27.01	3.03	1.23	634.98

3 (a) Capitalised Expenditure

Borrowing cost:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance brought down	0.44	1.38
Interest expenses	7.30	6.26
Sub-Total	**7.74**	**7.64**
Less: Allocated to property, plant and equipment	-	(7.20)
Balance carried over (included in capital work in progress)	**7.74**	**0.44**

3 (b) Capital Work in Progress

Particulars	Tangible Assets under Construction or Installation	Total
As at 01 April, 2021	**10.06**	**10.06**
Additions/Adjustment	33.70	33.70
Capitalisation of Interest	0.44	0.44
As at 31 March, 2022	**44.20**	**44.20**
Additions/Adjustment	64.32	64.32
Capitalisation of Interest	4.10	4.10
As at 31 March, 2023	**112.62**	**112.62**

Capital work in progress ageing schedule

As at 31 March, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	68.42	44.20			112.62
Project temporarily suspend	-	-	-	-	-
Total	**68.42**	**44.20**	**-**	**-**	**112.62**

As at 31 March, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	34.14	10.06	-	-	44.20
Project temporarily suspend	-	-	-	-	-
Total	**34.14**	**10.06**	**-**	**-**	**44.20**

3 (c) Intangible Assets

Particulars			Intangible Assets		Total
			Software	Technical know-how	
Gross Block		**As at 01 April, 2021**	**16.80**	**119.33**	**136.13**
	2021-22	Additions during the year	19.87	177.98	197.85
		Deletions during the year	-	-	-
		As at 31 March, 2022	**36.67**	**297.31**	**333.98**
	2022-23	Additions during the year	-	-	-
		Deletions during the year	-	-	-
		As at 31 March, 2023	**36.67**	**297.31**	**333.98**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

Particulars			Intangible Assets		Total
			Software	Technical know-how	
Accumulated Depreciation		**As at 01 April, 2021**	**12.93**	**20.52**	**33.45**
	2021-22	Charge for the year	2.11	27.60	29.71
		Deletions during the year		-	-
		As at 31 March, 2022	**15.04**	**48.12**	**63.16**
	2022-23	Charge for the year	5.89	57.81	63.70
		Deletions during the year		-	-
		As at 31 March, 2023	**20.93**	**105.93**	**126.86**
Net Block					
		As at 31 March, 2023	**15.74**	**191.38**	**207.12**
		As at 31 March, 2022	**21.63**	**249.19**	**270.82**

3 (d) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at 01 April, 2021	**15.70**	**71.88**	**87.58**
Additions/Adjustment	4.17	100.28	104.45
Capitalisation of Interest	-	5.82	5.82
Capitalised in 2021-22	**(19.87)**	**(177.98)**	**(197.85)**
As at 31 March, 2022	**-**	**-**	**-**
Additions/Adjustment	-	140.07	140.07
Capitalisation of Interest	-	3.20	3.20
Capitalised in 2022-23	-	-	-
As at 31 March, 2023	**-**	**143.27**	**143.27**

Intangible Assets under Development Ageing Schedule

As at 31 March, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	143.27	-	-	-	143.27
Project temporarily suspend	-	-	-	-	-
Total	**143.27**	**-**	**-**	**-**	**143.27**

As at 31 March, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	-	-	-	-
Project temporarily suspend	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

* No projects are temporarily suspended as at 31 March, 2023 and 31 March, 2022.

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	12 April, 2012	To be registered

3 (e) Right of Use Assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning	163.07	77.27
Additions during the year	29.11	116.91
Deletions/ adjustments during the year	3.55	(0.54)
Depreciation during the year	(41.32)	(30.57)
Closing Balance	**154.41**	**163.07**

4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

NON-CURRENT ASSETS

FINANCIAL ASSET

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unquoted		
Investments - Non-Trade		
Investments in Equity instruments	29.28	26.57
Investments in Others	10.86	1.29
Total	**40.14**	**27.86**

4.1 Detail of Non-Current Investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial assets measured at FVTOCI		
(i) Investment in equity instruments - Equity Shares		
(a) Subsidiary Company		
Kaynes Embedded Systems Private Limited	3.00	3.00
Less: Provision for diminution in value	(3.00)	(3.00)
	-	-
Kemsys Technologies Private Limited	5.00	5.00
Kaynes Technology Europe Gmbh	9.24	9.24
Kaynes International Design & Manufacturing Private Limited	1.50	1.50
Kaynes Electronics Manufacturing Private Limited	0.10	-
(b) Other than Subsidiary Company		
Winfoware Technologies Limited	10.80	10.80
Mysuru ESDM Cluster	2.64	0.03
(ii) Financial assets measured at FVTPL		
Investments in Mutual Funds (Quoted)	**10.86**	**1.29**
	40.14	**27.86**

4.2 Additional disclosure

Particulars	As at 31 March, 2023	As at 31 March, 2022
Aggregate carrying value of unquoted investments	29.28	26.57
Aggregate amount of Cost of quoted investments	10.63	0.73

Investments in equity instruments - Subsidiary Company

(a) Investment in Kaynes Embedded System Private Limited, 30,000 equity shares of ₹ 100 each (2022: 30,000 equity shares) of ₹ 100/- each, constitutes 60% (2022: 60%) of the capital of that company.

(b) Investment in Kemsys Technologies Private Limited 5,000,000 (of this 10 shares held by the nominee) equity shares (2022: 5,000,000) of face value of Re. 1/- each purchased at par, constitutes 100% (2022: 100%) of the capital of that company.

(c) Investment in Kaynes Technology Europe GmbH- 270 equity shares (of this 27 shares held by the nominee) ₹ 9,241,162/- (2022: ₹ 9,241,162/-), constitutes 60% (2022: 60%) of capital of that company.

(d) Investment in Kaynes International Design & manufacturing Private Limited 149,990 (2022: 149,990) equity shares ₹ 1,499,900/- , constitutes 95.21% (2022: 95.21%) of capital of that company.

Investments in equity instruments- Others

a) Investment in Winfoware Technologies Limited 1,487,120 equity shares (2022: 1,487,120) equity shares) face value of ₹ 5/- each purchased at a premium, constitutes 18.98% of the capital of that company.

b) Investment in Mysuru ESDM Cluster (Company constituted under section 8 of the Companies Act 2013), 2,500 equity shares of ₹ 10/- each constitutes 0.18% (2022: 0.18%) of the capital of that company.

Investments in Mutual Funds

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Units	Total NAV	Units	Total NAV
Canara Robeco Emerging Equities - Regular Growth Fund	2,273.13	0.36	2,273.13	0.36
Canara Robeco Emerging Equities - Regular Growth Fund	315.66	0.05	315.66	0.05
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	976.67	0.24	976.67	0.24
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	135.30	0.03	135.30	0.03
Canara Robeco Infrastructure - Regular Growth Fund	1,711.00	0.14	1,711.00	0.13
Canara Robeco Blue Chip Equity Fund	6,474.13	0.26	6,474.13	0.27
Canara Robeco Large Capital Fund - Regular Growth Fund	1,320.41	0.05	1,320.41	0.05
Canara Robeco Consumer Trends Fund - Regular Growth	1,083.76	0.07	1,083.76	0.07
Canara Robeco Flexi Cap Fund - Regular Growth	404.53	0.09	404.53	0.09
Canara Robeco Mid Cap Fund - Regular Growth(MDGP)	999,950.00	9.57	-	-
		10.86		**1.29**

5 FINANCIAL ASSET

NON-CURRENT

5 (a) Loans and deposits, carried at amortised cost Unsecured considered good (Unless Otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Rental Deposits	22.30	20.46
Utility Deposits	4.37	3.57
EMD Deposits	10.54	9.25
NSE Deposits	30.00	-
Total	**67.21**	**33.28**

5 (b) Other non current financial assets (At Amortised Cost) Unsecured considered good (Unless Otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances recoverable in cash, kind or to value to be received	32.03	35.28
Loans to related party	99.70	-
Total	**131.73**	**35.28**

6 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
Capital Advances	79.41	58.24
Prepaid Rent	5.19	7.55
Total	**84.60**	**65.79**

CURRENT ASSETS

7 INVENTORIES (at cost or net realisable value whichever is lower)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw materials	2,742.94	1,683.75
Work-in-progress	838.26	140.52
Finished Goods	210.00	236.27
Goods-in-transit	157.07	43.42
Consumables, stores and spares	68.06	61.45
Total	**4,016.33**	**2,165.41**

8 CURRENT FINANCIAL ASSETS

8 (a) Trade receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, Considered Good	2,202.58	1,888.99
Unsecured, Considered Doubtful	40.73	25.74
Less - expected credit loss allowance	(40.73)	(25.74)
Total	**2,202.58**	**1,888.99**

Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at the Beginning of the year	25.74	16.79
Add: Provided during the year	14.99	8.95
Balance at the end of the year	**40.73**	**25.74**

(i) Trade Receivables Ageing Schedule:

Undisputed Trade receivables – considered good	As at 31 March, 2023	As at 31 March, 2022
Less than 6 months	1,589.66	1,659.49
6 months - 1 year	241.43	121.62
1 -2 years	273.59	27.65
2 -3 years	22.73	16.99
More than 3 years	75.17	63.24
Total	**2,202.58**	**1,888.99**

Note:

a. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.

b. The trade receivables of the Company has been pledged with banks for availing working capital and other facilities.

c. No trade receivables are disputed as at 31 March, 2023 and 31 March, 2022.

8 (b) Cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance with banks		
- In Current accounts	231.75	54.37
- In EEFC accounts	-	-
Cash on hand	0.09	0.70
Total	**231.84**	**55.07**

8 (c) Other Bank Balances

Particulars	As at 31 March, 2023	As at 31 March, 2022
Debit Balance in Cash Credit	-	0.01
Deposits with original maturity for less than 12 months	4,518.29	89.93
Margin Money and Other Deposits *	40.84	51.93
Total	**4,559.13**	**141.87**

*Deposits held with banks for issue of bank guarantees, letters of credit and guarantees to customs authorities.

8 (d) Loans and deposits, carried at amortised cost

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, Considered Good(Unless otherwise stated)		
Loans to related party	180.96	155.76
Loans to employees	34.00	16.91
Total	**214.96**	**172.67**

8 (e) Other current financial assets (At Amortised Cost)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Interest accrued	109.97	24.01
Insurance claim receivable	0.45	0.45
Total	**110.42**	**24.46**

9 INCOME TAX ASSETS (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance income tax	300.00	-
Less: Provision for income taxes	(266.47)	
Total	**33.53**	**-**

10 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
Advances for supply of goods	302.58	293.13
Prepaid Expenses	449.40	35.22
Balance with government authorities	106.07	40.39
Total	**858.05**	**368.74**

11 SHARE CAPITAL

11 (A) Equity Share Capital

i) Authorised

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at 01 April, 2021	8,000,000	80.00
Increase during the year	55,000,000	550.00
Balance as at 31 March, 2022	**63,000,000**	**630.00**
Increase during the year	7,000,000	70.00
Balance as at 31 March, 2023	**70,000,000**	**700.00**

Pursuant to a resolution of Board of Directors dated 08 April, 2022 and the shareholders meeting dated 08 April, 2022, the Authorised Share Capital of the Company has been increased from ₹ 630 mn consisting of 63,000,000 Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 700 mn consisting of 70,000,000 Equity Shares of ₹ 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at 01 April, 2021	6,800,002	68.00
Add: Shares issued during the year	20	-
Add: Conversion of Preference shares into equity	767,866	7.68
Add: Bonus shares issued during the year	38,590,118	385.90
Balance as at 31 March, 2022	**46,158,006**	**461.58**
Add: Shares issued during the year	11,367,720	113.68
Add: Conversion of Preference shares into equity	616,770	6.17
Balance as at 31 March, 2023	**58,142,496**	**581.42**

iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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% of Equity Shares

Name of Share holder	As at 31 March, 2023	As at 31 March, 2022
Mr. Ramesh Kunhikannan	36,943,633	40,780,042
% of Share holding	63.54%	88.35%
Ms. Freny Firoz Irani	1,798,924	4,967,369
% of Share holding	3.09%	10.76%

Note: For the period of five years immediately preceding 31 March, 2023

(a) No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash.

(b) Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Equity share of ₹ 10/- each	No. of shares	Amount (₹)
(c) Financial Year Ended 31 March, 2023		
i) The Company has issued 14,39,237 and 8,99,523 fully paid up equity shares of ₹ 10 each during the financial year by way of Pre-IPO placement on approval accorded by the EGM held on 10 October, 2022 and 14 October, 2023 respectively.	2,338,760	23.39
ii) The Company has issued 90,28,960 fully paid up equity shares of ₹ 10 each during the financial year through Initial Public Offer (IPO) on approval accorded by the EGM held on 01 April, 2022.	9,028,960	90.29
iii) The Company has issued 6,16,770 fully paid up equity shares of ₹ 10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on 22 October, 2022.	616,770	6.17
(d) Financial Year Ended 31 March, 2022		
i) The Company has issued 3,84,65,005 fully paid up equity shares of ₹ 10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on 25 February, 2022. 5 shares of ₹ 10 each were allotted for every one equity shares held in the Company.	38,465,005	384.65

Equity share of ₹ 10/- each	No. of shares	Amount (₹)
ii) The Company has issued 55,605 fully paid up equity shares of ₹ 10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on 24 December, 2021. 11,121 Bonus shares of ₹ 10 each were allotted for every 95,998 Compulsory convertible preference shares held in the Company.	55,605	0.56
iii) The Company has issued 69,508 fully paid up equity shares of ₹ 10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on 24 December, 2021. 17,377 Bonus shares of ₹ 10 each was allotted for every 150,000 Compulsory convertible preference shares held in the Company.	69,508	0.69

(e) No shares were bought back in any of the years.

f) No calls are unpaid by any director or officer of the Company during the year.

v) Shareholding of Promoters

Promoter Name	As at 31 March, 2023	As at 31 March, 2022
Mr. Ramesh Kunhikannan		
- No. of Shares held	36,943,633	40,780,042
- Percentage of holding	63.54%	88.35%
- Changes during the year	(24.81%)	11.60%
Mrs. Savitha Ramesh		
- No. of Shares held	19,800	19,800
- Percentage of holding	0.03%	0.04%
- Changes during the year	(0.01%)	0.01%
RK Family Trust (Ramesh Kunhikannan)		
- No. of Shares held	100	-
- Percentage of holding	0.00%	-
- Changes during the year	0.00%	-

11 (B) Instruments entirely equity in nature

Compulsorily Convertible Preference Share Capital

i) Authorised

Particulars	No of Shares	Amount
Balance as at 01 April, 2021	**2,000,000**	**20.00**
Increase during the year	-	-
Balance as at 31 March, 2022	**2,000,000**	**20.00**
Increase during the year	-	-
Balance as at 31 March, 2023	**2,000,000**	**20.00**

Pursuant to a resolution of the Board of Directors dated 05 June, 2020 and the shareholders meeting dated 05 June, 2020, the Authorised Share Capital of the Company has been reclassified to ₹ 10 mn consisting of 1,000,000 Preference Shares of ₹ 10/- (Rupees Ten only) and a resolution of Board of Directors dated 11 October, 2020 and the shareholders meeting dated 11 October, 2020, the Authorised Share Capital of the Company has been increased from ₹ 10 mn consisting of 1,000,000 Preference Shares of ₹ 10/- (Rupees Ten only) each to ₹ 20 mn consisting of 2,000,000 Preference Shares of ₹ 10/- each (Rupees Ten only).

Notes to the Standalone Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

ii) Shares issued, subscribed and fully paid-up

Particulars	No of Shares	Amount
As at 01 April, 2021	**1,079,990**	**10.80**
Add: Shares issued during the year	379,146	3.79
Add: Bonus shares issued during the year	-	-
Less: Share converted into equity during the year	(1,079,990)	(10.80)
As at 31 March, 2022	**379,146**	**3.79**
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share converted into equity during the year	(379,146)	(3.79)
Balance as at 31 March, 2023	**-**	**-**

iii) Terms/rights attached to Preference shares:

The Preference Shareholders shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding and are also eligible to participate in surplus funds.

iv) Shareholders holding more than 5% of Preference Shares

Name of Share holder	As at 31 March, 2023	As at 31 March, 2022
Mrs. Freny Firoze Irani		
- No. of shares held	-	250,000
- % of share holding	-	65.94%
Mr. Ganesh Cherapuram Balasubramanian		
- No. of shares held	-	83,323
- % of share holding	-	21.98%
Mr. Bharadwaj Turlapati		
- No. of shares held	-	45,823
- % of share holding	-	12.08%

Note: For the period of five years immediately preceding 31 March, 2023

During the financial year ended 31 March, 2023;

The Company has issued 616,770 fully paid up equity shares of ₹ 10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on 22 October, 2022.

During the financial year ended 31 March, 2022, the Company has issued;

(a) 83,323 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 590 per share to a Resident Indian Mr. Ganesh Cherapuram Balasubramanian which carries cumulative dividend of 0.01% per annum on 22 October, 2021

(b) 250,000 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 590 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 0.01% per annum on 01 November, 2021.

(c) 45,823 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 590 per share to a Resident Indian Mr. Bharadwaj Turlapati which carries cumulative dividend of 0.01% per annum on 25 December, 2021.

Note on CCPS Conversion

Conversion Option as at 31 March, 2022:

CCPS series C shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:

a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the Company pursuant to an IPO;

b. Expiry of 120 months from the Execution Date ("Investment period") or

c. Any time prior to the expiry of the Investment period at the option of the holder of the CCPS series C Investor

12 OTHER EQUITY

Particulars	As at 31 March, 2023	As at 31 March, 2022
Securities premium (refer note i)	6,591.60	107.64
General Reserve (refer note ii)	130.00	124.69
Surplus in the profit and loss statement (refer note iii)	2,272.35	1,324.74
Debenture redemption reserve (refer note iv)	-	5.31
Employee stock options outstanding account (ESOP Reserve) (refer note vi)	6.31	
Remeasurement of defined benefit obligations (refer note v)	2.18	0.10
Total	**9,002.44**	**1,562.48**

i) Securities Premium

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**107.64**	**266.71**
Changes during the year	6,483.96	(159.07)
As at end of the year	**6,591.60**	**107.64**

ii) General Reserve

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**124.69**	**110.88**
Add: Transfer from Debenture redemption reserve	5.31	13.81
As at end of the year	**130.00**	**124.69**

iii) Surplus in the profit and loss statement

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**1,324.74**	**915.77**
Add: Profit for the year	949.69	408.23
Less: Other Comprehensive Loss	(2.08)	1.62
Less Effect of adoption of Ind AS 116 Leases	-	0.10
Fair Value adjustment of Investment	-	(0.98)
As at end of the year	**2,272.35**	**1,324.74**

iv) Debenture Redemption Reserve

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**5.31**	**19.12**
Less : Transferred to General Reserve on utilisation for redemption of debentures	(5.31)	(13.81)
As at end of the year	**-**	**5.31**

v) OCI

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**0.10**	**1.72**
Add: Changes during the year	2.08	(1.62)
As at end of the year	**2.18**	**0.10**

vi) Employee stock options outstanding account (ESOP Reserve)

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**-**	**-**
Add: Share based payment expenses	6.37	-
Less: Adjustment on forfeiture of ESOP	(0.06)	-
As at end of the year	**6.31**	**-**

NON CURRENT LIABILITIES

13 FINANCIAL LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Borrowings		
Term loans from banks & financial institutions		
- Secured	150.78	323.31
Non-Convertible Debenture		
- Secured	-	29.75
Vehicle loan - Secured	18.89	20.14
Less: Current maturities of Long term borrowings		
Term loans from banks & financial institutions		
- Secured	(6.88)	(80.00)
Non-Convertible Debenture		
- Secured	-	(29.75)
Vehicle loan - Secured	(7.31)	(5.40)
Total	**155.48**	**258.05**

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 Belagola (Food) Industrial Area, Mysuru. Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 72 months .

Term Loans from Financial Institutions-Secured

Term Loans have been availed from various financial institutions. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the Company has hypothecated plant and machinery. Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 72 months.

Non-Convertible Debentures- Secured

NCDs have been secured by specific plant and machinery and specific receivables. These are guaranteed by personal guarantee of promoter director of the Company. 33% shares of the Company held by one of the promoter/director has been pledged. These Debentures are repayable in 16 quarterly instalments. This NCDs was redeemed during 2022-23.

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 31 March, 2023	As at 31 March, 2022
Term Loans from banks - Secured	Saraswat Bank	Repayable in 12 months in 6 equal monthly instalments after a moratorium of 6 months from date of disbursement.	-	112.00
Term loans from Bank - Secured	Canara Bank	Repayable in 24 months in 18 equal monthly instalments after a moratorium of 6 months from date of disbursement.	-	3.12
	Canara Bank - GECL - 3	Repayable in 72 months in 48 equal monthly instalments after a moratorium of 24 months from date of disbursement.	-	45.00
	HDFC Bank Term Loan (Covid)		112.00	-
	Saraswat Bank	Repayable in 60 months in 48 equal monthly instalments after a moratorium of 12 months from date of disbursement.	-	109.67
	State Bank of India		-	30.36
	State Bank of India		-	16.91
Term loans - From Financial Institutions - Secured	Sundaram Finance Machinery Loan -1	Repayable in 47 monthly instalments from the date of loan.	4.45	-
	Sundaram Finance Machinery Loan - 3	Repayable in 60 monthly instalments from the date of loan.	4.95	6.25
	Sundaram Finance Machinery Loan - 4		3.19	-
	Sundaram Finance Machinery Loan - 5		26.19	-
Non-Convertible Debenture - Secured	IL & FS - 15% Secured Non-Convertible Debentures	Repayable in 16 quarterly instalments with the first repayment starting from 30 June, 2019 onwards.	-	29.75

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			As at 31 March, 2023	As at 31 March, 2022
Vehicle Loan - From Bank - Secured	Jeep Loan	Repayable in 60 monthly instalments from date of loan.	-	0.17
	Hdfc Car Loan - Tata Nexon		0.14	0.39
	Hdfc Car Loan - Jeep Compas		0.44	0.97
	Hdfc Car Loan - Innova		0.41	0.94
	Hdfc Car Loan - Benz		1.33	3.31
	SBI Loan - Mini Cooper		0.87	1.55
	Canara Car Loan- Skoda Octavia		1.20	-
	Saraswat Car Loan-Seltos		0.60	0.85
	Saraswat Car Loan-Nex		0.56	0.81
	Saraswat Car Loan - Bmw		2.54	3.37
	Saraswat Car Loan - Ertiga		0.60	0.81
	Saraswat Car Loan - Santro		0.37	0.50
	Car Loan		2.50	3.17
	Saraswat Bus Loan		1.33	1.69
	Saraswat Car Loan - Harrier		1.96	-
	Saraswat Car Loan - Skoda Kushaq		1.49	-
	Saraswat Car Loan - Innova Crysta		2.55	-
	Canara Car Loan- Skoda Octavia	Repayable in 72 monthly instalments from date of loan.	-	1.61

14 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred Tax Liability		
Property plant and equipment: timing differences on account of depreciation allowance.	95.25	94.38
Actuarial Gain/Loss	1.47	3.77
Fair Valuation of Mutual Funds	0.07	0.27
Gross deferred tax liability	**96.79**	**98.42**
Deferred Tax Asset		
Security Deposits	(0.08)	(0.09)
Actuarial Gain/Loss	-	(2.58)
Leases	(0.11)	(4.29)
Expenses: timing differences on expenses allowable on payment basis.	(19.78)	(10.76)
Gross deferred tax asset	**(19.97)**	**(17.72)**
Net deferred tax liability	**76.82**	**80.70**

CURRENT LIABILITIES

16 FINANCIAL LIABILITIES

(a) Current borrowings (At Amortised Cost)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Credit Balance - Cash credit from banks (Secured)	699.01	1,158.19
Loans from Others (Unsecured)	-	21.51
Rupee Packing Credit (Secured)	310.24	99.12
Foreign Currency Packing Credit (Secured)	98.39	-
Current maturities of Long term borrowings		
- Term loans from banks & financial institutions		
- Secured	6.88	80.00
- Non-Convertible Debenture_Secured	-	29.75
- Vehicle loan	7.31	5.40
Total	**1,121.83**	**1,393.97**

Cash credit/Packing Credit from banks (Secured)

Secured Cash credit and Packing credit from Banks are secured against the hypothecation of stock of raw materials, work-in-progress, finished goods, book debts outstanding and common collateral security of factory land and building, canteen building and plant and machinery. Canara Bank which has approved a cash credit, packing credit and bill discounting facility holds a paripassu charge along with HDFC Bank, Indusind Bank and State Bank of India.

Loans from Others (Unsecured)

Short term loans from shareholders are repaid in FY 2022-23 and closed.

The Break up of above loans is tabulated below

Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			As at 31 March, 2023	As at 31 March, 2022
Cash Credit	Canara Bank	Repayable on Demand	206.27	354.64
	Canara Bank ST		3.06	-
	Saraswat Bank		-	388.01
	State Bank of India		(100.75)	167.19
	SBI Parwanoo		(2.98)	(1.65)
	HDFC Bank		2.39	-
	Indusind Bank		(53.41)	-
	Indusind Bank ST		(2.00)	
	Axis Bank		(133.57)	
Term Loans from others - Unsecured	Loans from Others	10 months or 12 months, Months differs by Party	-	21.51
Working Capital Loan	HDFC Bank	Repayable within 180 days from the date of disbursement	780.00	250.00
Rupee Packing Credit - Secured	Canara Bank - Packing Credit FBE	Repayable on Demand	98.73	99.12
	Indusind Bank - EPC		52.03	-
	SBI Packing Credit		159.48	-
Foreign Currency Packing Credit - Secured	Indusind Bank - PCFC		98.39	-

(b) Trade payables (At Amortised Cost)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Dues to micro enterprises and small enterprises	202.28	45.31
Dues to other than micro enterprises and small enterprises	1,951.42	1,510.80
Total trade payables	**2,153.70**	**1,556.11**

Ageing Schedule

As at 31 March, 2023

Particulars	Outstanding for following periods from dur date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	201.93	0.35	-	-	202.28
Others	1,883.28	64.56	7.22	(3.64)	1,951.42

As at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	44.58	0.73	-	-	45.31
Others	1,420.06	82.90	7.76	0.08	1,510.80

* No trade payables are disputed as at 31 March, 2022 and 31 March, 2023.

(c) Other current financial liabilities carried at amortised cost

Particulars	As at 31 March, 2023	As at 31 March, 2022
Payables - Capital Goods	13.73	30.91
Employee benefits payable*	80.89	65.60
Interest accrued and due on borrowings	15.63	6.01
Total	**110.25**	**102.52**

*Refer Related party disclosure for details on dues to employees

17 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for income taxes (net of advance income taxes)	-	132.67
Total	**-**	**132.67**

18 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance from customers	196.51	132.60
Advance from customers - Related Parties	78.66	66.83
Statutory dues and related liabilities	37.85	20.78
Other payables	253.41	87.72
Total	**566.43**	**307.93**

19 SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits		
Provision for Gratuity	8.64	7.46
Provision for Compensated absence	1.62	1.23
Total	**10.26**	**8.69**

20 REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Sale of Goods	10,600.08	6,512.57
Sale of services	265.49	201.36
Total	**10,865.57**	**6,713.93**

The Company derives revenue from the transfer of goods & services in the following geographical regions

Particulars	As at 31 March, 2023	As at 31 March, 2022
India	9,824.77	5,634.22
Outside India	1,040.80	1,079.71
Total	**10,865.57**	**6,713.93**

Timing of Revenue Recognition

Particulars	As at 31 March, 2023	As at 31 March, 2022
Goods transferred at a point in time	10,600.08	6,512.57
Service transferred at a point in time	265.49	201.36
Total	**10,865.57**	**6,713.93**

21 OTHER INCOME

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest Income :		
Interest received on deposits with banks	96.98	18.43
Interest received on Advances with others	13.48	-
Interest on Security Deposit	1.31	1.53
Gain On Fair Valuation of Mutual Funds	(0.34)	0.21
Profit on sale of property, plant & equipment (net)	-	0.08
Export Incentives	0.57	0.28
Other non-operating income	4.15	0.43
Exchange Differences (net)	0.83	26.65
Total	**116.98**	**47.61**

Notes to the Standalone Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

22 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventory at the beginning of the year	1,683.75	1,127.93
Add: Purchase	9,422.88	5,333.76
Less : Inventory at the end of the year	(2,742.94)	(1,683.75)
Less: R&D exp - considered separately	(91.62)	(47.24)
Cost of materials consumed	**8,272.07**	**4,730.70**

23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventories at the end of the year		
Finished goods		
Closing stock	210.00	236.27
Opening stock	236.27	140.22
Sub total (A)	**26.27**	**(96.05)**
Work-in-progress		
Closing stock	838.26	140.52
Opening stock	140.52	199.07
Sub total (B)	**(697.74)**	**58.55**
Total Changes in Inventories	**(671.47)**	**(37.50)**

24 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries and incentive	650.64	542.16
Contribution to provident fund	24.38	21.63
Share based payment expenses	6.31	-
Gratuity contribution scheme (Refer note 34)	5.24	12.98
Staff welfare expenses	**66.57**	**48.85**
Less: R&D exp - considered separately	(53.09)	(64.70)
Total	**700.05**	**560.92**

25 FINANCE COSTS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on borrowings	280.86	222.08
Interest to Vendors	12.20	6.95
Interest on others	18.67	7.00
Other borrowing costs	17.75	8.47
Interest on lease liabilities (Refer Note 32)	**21.65**	**12.19**
Less: Capitalised	(7.30)	(6.26)
Total	**343.83**	**250.43**

26 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation of property, plant & equipment (Refer Note 3)	71.72	63.33
Amortisation of Intangible Assets (Refer Note 3(c))	63.70	29.71
Depreciation of Right To Use Assets (Refer Note 3(e))	41.32	30.57
Total	**176.74**	**123.61**

27 OTHER EXPENSES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Rent	4.99	2.24
Rates and taxes	14.59	14.63
Printing and stationery	2.38	3.63
Insurance	12.88	8.00
Discount Allowed	2.04	2.60
Donation	3.66	0.31
Power and fuel	51.30	37.03
Contract Labour	154.88	148.11
Consumption of stores and spares	357.55	128.98
Repairs and maintenance - Plant & Machinery	13.82	10.87
Repairs and maintenance - Buildings	8.11	6.52
Repairs and maintenance - Others	27.33	18.05
Security maintenance expenses	9.94	9.17
Research and Development Expenses	6.24	11.76
Legal and professional fees	27.75	24.76
Audit Fees	5.00	2.40
Commission Expenses	0.03	0.85
LD/Claim Settled	2.90	2.25
Bank charges	14.20	13.78
Communication expenses	3.55	4.12
Travelling and conveyance	41.08	21.99
Business Promotion	20.13	7.35
Freight and forwarding charges	93.15	63.41
CSR expenditure	5.29	2.38
Provision for ECL	14.99	8.95
Hire charges	12.36	2.78
Director sitting fees	2.38	-
Miscellaneous expenses	3.64	0.84
Total	**916.16**	**557.76**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

Research and Development Expenditure

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Raw Materials, Components and Consumables	91.62	47.24
Salaries and Wages	53.09	64.70
Communication expenses	0.55	0.09
Travelling and Conveyance	1.05	-
Sub Total	**146.31**	**112.03**
Less: Capitalised	(140.07)	(100.27)
Total	**6.24**	**11.76**

Payment to Auditors (After Other expenses)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
As statutory auditors		
Audit fees	2.50	2.00
Tax audit fee	0.50	0.40
Limited review fees	2.00	-
In other capacity		
Other services (includes certification fees)	-	-
Reimbursement of expenses	-	-
Total	**5.00**	**2.40**

28 CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Contingent Liabilities:		
a)	**Claims against the Company not acknowledged as debt**		
	Disputed Income Tax Demand [refer note 27.1]	1.74	1.74
	Disputed Income Tax Demand - CPC Demand (refer note 27.2)	6.05	6.05
	Disputed Income Tax Demand - CPC Demand (refer note 27.3)	3.32	3.32
	Disputed Income Tax Demand - CPC demand (refer note 27.4)	62.69	3.99
	Disputed Indirect taxes Demand (Refer note 27.5)	51.35	56.92
b)	Bank Guarantees for contractual performance	68.74	68.74
c)	Letter of Credit issued by bank	6.19	3.27
d)	Bond Executed for Customs/Central Excise. (Covered by Bank guarantee to the extent of ₹ 5.5 mn)	450.00	273.21
e)	On account of Bills Discounted with Banks set off against Trade Receivable	520.78	471.00
f)	Corporate Guarantee to Subsidiary Company	84.00	44.00
g)	Other sums for which company is contingently liable	-	11.24
	Commitments:		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances.	9.18	9.18
(ii)	Cumulative dividend on Preference shares	-	0.15
(iii)	Approval for Land Conversion from Lease to Sale of Plot no 20 & Plot no 119 from Karnataka Industrial Area Development Board (KIADB) is in progress. Estimated Conversion cost is considered as a Capital commitment remaining unexecuted	12.14	12.14

1 CPC demand of ₹ 1.74 mn 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, Bengaluru has issued a notice on Short deduction of TDS for various years commencing from FY 2009-10 to FY 2022-23 and imposed a Interest and penalty .Demand appearing in the TDS Portal amounts to ₹ 62.69 mn . 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 ₹ 56.9 mn covering a period commencing from FY 2012-13 to FY 2018-19 pertaining to units located in various states in Karnataka, Uttarakand, Haryana, Tamilnadu and Maharashtra. Many of the cases required Information provided to the Concerned authorities and are in progress.

29 RELATED PARTY DISCLOSURES

Disclosure in respect of material transactions with associated parties as required by IND AS 24 "Related Party Transactions".

[A.] Related Parties and their Relationship with the Company

Ref.	Description of relationship	Names of Related parties
[1.]	Subsidiary Companies:	Kaynes Embedded Systems Private Limited
		Kemsys Technologies Private Limited
		Kaynes Technology Europe Gmbh
		Kaynes International Design & Manufacturing Private Limited
		Kaynes Electronics Manufacturing Private Limited
[2.]	Entity Controlled by Directors:	Aaviza Electronics Private Limited (Formerly Kaynes Interconnection Systems India Private Limited) (unrelated w.e.f 10.07.2022)
		Kaynes Technology Inc.
		Kemsys Technologies Inc.
		Kaynes Circuits Private Limited
		Kaynes Electro-Plast Private Limited
		Mysuru ESDM Cluster
		Wendorhub Solutions Private Limited
		Cheyyur Real Estates Private Limited
		Cheyyur Properties Private Limited
		Nambi Reality Private Limited
[3.]	Entity where relative of Directors have substantial interest	A ID Systems (India) Private Limited

Notes to the Standalone Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

Ref.	Description of relationship	Names of Related parties
[4.]	Key Management Personnel:	
	Ms. Savitha Ramesh	Chairperson
	Mr. Ramesh Kunhikannan	Managing Director
	Mr. Jairam Paravasthu Sampath	Whole Time Director & Chief Financial Officer (w.e.f 08 April, 2022)
	Mr. Satheesh Kumar Gopa Kumar	Whole Time Director (From 03 March, 2021 to 02 October, 2021)
	Mr. Rajesh Sharma	Chief Executive Officer (w.e.f 20 December, 2021)
	Mr. Anup Kumar Bhat	Independent Director (w.e.f 12 January, 2022)
	Mr. Vivekandh Ramaswamy	Independent Director (w.e.f 12 January, 2022)
	Mr. Lakshmi Narayana Nutheti	Independent Director (From 12 January, 2022 to 01 February, 2022)
	Mr. Seeplaputhur Ganapathiramaswamy Murali	Independent Director (w.e.f 21 February, 2022)
	Mr. Alexander Koshy	Independent Director (w.e.f 21 February, 2022)
	Ms. Poornima Ranganath	Independent Director (w.e.f 31 March, 2022)
	Mr. Venkata Ramana Mannapragada	Chief Financial Officer (From 20 December, 2021 to 08 April, 2022)
	Ms. Narayanan Srividhya	Company Secretary (Till 31 March, 2023)
	Mr. Ramachandran Kunnath	Company Secretary & Compliance Officer (w.e.f 01 April, 2023)
[5.]	Relatives of KMP's:	
		Ms. Premita Ramesh
		Mr. Govind Shasiprasad Menokee

[B.] Transactions with KMPs

Transactions / Balances	For the year ended 31 March, 2023	For the year ended 31 March, 2022
[i.] Remuneration and Commission:		
Mr. Ramesh Kunhikannan	18.00	13.14
Ms. Savitha Ramesh	18.00	11.54
Mr. Jairam Paravasthu Sampath	6.40	4.80
Mr. Satheesh Kumar Gopa Kumar	-	2.00
Ms. Premita Ramesh	5.40	3.55
Mr. Govind Shasiprasad Menokee	6.60	4.95
Mr. Venkata Ramana Mannapragada	0.56	2.24
Ms. Narayanan Srividhya	1.52	0.85
Mr. Rajesh Sharma	8.00	3.35
[ii.] Reimbursement of expenses		
Mr. Rajesh Sharma	0.14	0.04
[iii.] Transaction in current account (net)		
Mr. Ramesh Kunhikannan	3.56	3.56
Ms. Savitha Ramesh	4.18	4.18
Ms. Premita Ramesh	-	(1.13)
Mr. Jairam Paravasthu Sampath	-	(1.29)
Mr. Govind Shasiprasad Menokee	-	0.08

[C.] Balances with KMPs and relatives of KMPs

Particulars	As at 31 March, 2023	As at 31 March, 2022
[i.] Amount Receivable from / Due to directors:		
Mr. Ramesh Kunhikannan (Dr. Balance)	-	3.56
Ms. Savitha Ramesh (Dr. Balance)	-	4.18
Mr. Jairam P Sampath (Dr. Balance)	0.44	-
[ii.] Amount Receivable from / Due to KMP		
Mr. Rajesh Sharma (Dr. Balance)	1.60	-
[iii.] Salaries payable		
Mr. Ramesh Kunhikannan	0.98	0.94
Ms. Savitha Ramesh	0.99	0.96
Mr. Jairam Paravasthu Sampath	0.42	0.30
Ms. Premita Ramesh	0.32	0.33
Mr. Govind Shasiprasad Menokee	0.40	0.42
Mr. Rajesh Sharma	0.06	0.51
Mr. Venkata Ramana Mannapragada	-	0.38
Ms. Narayanan Srividhya	0.19	0.11

[D.] Transactions with Related Parties other than KMPs

Name of the related party	Nature of the transaction	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Kaynes International Design & Manufacturing Private Limited	Received towards Marketing, Distribution, Administration, Management & Other Support Services	-	19.03
	Sale of material	5.03	1.37
	Purchases	0.05	2.22
Kemsys Technologies Private Limited	Loans and Advances given to	30.05	90.47
	Loans and Advances repaid by	3.10	27.72
	Services Received from	-	2.91
	Interest on loan advanced	13.48	8.43
	Purchases	1.05	0.02
	Sale of material	-	8.87
Kaynes Electronics Manufacturing Private Limited			
	Investments	0.10	-
	Loans and Advances given to	99.70	-
Kaynes Interconnection Systems India Private Limited			
	Sale of material	15.12	9.33
	Services Received	-	0.07
	Purchase of Material	41.28	18.89
Kaynes Technology Inc.			
	Services Rendered	48.06	26.72
	Services Received	0.11	-

[E.] Balances with Related Parties other than KMPs

Name of the related party	Nature of the transaction	As at 31 March, 2023	As at 31 March, 2022
Kaynes International Design & Manufacturing Private Limited	Loans and Advances received	78.66	67.13
	Investments	1.50	1.50
Kemsys Technologies Private Limited	Loans and Advances	180.96	177.98
	Investments	5.00	5.00
Kaynes Embedded Systems Private Limited	Investments	2.64	3.00
Kaynes Technology Europe GMBH	Investments	9.24	9.24
Kaynes Electronics Manufacturing Private Limited	Investments	0.10	-
	Loans and Advances given to	99.70	-
Kaynes Interconnection Systems India Private Limited	Loans and Advances	-	3.20
	Trade Payables	4.23	-
Mysuru ESDM Cluster	Investments / Loans and Advances	2.64	2.64
Kaynes Technology Inc.	Services Rendered Receivable	8.87	7.95

30 SEGMENT INFORMATION

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified India and Outside India as its reportable segment.

As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by the Company for the geographical segments identified.

A) Revenue from Customers

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Geographic Segment		
Outside India	1,040.80	1,079.71
In India	9,824.77	5,634.22
Total	**10,865.57**	**6,713.93**

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.

31 EARNINGS PER SHARE (EPS)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earnings		
Profit after tax for the year	947.61	409.85
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	46,158,006	6,800,002
Add : Shares Issued during the year	11,367,720	20
Add : Shares Issued during the year on conversion of CCPS	616,770	767,866
Add : Bonus Shares Issued during the year *	-	125,113
Number of Shares outstanding at the end of the year	58,142,496	7,693,001
Add : Post Bonus issue #	-	38,465,005
Number of Shares outstanding at the end of the year (Post bonus issue #)	**58,142,496**	**46,158,006**
Weighted average number of equity shares For calculating Basic EPS	47,894,922	41,634,474
Profit after tax for the year attributable to equity shareholders	947.61	409.85
Cumulative Preference Dividend	-	-
Basic EPS (₹ per share)	**19.79**	**9.84**
Diluted :		
Number of shares considered as basic weighted average shares outstanding	47,894,922	41,634,474
Add: Effect of diluted equity shares relating to CCPS issued during the year	568,443	4,673,516
Number of shares considered as diluted weighted average shares outstanding	48,463,365	46,307,990
Diluted EPS (₹ per share)	19.55	8.85
Restated Earnings per equity share ₹ (Face Value ₹ 10/- per share)		
- Basic	19.79	9.84
- Diluted	19.55	8.85

* The Company has issued bonus shares during the period ended 31 March, 2022. In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

Pursuant to the resolutions passed on EGM on 21 February, 2022 and Board of Directors on 25 February, 2022, company had issued bonus shares in the ratio of Five Bonus shares of One Equity share held post the reporting date 31 March, 2022. In line with the requirements of Para 64 of Ind AS 33, retrospective adjustments of the same has been considered in computation of the EPS and Diluted EPS.

32 DISCLOSURE WITH RESPECT TO IND AS 116 - LEASES

Information about Leases Assets for which the Company is a lessee is presented below

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance as at beginning of the year	163.07	77.27
Additions	29.11	116.91
Deletions	3.55	(0.54)
Depreciation*	(41.32)	(30.57)
Balance as at end of the year	**154.41**	**163.07**

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Standalone Statement of Profit and Loss.

The changes / movement in Lease Liabilities of the Company are as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance as at beginning of the year	163.07	77.27
Additions	29.11	116.91
Deletions	3.55	(0.54)
Payment of lease liabilities	(32.58)	(39.34)
Accreditation of interest	21.60	12.19
Balance as at end of the year	**184.75**	**166.49**
Current Liabilities	33.86	27.86
Non-Current Liabilities	139.80	149.49
Total cash outflow for leases	32.58	39.34

The table below provides details regarding amounts recognised in the Standalone Statement of Profit and Loss:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Expenses relating to short-term leases and/or leases of low-value items	4.99	2.24
Interest on lease liabilities	21.65	12.19
Depreciation expense	41.32	30.57
Total	**67.96**	**45.00**

Contractual maturities of lease liabilities on undiscounted basis

Particulars	As at 31 March, 2023	As at 31 March, 2022
Less than one year	29.73	27.86
One to five years	105.40	49.22
More than five years	38.50	13.73
Total	**173.63**	**90.81**

33 TAXES

(a) Income tax expense:

Components of Income Tax Expense

(i) Income tax recognised in Profit or Loss:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Tax expense recognised in the Statement of Profit and Loss		
A. Net current tax expense	302.11	144.74
B. Deferred tax (credit)/charge	(4.55)	21.03
Net deferred tax	**(4.55)**	**21.03**
Total income tax expense recognised in statement of Profit & Loss	**297.56**	**165.77**

C. Tax recognised in Other Comprehensive Income:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Origination and reversal of temporary differences - OCI	(0.70)	0.54
Remeasurement of Defined Benefiy Obligation	-	-
Total	**(0.70)**	**0.54**

Current tax assets / liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
D. Advance tax (net of provision for tax)	33.53	-
E. Provision for tax (net of advance payment of taxes)	-	132.67

Deferred tax assets / liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
F. Deferred tax asset	(19.78)	(10.76)
G. Deferred tax liability	(0.07)	(0.27)
Deferred tax Liability (net)	**(19.85)**	**(11.03)**

H. Reconciliation of tax expense and the Accounting Profit

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit Before Tax	1,245.17	575.62
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expense using the Company's applicable rate	313.38	144.87
Deferred tax effect	(4.55)	21.03
Deferred tax effect on all amounts debited to other comprehensive income (OCI) in the statement of profit and loss that will not be re-classified to profit or loss;	(0.70)	0.54
Income tax expense recognised in statement of profit or loss	297.56	165.77

Note: The tax rate used for the period ended 31 March, 2023 and 31 March, 2022 reconciliations above is the corporate tax rate of 25.17% and 25.17% respectively, payable by corporate entities in India on book profits under Indian Income Tax Laws.

34 EMPLOYEE BENEFIT PLANS

[a.] Defined Contribution Plans

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Employers' contribution to Provident Fund	5.38	5.24
Employers' contribution to Employee State Insurance	5.18	4.48
Employers' contribution to Employee's Pension Scheme 1995	12.21	11.90

[b.] Defined Benefit Plan

Gratuity -Funded obligation

The liability towards gratuity is provided for on the basis of independent actuarial valuation using projected unit credit method. The liability for gratuity is administered through Life Insurance Corporation of India (LIC).

Compensated Absences- Unfunded obligation

Company provided for unavailed accumulated leave of employees on the basis of actuarial valuation using projected unit credit method.

Gratuity -Funded obligation

i. Actuarial Assumptions

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Discount Rate (per annum)	7.50%	7.25%
Expected return on plan assets	7.01%	6.75%
Salary escalation rate*	5.00%	5.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

*The assumption of future salary escalation in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii. Reconciliation of Obligation

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the beginning of the year	**43.78**	**37.43**
Current Service Cost	8.02	7.34
Interest Cost	3.17	2.71
Actuarial (gain)/ loss	(4.19)	0.40
Benefits Paid	(3.41)	(4.10)
Present value of obligation at the end of the year	**47.37**	**43.78**

iii. Reconciliation of fair value of plan assets

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Fair value of plan assets at the beginning of the year	**3.53**	**6.07**
Actual return of plan assets	0.23	0.44
Actuarial gain/ (loss)	0.03	(0.11)
Contributions	5.40	1.23
Benefits paid	(3.41)	(4.10)
Fair value of plan assets at the end of the year	**5.78**	**3.53**

iv. Description of Plan Assets

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Insured Managed Funds(LIC India)	5.78	3.53

v. Net (Asset)/ Liability recognised in Standalone statement of assets and liabilities

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the end of the year	47.37	43.78
Fair value of plan assets at the end of the year	5.78	3.53
Net (asset)/ liability recognised in Standalone statement of assets and liabilities	41.59	40.25

vi) (Income)/ Expense recognised in Standalone statement of profit and loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current Service Cost	8.02	7.34
Interest Cost	3.17	2.71
Actuarial (gain)/ loss recognised for the period	(4.22)	0.51
Expected return on plan assets	(0.23)	(0.44)
(Income)/ Expenses recognised in Standalone statement of profit and loss	6.74	10.12

vii) Sensitivity analysis of the defined benefit obligation:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	47.37	43.78
Impact due to increase of 1%	43.92	40.43
Impact due to decrease of 1%	51.41	47.73
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	47.37	43.78
Impact due to increase of 1%	51.47	47.79
Impact due to decrease of 1%	43.82	40.33
Impact of the change in Withdrawal Rate		
Present Value of Obligation at the end of the period	47.37	43.78
Impact due to increase of 1%	47.99	44.33
Impact due to decrease of 1%	46.61	43.12

viii) Maturity profile of defined benefit obligation:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Year 1	8.86	7.46
Year 2	2.13	1.58
Year 3	1.95	1.94
Year 4	2.97	1.47
Year 5	1.32	2.60
Years 6 to 10	30.14	28.73

The above disclosures are based on information certified by the independent actuary and relied upon by auditors.

Notes to the Standalone Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

ix) Other comprehensive (income) / expenses (Remeasurement)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Cumulative unrecognised actuarial (gain)/loss opening. B/F	(6.03)	(6.54)
Actuarial (gain)/loss - obligation	(4.19)	0.40
Actuarial (gain)/loss - plan assets	0.03	0.11
Total Actuarial (gain)/loss	(4.16)	0.51
Cumulative total actuarial (gain)/loss. C/F	(10.19)	(6.03)

Compensated Absences- Unfunded obligation

i. Actuarial Assumptions

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Discount Rate (per annum)	7.50%	7.25%
Expected return on plan assets	NA	NA
Salary escalation rate*	5.00%	5.00%

ii. Reconciliation of Obligation

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the beginning of the year	**11.56**	**5.54**
Current Service Cost	5.68	3.86
Interest Cost	0.84	0.40
Actuarial (gain)/ loss	(1.62)	1.76
Present value of obligation at the end of the year	**16.46**	**11.56**

iii. Net (Asset)/ Liability recognised in Standalone statement of assets and liabilities

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the end of the year	16.46	11.56
Net (asset)/ liability recognised in Standalone statement of assets and liabilities	16.46	16.24

iv) (Income)/ Expense recognised in Standalone statement of profit and loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current Service Cost	5.68	3.86
Interest Cost	0.84	3.86
Actuarial (gain)/ loss recognised for the period	(1.62)	1.76
(Income)/ Expenses recognised in Standalone statement of profit and loss	4.90	9.48

v) Sensitivity analysis of the defined benefit obligation:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	16.47	11.56
Impact due to increase of 1%	15.16	10.55
Impact due to decrease of 1%	17.99	12.76
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	16.47	11.56
Impact due to increase of 1%	18.02	12.78
Impact due to decrease of 1%	15.13	10.53
Impact of the change in Withdrawal Rate		
Present Value of Obligation at the end of the period	16.47	11.56
Impact due to increase of 1%	16.79	11.80
Impact due to decrease of 1%	16.08	11.29

35 EMPLOYEES' STOCK OPTION PLANS (ESOP)

(i) Kaynes Employees Stock Option Scheme 2022

The members of the Company at its Extraordinary General Meeting held on 12 January, 2022 had approved the issue of Stock Options to eligible employees/directors of the Company and its subsidiaries. Accordingly, the Board a their meeting held on 12 January, 2022 approved the "Kaynes ESOP Scheme 2022". A Compensation Committee was formed to govern the "Kaynes ESOP Scheme 2022" which has approved Details are as follows:

Particulars	Year 1	Year 2	Year 3	Year 4
Grant Date	04 July, 2022	04 July, 2022	04 July, 2022	04 July, 2022
Vesting date	04 July, 2023	04 July, 2024	04 July, 2025	04 July, 2026
Option Granted (Nos)	923,160	923,160	923,160	923,160
Exercise price (Amount in ₹ per share)	138.00	138.00	138.00	138.00

(ii) Fair value of share options granted during the year

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

(iii) Inputs in the pricing model

Particulars	Year 1	Year 2	Year 3	Year 4
Weighted average fair Value of options	18.07	22.66	32.26	35.32
Exercise price (Amount in ₹ per share)	138.00	138.00	138.00	138.00
Expected Volatility	16.96%	17.28%	25.02%	23.42%
Options Life (Number of Years)	1.50	2.00	2.50	3.00
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Risk Free Rate	6.13%	6.41%	6.62%	6.77%

(iv) Movement in stock options

For the year ended 31 March, 2023

Particulars	No of Options
Options outstanding as at 31 March, 2022	**-**
New options issued during the year	923,160
Options exercised during the year	-
Lapsed/ forfeited during the year	(27,260)
Expired during the year	-
Options outstanding as at 31 March, 2023	**895,900**
Options exerciseable as at 31 March, 2023	**-**

During the year ended 31 March, 2023, the Company recorded an employee share based payment expense of ₹ 6.31 mn in the Statement of Profit and Loss.

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to financing for working capital requirements. the Company has trade and other receivables, loans and advances that arise directly from its operations.

The Company is accordingly exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company has no exposure to financial instruments with an interest rate risk as on 31 March, 2023 and 31 March, 2022.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at the end of the respective reporting periods. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	Currency	As at 31 March, 2023		As at 31 March, 2022	
		Foreign Currency	₹ (mn)	Foreign Currency	₹ (mn)
Financial assets					
Trade receivable	EURO	1.14	101.29	1.12	93.70
Trade receivable	GBP	1.27	128.39	0.73	72.17
Trade receivable	JPY	1.00	0.63	1.09	0.67
Trade receivable	US$	4.38	357.95	4.04	304.22
Trade receivable	CHF	-		-	-
Advance to suppliers	EURO	0.18	16.06	0.13	11.45
Advance to suppliers	GBP	0.05	4.61	0.03	3.43
Advance to suppliers	JPY	27.67	17.37	0.04	2.24
Advance to suppliers	US$	2.04	166.97	2.95	224.08

Particulars	Currency	As at 31 March, 2023		As at 31 March, 2022	
		Foreign Currency	₹ (mn)	Foreign Currency	₹ (mn)
Financial Liabilities				-	
Trade payables	EURO	0.43	37.97	0.34	28.95
Trade payables	GBP	0.54	54.18	0.01	0.79
Trade payables	JPY	74.79	46.95	59.10	36.98
Trade payables	US$	15.44	1,261.70	10.22	779.57
Trade payables	CHF			-	-
Net Exposure in financial asset			**(607.53)**		**(134.33)**

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A. Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

The Company does not hold collateral as security. the Company evaluates the concentration of risk with respect to trade receivables as low, as its customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.

The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The management makes estimates of the expected losses on receivables taking into account past history and their assumptions. Expected credit loss allowance is calculated by comparing the management estimates with the provision matrix.

Details of allowances for expected credit losses are provided hereunder

Particulars	As at 31 March, 2023	As at 31 March, 2022
At the beginning of the year	25.74	16.79
Provisions created	14.99	8.95
Adjustments	-	-
Closing at the end of the year	**40.73**	**25.74**

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. the Company's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt and overdraft from both domestic and international banks at an optimised cost.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2023:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,121.83	155.48	1,277.31
Trade Payables	2,153.70	-	2,153.70
Other financial liabilities	110.25	-	110.25
Lease liabilities	33.86	139.80	173.66
Total	**3,419.64**	**295.28**	**3,714.92**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2022:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,393.97	258.05	1,652.02
Trade Payables	1,617.89	-	1,617.89
Other financial liabilities	102.52	-	102.52
Lease liabilities	27.86	149.49	177.35
Total	**3,142.24**	**407.54**	**3,549.78**

37 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholders value. the Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. the Company monitors capital using a gearing ratio, which is net debt divided by total capital. the Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Gross debt	1,277.31	1,652.02
Less: Cash and Cash equivalents	(231.84)	(55.07)
Net debt	**1,045.47**	**1,596.95**
Equity	9,583.86	2,024.06
Total capital	**9,583.86**	**2,024.06**
Gearing ratio	**10.91%**	**78.90%**

38 FINANCIAL INSTRUMENTS: FAIR VALUES

Particulars	As at 31 March, 2023				As at 31 March, 2022			
	FVTPL	FVOCI	Amortised cost	Total Carrying Amount	FVTPL	FVOCI	Amortised cost	Total Carrying Amount
Financial assets								
At Fair value								
Investments - Equity	-	29.28	-	29.28	-	26.57	-	26.57
Investments - Mutual Funds	10.86	-	-	10.86	1.29	-	-	1.29
At amortised cost:								
a) Trade receivables	-	-	2,202.58	2,202.58	-	-	1,888.99	1,888.99
b) Cash and cash equivalents	-	-	231.84	231.84	-	-	55.07	55.07
c) Bank balances other than cash and cash equivalents	-	-	4,559.13	4,559.13	-	-	141.87	141.87
d) Loans and deposits	-	-	282.17	282.17	-	-	205.95	205.95
e) Other financial assets	-	-	242.15	242.15	-	-	59.74	59.74
Total Financial Assets	**10.86**	**29.28**	**7,517.87**	**7,558.01**	**1.29**	**26.57**	**2,351.62**	**2,379.48**
Financial liabilities								
At amortised cost:								
a) Borrowings (Long term)	-	-	155.48	155.48	-	-	258.05	258.05
b) Borrowings (Short term)	-	-	1,121.83	1,121.83	-	-	1,393.97	1,393.97
c) Trade payables	-	-	2,153.70	2,153.70	-	-	1,556.11	1,556.11
d) Other Financial Liabilities	-	-	110.25	110.25	-	-	102.52	102.52
e) Lease Liabilities	-	-	173.66	173.66	-	-	177.35	177.35
Total Financial Liabilities	**-**	**-**	**3,714.92**	**3,714.92**	**-**	**-**	**3,488.00**	**3,488.00**

The Company has assessed that trade receivables, cash and cash equivalents, bank balances, other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Standalone Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

39 FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

i. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March, 2023:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at 31 March, 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	31 March, 2023	40.14	10.86	-	29.28

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 31 March, 2022:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at 31 March, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	31 March, 2022	27.86	1.29	-	26.57

40 RATIOS AS PER SCHEDULE III REQUIREMENTS

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current Assets	12,226.84	4,817.21
Current Liabilities	3,996.33	3,529.75
Ratio	**3.06**	**1.36**
% Change from previous period/year	124.18	

Ratio increase is due to increase in inventory, Trade Receivables, bank balance and other asset as Initial Public Offer (IPO) money was invested in Current Assets.

b) Debt Equity Ratio = Total Debt divided by total equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total Debt	1,277.31	1,652.02
Total Equity	9,583.86	2,027.85
Less: Non free reserves	-	(5.31)
Equity attributable to the owners of the Company	**9,583.86**	**2,022.54**
Ratio	**0.13**	**0.82**

Ratio change is due to receipt of Share Premium on issue of Equity share and due to addition of profit for the year.

c) Debt Service Coverage Ratio = Earnings available for servicing debt divided by total interest and principal payments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit before tax	1,245.17	575.62
Less : Preference Dividend	-	-
Add: Depreciation	176.74	123.61
Add: Finance Cost	343.83	250.43
Adjusted Profit	**1,765.74**	**949.66**
Interest cost on borrowings	343.83	250.43
Principal repayments	-	-
Total of Interest and Principal repayments	**343.83**	**250.43**
DSCR	**5.14**	**3.79**
% Change from previous period/year	35.43	

The improvement in the ratio for the year ended 31 March, 2023 is due to a significant increase in profit before tax (PBT)

d) Return on Equity Ratio = Profit after Tax divided by Equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit after tax	947.61	409.85
Total Equity	9,583.86	2,027.85
Less: Non free reserves	-	(5.31)
Equity attributable to the owners of the Company	**9,583.86**	**2,022.54**
Average Shareholder's equity *	5,803.20	1,698.21
Ratio	**16.33**	**24.13**
% Change from previous period/year	(32.34)	

The improvement in ratio is due to increase in total equity due to share premium and profit for the year.

e) Trade Receivables Turnover Ratio = Credit Sales divided by Closing Trade Receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Revenue from Operations	10,865.57	6,713.93
Average Trade Receivables	2,045.79	1,552.23
Ratio	**5.31**	**4.33**
% Change from previous period/year	22.79	

The improvement in the ratio for 31 March, 2023 is due to better collections

f) Trade Payables Turnover Ratio = Credit Purchases divided by closing trade payables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Credit Purchases	9,422.88	5,333.76
Average Trade payables	1,854.91	1,218.04
Ratio	**5.08**	**4.38**
% Change from previous period/year	16.01	

Increase in ratio due to increase in purchase and year end trade payables.

Notes to the Standalone Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

g) Inventory Turnover Ratio = Revenue from operations divided by Closing Inventory

Particulars	As at 31 March, 2023	As at 31 March, 2022
Revenue from Operations	10,865.57	6,713.93
Average Inventory	3,090.87	1,845.31
Ratio	**3.52**	**3.64**
% Change from previous period/year	(3.38)	

h) Net Capital Turnover ratio= Sales divided by net working capital

Particulars	As at 31 March, 2023	As at 31 March, 2022
Revenue from Operations	10,865.57	6,713.93
Average working capital	4,758.99	1,032.59
Ratio	**2.28**	**6.50**
% Change from previous period/year	(64.89)	

Decrease in ratio due to increase in average working capital.

i) Profit Ratio = Profit after tax divided by Revenue from Operations

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit after tax	947.61	409.85
Revenue from Operations	10,865.57	6,713.93
Ratio	**8.72**	**6.10**
% change from previous period/year	42.87	

The improvement in the ratio for the period ended 31 March, 2023 is due to the increase in profits as a result of increase in turn over.

j) Return on Capital Employed= Adjusted EBIT / Total Capital Employed

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit before tax	1,245.17	575.62
Add: Finance Costs	343.83	250.43
EBIT	**1,589.00**	**826.05**
Tangible Net worth	8,828.58	1,335.91
Non Current Borrowings	155.48	258.05
Short Term Borrowings	1,121.83	1,393.97
Total	**10,105.89**	**2,987.93**
ROCE %	**15.72**	**27.65**
% change from previous period/year	(43.13)	

The decrease in ratio is due to increase in net worth as a result of Initial Public Offer (IPO)

41 DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

(i) Included in loans, the particulars of which are disclosed in below as required by Sec 186(4) of the Companies Act 2013:

Sl. No.	Name of the Borrower	Type	Rate of Interest	Secured/ Unsecured	Due Date	Purpose	As at 31 March, 2023	As at 31 March, 2022
1	Kemsys Technologies Private Limited	Loan	8%	Unsecured	On Demand	General business purpose	180.96	177.98
2	Kaynes International Design & Manufacturing Private Limited	Corporate Guarentee	-	Unsecured	30 March, 2023	General business purpose	84.00	44.00
3	Mr. Ramesh Kunhikannan	Loan	8%	Unsecured	30 March, 2023	As per scheme u/s 185	-	3.56
4	Ms. Savitha Ramesh	Loan	8%	Unsecured	30 March, 2023	As per scheme u/s 185	-	4.18

42 OTHER STATUTORY DISCLOSURES

1. Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2. The Struck off Company details

S. No.	Name of the Struck off Company	Nature of transactions with struck off company	As at 31 March, 2023	As at 31 March, 2022
1	Kaynes Electro-Plast Private Limited	No Transactions	-	-
2	Wendorhub Solutions Private Limited	No Transactions	-	-

3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6. The Company has neither declared nor paid any interim dividend or final dividend during the year.

7. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

Notes to the Standalone Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

43 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Amount required to be spent by the Company during the year *	8.06	2.38
Amount of expenditure incurred.	8.06	-
Shortfall at the end of the year	-	2.38
Total of previous years shortfall.	-	2.77

* Including previous year's shortfall

The Company's CSR Activities primarily involve in the promotion of education, healthcare, art and cultural promotion, animal welfare, rural developement, natural calamities relief and skill developement for underprivileged people.

The shortfall in the previous year has arisen due to the lack of eligible projects due to the impact of the pandemic.

44 DISCLOSURE AS REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT):

Particulars	As at 31 March, 2023	As at 31 March, 2022
Principal amount due to micro & small enterprises	202.28	45.31
Interest due on above	1.52	6.95
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 Company and has been relied upon by the auditors.

45 Previous year figures have been regrouped/ re-classified wherever necessary.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: 16 May, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

KAYNES TECHNOLOGY INDIA LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Ind AS financial statements of **Kaynes Technology India Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at 31 March, 2023, the Consolidated profit, the Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows for the year ended.

BASIS OF OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report of Holding company:

REVENUE RECOGNITION:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The company has ascertained that all performance obligations are performed at a point in time.

AUDITOR'S RESPONSE:

Audit procedures performed to address the key audit matter:

Our audit procedures included, among others, inquiries with management regarding significant new contracts and relevant changes in existing contracts.

The procedures also included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition.

On a sample basis, we reconciled revenue to the supporting documentation, such as sales orders, invoices and other relevant documents.

A specific emphasis was set on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognised in the proper accounting period by comparing revenues close to the balance sheet date with the respective contractual terms.

Our procedures also involved testing the performance obligations in the contract and the variable consideration, if any. We also test-checked instances for transfer of control to the customer with the necessary documentation.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position and financial performance, of the group in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of the companies included in the group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITY

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other Companies included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Independent Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the **"Annexure A"**, a statement on the matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March, 2023, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**

Independent Auditor's Report (Contd.)

g) In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March, 2023 on the consolidated financial position of the Group. Refer Note 29 to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

iv. a. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

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

b. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The Group has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

vi. As Proviso to rule 3(1) of Companies (Accounts) Rules 2014 is applicable for the company w.e.f 01 April 2023, the reporting under this clause is not applicable.

For **K.P. Rao & Co.**
Chartered Accountants
Firm Reg. No. 003135S

Mohan R Lavi
Partner
Membership No.: 029340
UDIN: 23029340BGWHWT8925

Place: Mysuru
Date: 16 May, 2023

ANNEXURE - A *TO THE INDEPENDENT AUDITOR'S REPORT*

(Referred to in report on other legal and regulatory requirements Section of our report of even date)

There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For **K.P. Rao & Co.**
Chartered Accountants
Firm Reg. No. 003135S

Mohan R Lavi
Partner
Membership No.: 029340
UDIN: 23029340BGWHWT8925

Place: Mysuru
Date: 16 May, 2023

ANNEXURE - B TO INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In conjunction with our audit of the consolidated financial statements of Kaynes Technology India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March, 2023, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the holding company and such Companies incorporated in India which are its subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note of Internal Financial Controls With reference to consolidated financial statements issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Holding Company have to be completely and appropriately documented.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to consolidated financial statements ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required by the Companies Act, 2013 ('the Act').

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting in the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. This includes those policies and procedures that:

i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **K.P. Rao & Co.**
Chartered Accountants
Firm Reg. No. 003135S

Mohan R Lavi
Partner
Membership No.: 029340
UDIN: 23029340BGWHWT8925

Place: Mysuru
Date: 16 May, 2023

Consolidated Balance Sheet

(All amounts are in ₹ mn, unless otherwise stated)

Particulars	Note	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	901.76	639.58
Capital work-in-progress	3(b)	111.63	44.20
Intangible assets	3(c)	220.94	289.73
Intangible under development	3(d)	181.80	39.09
Rights-of-Use Assets	3(e)	170.90	180.62
Goodwill		23.44	23.44
Financial assets			
i) Investments	4	32.76	15.16
ii) Loans and deposits	5(a)	69.64	58.28
iii) Other financial assets	5(b)	11.03	14.28
Other non-current assets	6	155.82	56.17
Total Non-Current Assets (A)		**1,879.72**	**1,360.55**
Current Assets			
Inventories	7	4,131.64	2,263.78
Financial asset			
i) Trade receivables	8(a)	2,270.66	1,977.26
ii) Cash and cash equivalents	8(b)	259.31	68.74
iii) Bank balances other than cash and cash equivalents	8(c)	4,600.65	147.20
iv) Loans and deposits	8(d)	29.88	16.91
v) Other financial assets	8(e)	79.27	2.74
Current Tax Assets (Net)	9	36.07	-
Other current assets	10	900.12	387.02
Total Current Assets (B)		**12,307.60**	**4,863.65**
Total Assets (A + B)		**14,187.32**	**6,224.20**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11(A)	581.42	461.58
Instruments entirely equity in nature	11(B)	-	3.79
Other Equity	12	9,009.00	1,560.48
Non-controlling Interest	13	13.07	11.32
Total Equity (A)		**9,603.49**	**2,037.17**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	14	150.42	292.79
- Lease liabilities	33	154.57	163.35
Deferred Tax Liabilities (Net)	15	76.91	67.75
Long Term Provisions	16	50.34	41.75
Total Non-current Liabilities (B)		**432.24**	**565.64**
Current Liabilities			
Financial Liabilities			
- Short-term borrowings	17(a)	1,208.57	1,402.67
- Trade payables	17(b)		
- Total outstanding dues of micro enterprises and small enterprises		216.45	47.92
- Total outstanding dues to other than micro enterprises and small enterprises		2,012.29	1,592.64
- Other financial liabilities	17(c)	105.75	77.29
- Lease liabilities	33	33.86	31.96
Current tax liabilities (net)	18	-	155.53
Other current liabilities	19	563.23	303.29
Short-term provisions	20	11.44	10.09
Total Current Liabilities (C)		**4,151.59**	**3,621.39**
Total Liabilities (B+C)		**4,583.83**	**4,187.03**
Total Equity and Liabilities (A+B+C)		**14,187.32**	**6,224.20**
Significant accounting policies and notes to financial statements	1 to 2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Rajesh Sharma
Chief Executive Officer

Place: Mysuru
Date: 16 May, 2023

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Consolidated Statement of Profit and Loss

(All amounts are in ₹ mn, except per equity share value)

Particulars	Note	For the year ended 31 March, 2023	For the year ended 31 March, 2022
INCOME			
Revenue from operations	21	11,261.14	7,062.49
Other Income	22	113.98	41.05
Total Income (A)		**11,375.12**	**7,103.54**
EXPENSES			
Cost of materials consumed	23	8,478.01	4,931.07
Changes in inventories of Finished goods and traded goods	24	(677.24)	(36.77)
Employee Benefit Expenses	25	770.99	602.35
Finance Cost	26	349.36	255.87
Depreciation and amortization expense	27	187.41	131.62
Other Expenses	28	1,006.20	629.13
Total Expenses (B)		**10,114.73**	**6,513.27**
Profit / (Loss) before tax (A-B)=C		**1,260.39**	**590.27**
Tax Expenses			
Income taxes - Current tax		292.43	153.07
- Earlier year tax adjustments		18.71	-
Deferred tax Charge/ (Credit)		(2.71)	20.45
Total tax expense (D)		**308.43**	**173.52**
Profit / (Loss) for the year (C - D)=E		**951.96**	**416.75**
Other comprehensive income (net)			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Re-measurement gains/ (losses) on defined benefit plans		(2.77)	(1.68)
- Exchange differences in translating financial statements of foreign operations		5.03	-
Income tax effect		0.70	(0.15)
Total other comprehensive income for the year, net of tax (F)		**2.96**	**(1.83)**
Total comprehensive income for the year, net of tax (E+F)		**954.92**	**414.92**
Less: Share of Profit /(Loss) of minority interest		1.75	2.27
Total comprehensive income for the year, net of tax		**953.17**	**412.65**
Earnings per share ₹ (nominal value of ₹ 10 each)			
Basic		19.84	9.96
Diluted		19.61	8.95
Significant accounting policies and notes to financial statement	1 to 2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Rajesh Sharma
Chief Executive Officer

Place: Mysuru
Date: 16 May, 2023

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Consolidated Statement of Cash Flows

(All amounts are in ₹ mn, unless otherwise stated)

Particulars			For the year ended 31 March, 2023	For the year ended 31 March, 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before extraordinary items and tax		1,260.39	590.27
	Adjustments for :			
	Depreciation and Amortisation Expense		187.41	131.62
	Provision for doubtful debts		14.99	8.95
	Unrealised foreign exchange gain (net)		0.48	(0.25)
	Interest expense		349.36	255.87
	Interest income		(98.16)	(10.59)
	Miscellaneous income (Liabilities written back)		(1.68)	(0.08)
	Operating profit before working capital changes, extraordinary items		**1,712.79**	**975.79**
	Adjustments for :			
	(Increase)/ decrease in Inventories		(1,867.86)	(625.13)
	(Increase)/Decrease in Trade receivables		(293.40)	(759.78)
	(Increase)/Decrease in Loans and Advances and other assets		(344.85)	(291.73)
	Increase/(Decrease) in Trade payable and other liabilities		870.18	920.37
	Increase/(Decrease) in Provisions		9.94	13.16
	Cash Generated (used in) / From Operations		**86.80**	**232.68**
	Income tax Received / (Paid)		(502.82)	(21.59)
	Net Cash from Operating Activities	**(A)**	**(416.02)**	**211.09**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets		(581.22)	(422.43)
	Interest received		98.16	10.59
	Investment in fixed deposits		(4,453.45)	(33.42)
	Net Cash used in Investing activities	**(B)**	**(4,936.51)**	**(445.26)**
C.	**NET CASH FROM/(USED) IN FINANCING ACTIVITIES**			
	Proceeds from issue of Share Capital :			
	- Equity		113.68	-
	- Preference		-	3.79
	Share Premium received :			
	- Equity		6,486.32	0.01
	- Preference		-	223.70
	Share issue expenses		(371.07)	-
	Repayment of long term borrowings		(142.37)	121.92
	Proceeds from short term borrowings		(194.10)	178.86
	Interest expense		(349.36)	(255.87)
	Net Cash from/(used) in Financing Activities	**(C)**	**5,543.10**	**272.41**
	Net Increase in Cash and Cash Equivalents	**(A)+(B)+(C)**	**190.57**	**38.24**
	Cash and cash equivalents as on April 01		68.74	30.50
	Cash and cash equivalents as on March 31		**259.31**	**68.74**

Consolidated Statement of Cash Flows (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

Particulars			For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Components of cash and cash equivalents			
	Balance with scheduled banks on:			
	- on Current Account		259.22	68.04
	- on deposit accounts		-	-
	Cash on Hand		0.09	0.70
			259.31	**68.74**

Notes

a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

b) Figures have been regrouped/ rearranged wherever necessary.

Significant accounting policies and notes to financial statement 1 to 2

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Rajesh Sharma
Chief Executive Officer

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: 16 May, 2023

Consolidated Statement of changes in equity

(All amounts are in ₹ mn, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	No. of Shares	Amount
As at April 01, 2021	**6,800,002**	**68.00**
Change during the year	39,358,004	393.58
As at March 31, 2022	**46,158,006**	**461.58**
Change during the year	11,984,490	119.84
As at 31 March, 2023	**58,142,496**	**581.42**

B. INSTRUMENTS ENTIRELY OF EQUITY NATURE

Particulars	CCPS Series A		CCPS Series B		CCPS Series C	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
As at April 01, 2021	**1,079,990**	**10.80**	**-**	**-**	**-**	**-**
Change during the year	(1,079,990)	(10.80)	333,323	3.33	45,823	0.46
As at March 31, 2022	**-**	**-**	**333,323**	**3.33**	**45,823**	**0.46**
Change during the year	-	-	(333,323)	(3.33)	(45,823)	(0.46)
As at 31 March, 2023	**-**	**-**	**-**	**-**	**-**	**-**

C. OTHER EQUITY

For the year ended 31 March, 2023

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity	Non Controlling Interest	Total
	Securities premium	General Reserve	Retained earnings	Debenture Redemption Reserve (DRR)	Employee stock options outstanding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasurement of defined benefit obligations			
As at April 01, 2022	**107.64**	**124.69**	**1,310.60**	**5.31**	**-**	**2.36**	**9.88**	**1,560.48**	**11.32**	**1,571.80**
Profit for the period	-	-	953.17	-	-	5.10	-	958.27	1.75	960.02
On issue of Equity shares	6,486.33	-	-	-	-	-	-	6,486.33	-	6,486.33
On conversion of Preference shares into equity	(2.39)	-	-	-	-	-	-	(2.39)	-	(2.39)
Utilised towards redemption of debentures	-	-	-	(5.31)	-	-	-	(5.31)	-	(5.31)
Transfer from Debenture redemption reserve	-	5.31	-	-	-	-	-	5.31	-	5.31
Share based payment expenses					6.31			6.31		6.31
Re-measurement of the net defined benefit liability/ asset, net of tax effect			(2.96)				2.96	-	-	-
Fair value adjustments of investments	-	-	-	-	-	-	-	-	-	-
As at 31 March, 2023	**6,591.58**	**130.00**	**2,260.81**	**-**	**6.31**	**7.46**	**12.84**	**9,009.00**	**13.07**	**9,022.07**

Consolidated Statement of changes in equity (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

For the year ended March 31, 2022

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Other Equity	Non Contr-olling Interest	Total
	Securities premium	General Reserve	Retained earnings	Debenture Redem-ption Reserve (DRR)	Employee stock options outstan-ding account (ESOP Reserve)	Foreign Currency Translation Reserve	Remeasu-rement of defined benefit obligations			
As at April 01, 2021	**266.71**	**110.88**	**897.00**	**19.12**	**-**	**2.36**	**11.71**	**1,307.78**	**9.05**	**1,316.83**
Profit for the period	-	-	412.65	-	-	-	-	412.65	2.27	414.92
On issue of New Preference shares	223.70	-	-	-	-	-	-	223.70	-	223.70
On issue of Equity shares	0.01	-	-	-	-	-	-	0.01	-	0.01
On issue of Bonus shares	(385.90)	-	-	-	-	-	-	(385.90)	-	(385.90)
On conversion of Preference shares into equity	3.12	-	-	-	-	-	-	3.12	-	3.12
Utilised towards redemption of debentures	-	-	-	(13.81)	-	-	-	(13.81)	-	(13.81)
Transfer from Debenture redemption reserve	-	13.81	-	-	-	-	-	13.81	-	13.81
Ind AS adjustments			0.10					0.10	-	0.10
Re-measurement of the net defined benefit liability/asset, net of tax effect			1.83				(1.83)	-	-	-
Fair value adjustments of investments	-	-	(0.98)	-	-	-	-	(0.98)	-	(0.98)
As at March 31, 2022	**107.64**	**124.69**	**1,310.60**	**5.31**	**-**	**2.36**	**9.88**	**1,560.48**	**11.32**	**1,571.80**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Rajesh Sharma
Chief Executive Officer

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Ramachandran Kunnath
Company Secretary
Membership No. A57817

Place: Mysuru
Date: 16 May, 2023

Notes to the Consolidated Financial Statements

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 24 March, 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 31 March, 2022.

The following entities are considered in these Consolidated financial information

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %	
			As at 31 March, 2023	As at 31 March, 2022
Kaynes Technology India Limited	Holding	India	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	100.00	-
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00

2 BASIS OF PREPARATION

A. Statement of compliance

These Consolidated Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

- Section 26 of part I of Chapter III of the Act;
- relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and
- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

Functional and presentation currency

Items included in the Consolidated Financial Information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Information are presented in Indian rupee (₹), 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 ₹ 100,000 have been rounded and are presented as ₹ 0.00 Millions in the Consolidated Financial Information.

Basis of measurement

The Consolidated financial information has been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities	Fair Value
Defined benefits liability	Fair value of plan assets less present value of defined benefit obligations

2.1 Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(b) Held primarily for the purpose of trading,

(c) Expected to be realised within twelve months after the reporting period, or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(a) It is expected to be settled in normal operating cycle,

(b) It is held primarily for the purpose of trading,

(c) It is due to be settled within twelve months after the reporting period, or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.2 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability."

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Estimates include provision for employee benefits, allowances for uncollectible trade receivables / advances / contingencies, useful life of fixed assets, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 37 – measurement of defined benefit obligations: key actuarial assumptions;

Notes 29 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 39 – impairment of financial assets;

2.4 Foreign currency translation

The Company's financial statements are presented in ₹, which is also the parent company's functional currency. For each foreign operation, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency exchange rates at the reporting date. Non-monetary assets and liabilities that are carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of Exchange Differences

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges, to the extent the hedges are effective, which are recognised in other comprehensive income (OCI).

2.5 Principles of consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements;

(iii) The Group's voting rights and potential voting rights;

(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on 31 March.

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 recognised in the Consolidated Financial Statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) Derecognises the carrying amount of any non-controlling interests.

(iii) Derecognises the cumulative translation differences recorded in equity.

(iv) Recognises the fair value of the consideration received.

(v) Recognises the fair value of any investment retained.

(vi) Recognises any surplus or deficit in profit or loss.

(vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e. Subsidiaries considered in the Consolidated Financial Statements:

Name of Entity	Relationship	Country of Incorporation	Ownership Interest in %	
			As at 31 March, 2023	As at 31 March, 2022
Kaynes Technology India Limited	Holding	India	100.00	100.00
Kaynes International Design & Manufacturing Private Limited	Subsidiary	India	95.21	95.21
Kemsys Technologies Private Limited	Subsidiary	India	100.00	100.00
Kaynes Embedded Systems Private Limited	Subsidiary	India	60.00	60.00
Kaynes Electronics Manufacturing Private Limited	Subsidiary	India	100.00	-
Kaynes Technology Europe GmbH	Subsidiary	Switzerland	60.00	60.00

2.6 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognised 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 recognised 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 recognised as and when the performance obligation is satisfied. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets.

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.

Contract Liability

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

The company presents revenues net off indirect taxes in the statement of profit and loss.

2.7 Other Income

Interest income is recognised on time proportion basis and other income, if any, recognised on the basis of certainty of receipts and on accrual basis and this is included in the finance income in the statement of profit and loss.

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Government Grant:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.8 Employee Benefits

a) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Provident Fund

This is a defined benefit plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions equal to a specified percentage of the employee's salary to the provident fund. The Company contributes to the government administered pension fund.

c) Gratuity

This is a defined benefit plan. The Company provides for Gratuity covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

d) Leave Encashment

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Company's liability for Gratuity and Leave encashment are actuarially determined using the Projected Unit Credit method at the end of each year.

Actuarial gains and losses are recognised immediately in the retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled.

e) Employees' Stock Option Plans (ESOP)

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

f) Social Security 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

2.9 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Financial instruments

2.11 Financial assets

Initial recognition and measurement

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Consolidated Statement of Profit and Loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

Amortised cost;

Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or

Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at FVOCI: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Other Comprehensive Income.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2.12 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

The rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

a. the group has transferred substantially all the risks and rewards of the asset, or

b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.13 Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

(i) Financial assets measured at amortised cost;

(ii) Financial assets measured at fair value through other comprehensive income (FVTOCI);

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 usefull life of the building as ascertained by an independent valuer over the remaining lease period or life specified in the Companies Act for such building whichever is lower.

Asset Category	Management estimate of useful life & Useful life as per Schedule II
Land	Unlimited
Buildings	60
Plant & Equipment	15
Furniture & Fittings	10
Office Equipments	5
Electrical Fittings	10
Computers	3
Vehicles	8
Airconditioners	5
Leasehold Improvement	3
Software	5
Technical know-how	5

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life of the product. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end.

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.

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 interest 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 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 recognised 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 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

Since the effective date for adoption of the above amendments is annual periods beginning on or after 01 April, 2023, there is no impact on the financial statements for the year ended 31 March, 2023.

Notes to the Consolidated Financial Statements

(All amounts are in ₹ mn, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

Particulars			Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Gross Block		As at 01 April, 2021	24.87	170.63	581.86	46.13	17.12	18.58	28.77	63.12	10.73	17.03	978.85
	2021-22	Additions during the year	7.60	0.75	102.70	8.50	1.05	2.65	5.41	4.10	1.62	0.18	134.56
		Deletions during the year	-	-	-	-	-	-	-	(1.22)	-	-	(1.22)
		As at 31 March, 2022	32.47	171.38	684.56	54.63	18.17	21.23	34.18	66.00	12.35	17.21	1,112.19
	2022-23	Additions during the year	57.59	-	249.97	4.42	1.86	0.80	7.47	15.04	1.27	-	338.42
		Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
		As at 31 March, 2023	90.06	171.38	934.53	59.05	20.03	22.03	41.65	81.04	13.62	17.21	1,450.61

Particulars			Tangible Assets										Total
			Land	Buildings	Plant & Equipment	Furniture & Fittings	Office Equipments	Electrical Fittings	Computers	Vehicles	Air conditioners	Leasehold Improvement	
Accumulated Depreciation		As at 01 April, 2021	-	19.93	254.35	27.39	13.70	11.83	26.10	32.94	8.37	13.59	408.20
	2021-22	Charge for the year	-	5.79	40.27	3.82	1.15	1.17	3.12	6.44	0.96	2.19	64.91
		Deletions during the year/ written off	-	-	-	-	-	-	-	(0.50)	-	-	(0.50)
		As at 31 March, 2022	-	25.72	294.62	31.21	14.85	13.00	29.22	38.88	9.33	15.78	472.61
	2022-23	Charge for the year	-	5.76	50.90	4.04	1.27	1.29	3.94	6.75	1.14	1.15	76.24
		Deletions during the year / written off	-	-	-	-	-	-	-	-	-	-	-
		As at 31 March, 2023	-	31.48	345.52	35.25	16.12	14.29	33.16	45.63	10.47	16.93	548.85
Net Block		Net Block											
		As at 31 March, 2023	90.06	139.90	589.01	23.80	3.91	7.74	8.49	35.41	3.15	0.28	901.76
		As at 31 March, 2022	32.47	145.66	389.94	23.42	3.32	8.23	4.96	27.12	3.02	1.43	639.58

3 (a) Capitalised Expenditure

Borrowing cost:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance brought down	0.44	1.38
Interest expenses	7.30	6.26
Sub-Total	**7.74**	**7.64**
Less: Allocated to property, plant and equipment	-	(7.20)
Balance carried over (included in capital work in progress)	**7.74**	**0.44**

3 (b) Capital Work in Progress

Particulars	Tangible Assets under Construction or Installation	Total
As at 01 April, 2021	**10.06**	**10.06**
Additions/Adjustment	33.70	33.70
Capitalization of Interest	0.44	0.44
Capitalized in 2021-22	-	-
As at 31 March, 2022	**44.20**	**44.20**
Additions/Adjustment	64.23	64.23
Capitalization of Interest	3.20	3.20
Capitalized in 2022-23	-	-
As at 31 March, 2023	**111.63**	**111.63**

Capital work in progress ageing schedule

As at 31 March, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	67.43	44.20	-	-	111.63
Project temporarily suspend	-	-	-	-	-
Total	**67.43**	**44.20**	**-**	**-**	**111.63**

As at 31 March, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	34.14	10.06	-	-	44.20
Project temporarily suspend	-	-	-	-	-
Total	**34.14**	**10.06**	**-**	**-**	**44.20**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

3 (c) Intangible Assets

Particulars			Intangible Assets		Total
			Software	Technical know-how	
Gross Block		**As at 01 April, 2021**	**18.26**	**144.80**	**163.06**
	2021-22	Additions during the year	19.87	177.98	197.85
		Deletions during the year	-	-	-
		As at 31 March, 2022	**38.13**	**322.78**	**360.91**
	2022-23	Additions during the year	-	-	-
		Deletions during the year	-	-	-
		As at 31 March, 2023	**38.13**	**322.78**	**360.91**

Particulars			Intangible Assets		Total
			Software	Technical know-how	
Accumulated Depreciation		**As at 01 April, 2021**	**13.90**	**22.21**	**36.11**
	2021-22	Charge for the year	2.37	32.70	35.07
		Deletions during the year/ written off	-	-	-
		As at 31 March, 2022	**16.27**	**54.91**	**71.18**
	2022-23	Charge for the year	5.89	62.90	68.79
		Deletions during the year / written off	-	-	-
		As at 31 March, 2023	**22.16**	**117.81**	**139.97**
Net Block					
		As at 31 March, 2023	**15.97**	**204.97**	**220.94**
		As at 31 March, 2022	**21.86**	**267.87**	**289.73**

3 (d) Intangible Assets under development

Particulars	Computer Software Under Development	Technical Knowhow (including Designs & Prototypes) Under Development	Total
As at 01 April, 2021	**15.70**	**100.48**	**116.18**
Additions/Adjustment	4.17	110.77	114.94
Capitalisation of Interest	-	5.82	5.82
Capitalised in 2020-21	(19.87)	(177.98)	(197.85)
As at 31 March, 2022	**-**	**39.09**	**39.09**
Additions/Adjustment	-	138.61	138.61
Capitalisation of Interest	-	4.10	4.10
Capitalised in 2022-23	-	-	-
As at 31 March, 2023	**-**	**181.80**	**181.80**

Intangible Assets under Development Ageing Schedule

As at 31 March, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	142.71	10.49	28.60	-	181.80
Project temporarily suspend	-	-	-	-	-
Total	**142.71**	**10.49**	**28.60**	**-**	**181.80**

As at 31 March, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	10.49	28.60	-	-	39.09
Project temporarily suspend	-	-	-	-	-
Total	**10.49**	**28.60**	**-**	**-**	**39.09**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company** **also indicate if in dispute
PPE	Land	1.183	P.K. Bansal	NA	12 April, 2012	To be registered

3 (e) Right of Use Assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning	180.62	78.57
Additions during the year	29.11	134.22
Deletions during the year	3.55	(0.54)
Depreciation during the year	(42.38)	(31.63)
Closing Balance	**170.90**	**180.62**

NON-CURRENT ASSETS

FINANCIAL ASSET

4 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unquoted		
Investments - Non-Trade		
Investments in Equity instruments	13.44	10.83
Investments in Others	19.32	4.33
Total	**32.76**	**15.16**

4.1 Detail of Non-Current Investments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial assets measured at FVTOCI		
(i) Investment in equity instruments -Equity Shares		
(a) Other than Subsidiary Company		
Winfoware Technologies Limited	10.80	10.80
Mysuru ESDM Cluster	2.64	0.03
(ii) Financial assets measured at FVTPL		
Investments in Mutual Funds (Quoted)	19.32	4.33

4.2 Additional disclosure

Investments in equity instruments- Others

a) Investment in Winfoware Technologies Limited 1,487,120 equity shares (2022: 1,487,120) face value of ₹ 5/- each purchased at a premium, constitutes 18.98% of the capital of that company.

b) Investment in Mysuru ESDM Cluster (Company constituted under section 8 of the Companies Act 2013), 2,500 equity shares of ₹ 10/- each constitutes 0.18% (2022: 0.18%) of the capital of that company.

Investments in Mutual Funds

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Units	Total NAV	Units	Total NAV
Canara Robeco Capital Protection Oriented Regular Growth Fund			-	-
Canara Robeco Capital Protection Oriented Regular Growth Fund			-	-
Canara Robeco Emerging Equities - Regular Growth Fund	2,273.13	0.36	2,273.13	0.36
Canara Robeco Emerging Equities - Regular Growth Fund	315.66	0.05	315.66	0.05
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	976.67	0.24	976.67	0.24
Canara Robeco Equity Hybrid Fund - Regular Growth Fund	135.30	0.03	135.30	0.03
Canara Robeco Infrastructure - Regular Growth Fund	1,711.00	0.14	1,711.00	0.13
Canara Robeco Blue Chip Equity Fund	6,474.13	0.26	6,474.13	0.27
Canara Robeco Large Capital Fund - Regular Growth Fund	1,320.41	0.05	1,320.41	0.05
Canara Robeco Consumer Trends Fund - Regular Growth	1,083.76	0.07	1,083.76	0.07
Canara Robeco Flexi Cap Fund - Regular Growth	404.53	0.09	404.53	0.09
Canara Robeco Mid Cap Fund - Regular Growth(MDGP)	999,950.00	9.67	-	-
SBI Magnum low duration Fund	890.56	2.66	890.56	2.53
SBI Balanced Advantage Fund	49,997.50	0.54	49,997.50	0.51
SBI Fixed Maturity Plan	499,975.01	5.16	-	-
Total		**19.32**		**4.33**

5 FINANCIAL ASSET

NON-CURRENT

5 (a) Loans and deposits, carried at amortised cost Unsecured considered good (Unless Otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Rental Deposits	24.00	21.82
Loans to related party	-	23.63
Utility Deposits	5.03	3.58
EMD Deposits	10.61	9.25
NSE Deposits	30.00	-
Total	**69.64**	**58.28**

5 (b) Other non current financial assets (At Amortised Cost) Unsecured considered good (Unless Otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances recoverable in cash, kind or to value to be received	11.03	14.28
Total	**11.03**	**14.28**

6 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
Capital Advances	150.31	48.17
Prepaid Rent	5.51	8.00
Total	**155.82**	**56.17**

CURRENT ASSETS

7 INVENTORIES (AT COST OR NET REALISABLE VALUE WHICHEVER IS LOWER)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw materials	2,820.80	1,748.30
Work-in-progress	858.61	154.67
Finished Goods	210.03	236.73
Goods-in-transit	173.14	61.52
Consumables, stores and spares	69.06	62.56
Total	**4,131.64**	**2,263.78**

8 CURRENT FINANCIAL ASSETS

8 (a) Trade receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, Considered Good(Unless otherwise stated)	2,270.66	1,977.26
Unsecured, Considered Doubtful	91.70	76.71
Less - expected credit loss allowance	(91.70)	(76.71)
Total	**2,270.66**	**1,977.26**

Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at the Beginning of the year / period	76.71	67.76
Add: Provided during the year / period	14.99	8.95
Less: Amount written off		
Balance at the end of the year / period	**91.70**	**76.71**

(i) Trade Receivables Ageing Schedule:

Undisputed Trade receivables – considered good	As at 31 March, 2023	As at 31 March, 2022
Less than 6 months	1,657.74	1,698.71
6 months - 1 year	241.43	150.51
1 -2 years	273.59	42.82
2 -3 years	22.73	21.98
More than 3 years	75.17	63.24
Total	**2,270.66**	**1,977.26**

Note:

a. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.

b. The trade receivables of the Company has been pledged with banks for availing working capital and other facilities.

8 (b) Cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance with banks		
- In Current accounts	259.22	68.04
- Deposits with Bank	-	-
Cash on hand	0.09	0.70
Total	**259.31**	**68.74**

8 (c) Other Bank Balances

Particulars	As at 31 March, 2023	As at 31 March, 2022
Debit Balance in Cash Credit	-	0.01
Deposits with original maturity for less than 12 months	4,559.81	95.26
Margin Money and Other Deposits *	40.84	51.93
Total	**4,600.65**	**147.20**

*Deposits held with banks for issue of bank guarantees, letters of credit and guarantees to customs authorities.

8 (d) Loans and deposits, carried at amortised cost

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, Considered Good(Unless otherwise stated)		
Loans to related party		
Loans to employees	29.88	16.91
Total	**29.88**	**16.91**

8 (e) Other current financial assets (At Amortised Cost)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Interest accrued	78.82	2.29
Insurance claim receivable	0.45	0.45
Total	**79.27**	**2.74**

9 INCOME TAX ASSETS (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance income tax	308.60	-
Less: Provision for income taxes	(272.53)	-
Total	**36.07**	**-**

10 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
Advances for supply of goods	303.20	294.51
MAT Credit Entitlement	0.96	0.96
Prepaid Expenses	449.94	35.70
Balance with government authorities	124.61	52.16
Contract Asset- Unbilled revenue	10.93	3.69
Other Advances	10.48	-
Total	**900.12**	**387.02**

11 SHARE CAPITAL

(A) Equity Share Capital

i) Authorised

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at 01 April, 2021	8,000,000	80.00
Increase during the year	55,000,000	550.00
Balance as at 31 March, 2022	**63,000,000**	**630.00**
Increase during the year	7,000,000	70.00
Balance as at 31 March, 2023	**70,000,000**	**700.00**

Pursuant to a resolution of Board of Directors dated 08 April, 2022 and the shareholders meeting dated 08 April, 2022, the Authorised Share Capital of the Company has been increased from ₹ 630 mn consisting of 63,000,000 Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 700 mn consisting of 70,000,000 Equity Shares of ₹ 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	Equity Share Capital	
	No of Shares	Amount
Balance as at 01 April, 2021	6,800,002	68.00
Add: Shares issued during the year	20	-
Add: Conversion of Preference shares into equity	767,866	7.68
Add: Bonus shares issued during the year	38,590,118	385.90
Balance as at 31 March, 2022	**46,158,006**	**461.58**
Add: Shares issued during the year	11,367,720	113.68
Add: Conversion of Preference shares into equity	616,770	6.17
Balance as at 31 March, 2023	**58,142,496**	**581.42**

iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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% of Equity Shares

Name of Share holder	As at 31 March, 2023	As at 31 March, 2022
Mr. Ramesh Kunhikannan	36,943,633	40,780,042
% of Share holding	63.54%	88.35%
Ms. Freny Firoz Irani	1,798,924.00	4,967,369.00
% of Share holding	3.09%	10.76%

Note: For the period of five years immediately preceding 31 March, 2023

(a) No shares were allotted as fully paid-up pursuant to contract(s) without payment being received in cash

(b) Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Equity share of ₹ 10/- each	No. of shares	Amount (₹)
(c) Financial Year Ended 31 March, 2023		
i) The Company has issued 1,439,237 and 899,523 fully paid up equity shares of ₹ 10 each during the financial year by way of Pre-IPO placement on approval accorded by the EGM held on 10 October, 2022 and 14 October, 2023 respectively.	2,338,760	23.39
ii) The Company has issued 9,028,960 fully paid up equity shares of ₹ 10 each during the financial year through Initial Public Offer (IPO) on approval accorded by the EGM held on 01 April, 2022.	9,028,960	90.29
iii) The Company has issued 616,770 fully paid up equity shares of ₹ 10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on 22 October, 2022.	616,770	6.17
(d) Financial Year Ended 31 March, 2022		
i) The Company has issued 38,465,005 fully paid up equity shares of ₹ 10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on 25 February, 2022. 5 shares of ₹ 10 each were allotted for every one equity shares held in the Company.	38,465,005	384.65

Equity share of ₹ 10/- each	No. of shares	Amount (₹)
ii) The Company has issued 55,605 fully paid up equity shares of ₹ 10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on 24 December, 2021. 11,121 Bonus shares of ₹ 10 each were allotted for every 95,998 Compulsory convertible preference shares held in the Company.	55,605	0.56
iii) The Company has issued 69,508 fully paid up equity shares of ₹ 10 each during the financial year as bonus shares on approval accorded by the shareholders at the EGM held on 24 December, 2021. 17,377 Bonus shares of ₹ 10 each was allotted for every 150,000 Compulsory convertible preference shares held in the Company.	69,508	0.70

(e) No shares were bought back in any of the years.

(f) No calls are unpaid by any director or officer of the Company during the year.

v) Shareholding of Promoters

Promoter Name	As at 31 March, 2023	As at 31 March, 2022
Mr. Ramesh Kunhikannan		
- No. of Shares held	36,943,633	40,780,042
- Percentage of holding	63.54%	88.35%
- Changes during the year	(24.81%)	(11.60%)
Mrs. Savitha Ramesh		
- No. of Shares held	19,800	19,800
- Percentage of holding	0.03%	0.04%
- Changes during the year	(0.01%)	(0.01%)
RK Family Trust (Ramesh Kunhikannan)		
- No. of Shares held	100	-
- Percentage of holding	0.00%	-
- Changes during the year	0.00%	-

(B) Instruments entirely equity in nature

Compulsorily Convertible Preference Share Capital

i) Authorised

Particulars	No of Shares	Amount
Balance as at 01 April, 2021	**2,000,000**	**20.00**
Increase during the year	-	-
Balance as at 31 March, 2022	**2,000,000**	**20.00**
Increase during the year	-	-
Balance as at 31 March, 2023	**2,000,000**	**20.00**

Pursuant to a resolution of the Board of Directors dated 05 June, 2020 and the shareholders meeting dated 05 June, 2020, the Authorised Share Capital of the Company has been reclassified to ₹ 10 mn consisting of 1,000,000 Preference Shares of ₹ 10/- (Rupees Ten only) and a resolution of Board of Directors dated 11 October, 2020 and the shareholders meeting dated 11 October, 2020, the Authorised Share Capital of the Company has been increased from ₹ 10 mn consisting of 1,000,000 Preference Shares of ₹ 10/- (Rupees Ten only) each to ₹ 20 mn consisting of 2,000,000 Preference Shares of ₹ 10/- each (Rupees Ten only).

ii) Shares issued, subscribed and fully paid-up

Particulars	No of Shares	Amount
Balance as at 01 April, 2021	**1,079,990**	**10.80**
Add: Shares issued during the year	379,146	3.79
Add: Bonus shares issued during the year	-	-
Less: Share converted into equity during the year	(1,079,990)	(10.80)
As at 31 March, 2022	**379,146**	**3.79**
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share converted into equity during the year	(379,146)	(3.79)
Balance as at 31 March, 2023	**-**	**-**

iii) Terms/rights attached to Preference shares:

The Preference Shareholders shall carry such voting rights as are exercisable by persons holding Equity Shares in the Company and shall be treated pari passu with the Equity Shares on all voting matters. In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding and are also eligible to participate in surplus funds.

iv) Shareholders holding more than 5 % of Preference Shares

Name of Share holder	As at 31 March, 2023	As at 31 March, 2022
Mrs. Freny Firoze Irani		
- No. of shares held	-	250,000
- % of share holding	-	65.94%
Mr. Ganesh Cherapuram Balasubramanian		
- No. of shares held	-	83,323
- % of share holding	-	21.98%
Mr. Bharadwaj Turlapati		
- No. of shares held	-	45,823
- % of share holding	-	12.09%

Note: For the period of five years immediately preceding 31 March, 2023

During the financial year ended 31 March, 2023;

The Company has issued 616,770 fully paid up equity shares of ₹ 10 each during the financial year on conversion of Compulsory Converible Preference Share on approval accorded by the EGM held on 22 October, 2022.

During the financial year ended 31 March, 2022, the Company has issued;

(a) 83,323 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 590 per share to a Resident Indian Mr. Ganesh Cherapuram Balasubramanian which carries cumulative dividend of 0.01% per annum on 22 October, 2021.

(b) 250,000 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 590 per share to a Non-Resident Indian Mrs. Freny Firoze Irani which carries cumulative dividend of 0.01% per annum on 01 November, 2021. (iii) 45,823 0.01% Compulsorily Convertible Cumulative Participating Preference Shares (CCPS) of ₹ 10 each at a premium of ₹ 590 per share to a Resident Indian Mr. Bharadwaj Turlapati which carries cumulative dividend of 0.01% per annum on 25 December, 2021.

Note on CCPS Conversion

Conversion Option as at 31 March, 2022:

CCPS shall compulsorily convert into Equity shares of the Company, at the conversion valuation, upon occurrence of any of the following events:

a. At the latest time permitted under applicable laws, when considering the listing of the Equity shares of the Company pursuant to an IPO;

b. Expiry of 120 months from the Execution Date ("Investment period") or

c. Any time prior to the expiry of the Investment period at the option of the Investor.

12 OTHER EQUITY

Particulars	As at 31 March, 2023	As at 31 March, 2022
Securities premium (refer note i)	6,591.58	107.64
General Reserve (refer note ii)	130.00	124.69
Surplus in the profit and loss statement (refer note iii)	2,260.81	1,310.60
Debenture redemption reserve (refer note iv)	-	5.31
Foreign currency translation reserve (refer note v)	7.46	2.36
Remeasurement of defined benefit obligations (refer note vi)	12.84	9.88
Employee stock options outstanding account (ESOP Reserve)	6.31	-
	9,009.00	**1,560.48**

i) Securities Premium

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**107.64**	**266.71**
Changes during the year	6,483.94	(159.07)
As at end of the year	**6,591.58**	**107.64**

ii) General Reserve

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**124.69**	**110.88**
Add: Transfer from Debenture redemption reserve	5.31	13.81
As at end of the year	**130.00**	**124.69**

iii) Surplus in the profit and loss statement

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**1,310.60**	**897.00**
Add: Profit for the year	953.17	412.65
Less: Other Comprehensive Loss	(2.96)	1.83
Ind AS 116	-	0.10
Fair Value adjustment of Investment	-	(0.98)
As at end of the year	**2,260.81**	**1,310.60**

iv) Debenture Redemption Reserve

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**5.31**	**19.12**
Less : Transferred to General Reserve on utilisation for redemption of debentures	(5.31)	(13.81)
As at end of the year	**-**	**5.31**

v) Foreign currency translation reserve

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**2.36**	**2.36**
Translation as per Non Integral Foreign Operations	5.10	-
As at end of the year	**7.46**	**2.36**

vi) Remeasurement of defined benefit obligations

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**9.88**	**11.71**
Add: Changes during the year	2.96	(1.83)
As at end of the year	**12.84**	**9.88**

vii) Employee stock options outstanding account (ESOP Reserve)

Particulars	As at 31 March, 2023	As at 31 March, 2022
At beginning of the year	**-**	**-**
Add: Share based payment expenses	6.37	-
Less: Adjustment on forfeiture of ESOP	(0.06)	-
As at end of the year	**6.31**	**-**

Note

1. Securities premium account is used to record the premium received on issue of share. It is utilised in accordance with the provisions of the Companies Act, 2013.
2. General reserve is the free reserve created out of the retained earnings of the Company. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
3. The debenture redemption reserve is created as per Section 71 of the Companies Act-2013 read with rule 18(7) of the Companies (Share Capital and Debentures) Rules 2014.
4. The adequacy of Debenture Redemption Reserve has been reduced from 25% to 10% as per notification dated 16 August, 2019. However the Company has adopted the same during the current period and transferred the differential amount to General reserves.

13 NON CONTROLLING INTEREST

Particulars	As at 31 March, 2023	As at 31 March, 2022
Non Controlling Interest	13.07	11.32
	13.07	**11.32**

NON CURRENT LIABILITIES

14 FINANCIAL LIABILITIES

Particulars	As at 31 March, 2023	As at 31March, 2022
Borrowings		
Term loans from banks & financial institutions		
- Secured	146.59	326.50
Non-Convertible Debenture		
- Secured	-	29.75
Vehicle loan - Secured	18.75	20.14
Less: Current maturities of Long term borrowings		
Term loans from banks & financial institutions		
- Secured	(7.61)	(43.00)
Non-Convertible Debenture		
- Secured	-	(34.00)
Vehicle loan - Secured	(7.31)	(6.60)
	150.42	**292.79**

Term Loans from Banks

Term Loans have been availed from various banks. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the Company has given collateral security of Factory Land and Building situated at Belagola. (Food) Industrial Area, Mysuru, Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 72 months .

Term Loans from Financial Institutions-Secured

Term Loans have been availed from various financial institutions. The Company has given primary hypothecation of inventory and Trade Receivables as security for these loans. In addition, the Company has hypothecated plant and machinery. Interest rates on these loans vary from 8% to 18%. Repayment schedule of these loans vary from 24 months to 72 months.

Non-Convertible Debentures- Secured

NCDs have been secured by specific plant and machinery and specific receivables. These are guaranteed by personal guarantee of promoter director of the Company. 33% shares of the Company held by one of the promoter/director has been pledged. These Debentures are repayable in 16 quarterly instalments. This NCDs was redeemed during 2022-23.

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 31 March, 2023	As at 31 March, 2022
Term Loans from banks - Secured	Saraswat Bank	Repayable in 12 months in 6 equal monthly instalments after a moratorium of 6 months from date of disbursement.	-	112.00
Term loans from Bank - Secured	Canara Bank	Repayable in 24 months in 18 equal monthly instalments after a moratorium of 6 months from date of disbursement.	-	3.12
	Canara Bank - GECL - 3	Repayable in 72 months in 48 equal monthly instalments after a moratorium of 24 months from date of disbursement.	-	45.00
	HDFC Bank Term Loan (Covid)		112.00	-
	Saraswat Bank	Repayable in 60 months in 48 equal monthly instalments after a moratorium of 12 months from date of disbursement.	-	109.67
	State Bank of India		-	30.36
	State Bank of India		-	16.91
	State Bank of India		1.85	3.19

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			As at 31 March, 2023	As at 31 March, 2022
Term loans - From Financial Institutions - Secured	Sundaram Finance Machinery Loan -1	Repayable in 47 monthly instalments from the date of loan.	4.45	-
	Sundaram Finance Machinery Loan - 3	Repayable in 60 monthly instalments from the date of loan.	4.95	6.25
	Sundaram Finance Machinery Loan - 4		3.19	-
	Sundaram Finance Machinery Loan - 5		20.15	-
Non-Convertible Debenture - Secured	IL & FS - 15% Secured Non-Convertible Debentures	Repayable in 16 quarterly instalments with the first repayment starting from 30 June, 2019 onwards.	-	29.75
Vehicle Loan - From Bank - Secured	Jeep Loan	Repayable in 60 monthly instalments from date of Loan.	-	0.17
	Hdfc Car Loan - Tata Nexon		0.14	0.39
	Hdfc Car Loan - Jeep Compas		0.44	0.97
	Hdfc Car Loan - Innova		0.41	0.94
	Hdfc Car Loan - Benz		1.33	3.31
	SBI Loan - Mini Cooper		0.87	1.55
	Canara Car Loan-Skoda Octavia		1.20	-
	Saraswat Car Loan-Seltos		0.60	0.85
	Saraswat Car Loan-Nex		0.56	0.81
	Saraswat Car Loan - Bmw		2.54	3.37
	Saraswat Car Loan - Ertiga		0.60	0.81
	Saraswat Car Loan - Santro		0.37	0.50
	Car Loan		2.50	3.17
	Saraswat Bus Loan		1.33	1.69
	Saraswat Car Loan - Harrier		1.96	-
	Saraswat Car Loan - Skoda Kushaq		1.49	-
	Saraswat Car Loan - Innova Crysta		2.41	-
	Canara Car Loan-Skoda Octavia	Repayable in 72 monthly instalments from date of loan.	-	1.61

15 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred Tax Liability		
Property plant and equipment: timing differences on account of depreciation allowance.	95.16	71.57
Actuarial Gain/Loss	1.48	1.87
Fair Valuation of Mutual Funds	0.14	0.54
Gross deferred tax liability	**96.78**	**73.98**
Deferred Tax Asset		
Security Deposits	(0.08)	(0.09)
Actuarial Gain/Loss	-	(0.59)
Leases	(0.13)	(4.40)
Expenses: timing differences on expenses allowable on payment basis.	(20.23)	(1.16)
Gross deferred tax asset	**(20.44)**	**(6.23)**
Net deferred tax liability	**76.91**	**67.75**

16 LONG TERM PROVISIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for Gratuity	34.52	34.53
Provision for compensated absences	15.82	7.22
	50.34	**41.75**

CURRENT LIABILITIES

17 FINANCIAL LIABILITIES

(a) Current borrowings (At Amortised Cost)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Credit Balance - Cash credit from banks (Secured)	705.19	1,158.19
Loans from Others (Unsecured)	0.56	21.55
Rupee Packing Credit (Secured)	389.51	139.33
Foreign Currency Packing Credit (Secured)	98.39	-
Current maturities of Long term borrowings		
- Term loans from banks & financial institutions		
- Secured	7.61	43.00
- Non-Convertible Debenture_Secured	-	34.00
- Vehicle loan	7.31	6.60
Total	**1,208.57**	**1,402.67**

Cash credit/Packing Credit from banks (Secured)

Secured Cash credit and Packing credit from Banks are secured against the hypothecation of stock of raw materials, work-in-progress, finished goods, book debts outstanding and common collateral security of factory land and building, canteen building and plant and machinery. Canara Bank which has approved a cash credit, packing credit and bill discounting facility holds a paripassu charge along with HDFC Bank, Indusind Bank and State Bank of India.

Loans from Others (Unsecured)

Short term loans from shareholders are repaid in FY 23 and closed.

The Break up of above loans is tabulated below

Loan Type	Loan Name	Repayment Terms	Amount outstanding	
			As at 31 March, 2023	As at 31 March, 2022
Cash credit from banks (secured)	Canara Bank	Repayable on Demand	206.27	354.64
	Canara Bank ST		3.06	
	Saraswat Bank		-	388.01
	State Bank of India		(100.75)	167.19
	SBI Parwanoo		(2.98)	(1.65)
	HDFC Bank		2.39	-
	Indusind Bank		(53.41)	-
	Indusind Bank ST		(2.00)	-
	Axis Bank		(127.39)	-
Term Loans from others - Unsecured	Loans from Others	12M or 10M Months differs by Party	0.56	21.51
Working Capital Loan	HDFC Bank	Repayable within 180 days from the date of disbursement.	780.00	250.00
Rupee Packing Credit - Secured	Canara Bank - Packing Credit FBE	Repayable on Demand	98.73	99.12
	Indusind Bank - EPC		52.03	-
	SBI Packing Credit		159.48	-
	State Bank of India - EPC		79.27	40.21
Foreign Currency Packing Credit - Secured	Indusind Bank - PCFC		98.39	-

(b) Trade payables (At Amortised Cost)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Dues to micro enterprises and small enterprises (refer note 46)	216.45	47.92
Dues to other than micro enterprises and small enterprises	2,012.29	1,592.64
Total trade payables	**2,228.74**	**1,640.56**

Ageing Schedule

As at 31 March, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	216.10	0.35	-	-	216.45
Others	1,929.73	73.78	9.24	(0.45)	2,012.29

As at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	47.20	0.72	-	-	47.92
Others	1,951.75	84.73	12.23	17.34	2,066.04

(c) Other current financial liabilities carried at amortised cost

Particulars	As at 31 March, 2023	As at 31 March, 2022
Payables - Capital Goods	0.02	-
Employee benefits payable	86.51	70.44
Interest accrued and due on borrowings	19.22	6.85
	105.75	**77.29**

18 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for income taxes (net of advance income taxes)	-	155.53
	-	**155.53**

19 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance from customers	203.32	139.17
Statutory dues and related liabilities	47.52	22.45
Other payables	312.39	141.67
	563.23	**303.29**

20 SHORT-TERM PROVISIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits		
Provision for Gratuity	8.66	7.70
Provision for Compensated absence	1.81	1.25
Other Provisions	0.97	1.14
	11.44	**10.09**

21 REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Sale of Goods	10,911.56	6,833.00
Sale of services	349.58	229.49
	11,261.14	**7,062.49**

The Company derives revenue from the transfer of goods & services in the following geographical regions

Particulars	As at 31 March, 2023	As at 31 March, 2022
India	9,599.64	5,650.72
Outside India	1,661.50	1,411.77
	11,261.14	**7,062.49**

Timing of Revenue Recognition

Particulars	As at 31 March, 2023	As at 31 March, 2022
Goods transferred at a point in time	10,911.56	6,833.00
Service transferred at a point in time	349.58	229.49
	11,261.14	**7,062.49**

22 OTHER INCOME

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest Income :		
Interest received on deposits with banks	98.16	10.59
Interest received on Advances with others	0.15	-
Interest on Income Tax refund	0.03	0.01
Interest on Security Deposit	1.39	1.57
Gain On Fair Valuation of Mutual Funds	-	0.26
Profit on sale of property, plant & equipment (net)	1.40	0.08
Liabilities no longer required, written back	1.68	0.08
Export Incentives	0.57	0.28
Other non-operating income	4.16	0.03
Exchange Differences (net)	6.44	28.15
	113.98	**41.05**

23 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventory at the beginning of the year	1,748.30	1,208.90
Add: Purchase / Cost of materials consumed	9,642.13	5,517.71
Less : Inventory at the end of the year	(2,820.80)	(1,748.30)
Less: R&D exp - considered separately	(91.62)	(47.24)
Cost of materials consumed	**8,478.01**	**4,931.07**

24 CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inventories at the end of the year		
Finished goods		
Closing stock	210.03	236.73
Opening stock	236.73	141.90
Sub total (A)	**26.70**	**(94.83)**
Work-in-progress		
Closing stock	858.61	154.67
Opening stock	154.67	212.73
Sub total (B)	**(703.94)**	**58.06**
Total Changes in Inventories	**(677.24)**	**(36.77)**

25 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries and incentive	717.98	582.33
Contribution to provident fund	26.51	25.77
Share based payment expenses	6.31	-
Gratuity contribution scheme (Refer note 35)	5.40	9.13
Staff welfare expenses	67.88	49.82
Less: R&D exp - considered separately	(53.09)	(64.70)
	770.99	**602.35**

26 FINANCE COSTS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on borrowings	283.50	224.05
Interest to Vendors	13.15	9.30
Interest on others	18.79	7.61
Other borrowing costs	18.13	8.61
Interest on lease liabilities (Refer Note 34)	23.09	12.56
Less: Capitalised	(7.30)	(6.26)
	349.36	**255.87**

27 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation of property, plant & equipment (Refer Note 3)	76.24	64.92
Amortisation of Intangible Assets (Refer Note 3)	68.79	35.08
Depreciation of Right To Use Assets (Refer Note 3)	42.38	31.62
	187.41	**131.62**

28 OTHER EXPENSES

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Rent	7.69	4.03
Rates and taxes	15.33	15.06
Printing and stationery	2.45	3.74
Insurance	13.99	8.90
Discount Allowed	2.04	2.60
Donation	3.65	0.31
Power and fuel	52.31	37.58
Contract Labour	165.42	163.40
Consumption of stores and spares	363.94	135.19
Repairs and maintenance - Plant & Machinery	15.17	10.89
Repairs and maintenance - Buildings	8.30	6.59

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in ₹ mn, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Repairs and maintenance - Others	30.38	20.17
Security maintenance expenses	9.94	9.17
Research and Development Expenses	6.24	11.76
Legal and professional fees	43.75	29.10
Audit Fees	4.20	3.40
Commission Expenses	0.07	-
LD/Claim Settled	2.90	2.25
Bank charges	15.44	15.07
Communication expenses	4.20	4.41
Travelling and conveyance	44.46	23.95
Business Promotion	20.62	7.39
Freight and forwarding charges	132.48	98.46
CSR expenditure	5.29	2.38
Provision for ECL	14.99	8.95
Software Expense	1.22	0.89
Hire charges	12.36	2.78
Director sitting fees	2.38	-
Miscellaneous expenses	4.99	0.71
	1,006.20	**629.13**

Research and Development Expenditure

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Raw Materials, Components and Consumables	91.62	47.24
Salaries and Wages	53.09	64.70
Professional Charges	-	-
Communication expenses	0.55	0.09
Travelling and Conveyance	1.05	-
	146.31	**112.03**
Less: Capitalised	(140.07)	(100.27)
	6.24	**11.76**

Payment to Auditors (After Other expenses)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
As statutory auditors		
Audit fees	3.40	2.90
Tax audit fee	0.60	0.50
Limited review fees	0.20	-
In other capacity		
Other services (includes certification fees)	-	-
Reimbursement of expenses	-	-
	4.20	**3.40**

29 CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	As at 31 March, 2023	As at 31 March, 2022
	Contingent Liabilities:		
a)	**Claims against the Company not acknowledged as debt**		
	Disputed Income Tax Demand [refer note 29.1]	1.74	1.74
	Disputed Income Tax Demand - CPC Demand (refer note 29.2)	6.05	6.05
	Disputed Income Tax Demand - CPC Demand (refer note 29.3)	3.32	3.32
	Disputed Income Tax Demand - CPC demand (refer note 29.4)	62.69	4.00
	Disputed Indirect taxes Demand (Refer note 29.5)	51.93	56.92
b)	Bank Guarantees for contractual performance	68.74	68.74
c)	Letter of Credit issued by bank	6.19	3.27
d)	Bond Executed for Customs/Central Excise. (Covered by Bank guarantee to the extent of ₹ 8.16 mn)	450.00	323.21
e)	On account of Bills Discounted with Banks set off against Trade Receivable	520.78	471.00
f)	Corporate Guarantee to Subsidiary Company	84.00	44.00
g)	Other sums for which company is contingently liable	-	**11.24**
	Commitments:		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances.	20.12	9.18
(iii)	Approval for Land Conversion from Lease to Sale of Plot no 20 & Plot no 119 from Karnataka Industrial Area Development Board (KIADB) is in progress. Estimated Conversion cost is considered as a Capital commitment remaining unexecuted.	12.14	12.14

1 CPC demand of ₹ 1,737,670/- 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 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, Bengaluru has issued a notice on Short deduction of TDS for various years commencing from 2009-10 to 2021-22 and imposed a Interest and penalty .Demand appearing in the TDS Portal amounts to ₹ 4.0 mn . 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 ₹ 56.9 mn covering a period commencing from 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.

Notes to the Consolidated Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

30 RELATED PARTY DISCLOSURES

Disclosure in respect of material transactions with associated parties as required by Accounting Standard (AS) 18 "Related Party Transactions".

[A.] Related Parties and their Relationship with the Company

Ref.	Description of relationship	Names of Related parties
[1.]	Subsidiary Companies:	Kaynes Embedded Systems Private Limited
		Kemsys Technologies Private Limited
		Kaynes Technology Europe Gmbh
		Kaynes International Design & Manufacturing Private Limited
		Kaynes Electronics Manufacturing Private Limited
[2.]	Entity Controlled by Directors:	Aaviza Electronics Private Limited (Formerly Kaynes Interconnection Systems India Private Limited) (unrelated w.e.f 10 July, 2022)
		Kaynes Technology Inc.
		Kemsys Technologies Inc.
		Kaynes Circuits Private Limited
		Kaynes Electro-Plast Private Limited
		Mysuru ESDM Cluster
		Wendorhub Solutions Private Limited
		Cheyyur Real Estates Private Limited
		Cheyyur Properties Private Limited
		Nambi Reality Private Limited
[3.]	Entity where relative of Directors have substantial interest	A ID Systems (India) Private Limited
[4.]	Key Management Personnel:	
	Ms. Savitha Ramesh	Chairperson
	Mr. Ramesh Kunhikannan	Managing Director
	Mr. Jairam Paravasthu Sampath	Whole Time Director & Chief Financial Officer (w.e.f 08 April, 2022)
	Mr. Satheesh Kumar Gopa Kumar	Whole Time Director (From 03 March, 2021 to 02 October, 2021)
	Mr. Rajesh Sharma	Chief Executive Officer (w.e.f 20 December, 2021)
	Mr. Anup Kumar Bhat	Independent Director (w.e.f 12 January, 2022)
	Mr. Vivekandh Ramaswamy	Independent Director (w.e.f 12 January, 2022)
	Mr. Lakshmi Narayana Nutheti	Independent Director (From 12 January, 2022 to 01 February, 2022)
	Mr. Seeplaputhur Ganapathiramaswamy Murali	Independent Director (w.e.f 21 february, 2022)
	Mr. Alexander Koshy	Independent Director (w.e.f 21 February, 2022)
	Ms. Poornima Ranganath	Independent Director (w.e.f 31 March, 2022)
	Mr. Venkata Ramana Mannapragada	Chief Financial Officer (From 20 December, 2021 to 08 April, 2022)
	Ms. Narayanan Srividhya	Company Secretary (Till 31 March, 2023)
	Mr. Ramachandran Kunnath	Company Secretary & Compliance Officer (w.e.f 01 April, 2023)
	Mr. Manoj Rajnarain Pandey	Managing Director in subsidiary company
	Ms. Premita Ramesh	Director in subsidiary company
	Mr. Sajan Anandaraman	Director in subsidiary company
[5.]	Relatives of KMP's:	Mr. Govind Shasiprasad Menokee

[B.] Transactions with KMPs

Transactions / Balances	For the year ended 31 March, 2023	For the year ended 31 March, 2022
[i.] Remuneration and Commission:		
Mr. Ramesh Kunhikannan	18.00	13.14
Ms. Savitha Ramesh	18.00	11.54
Mr. Jairam Paravasthu Sampath	6.40	4.80
Mr. Satheesh Kumar Gopa Kumar	-	2.00
Ms. Premita Ramesh	5.40	3.55
Mr. Govind Shasiprasad Menokee	6.60	4.95
Mr. Manoj Rajnarain Pandey	9.53	8.61
Mr. Venkata Ramana Mannapragada	0.56	2.24
Ms. Narayanan Srividhya	1.52	0.85
Mr. Rajesh Sharma	8.00	3.35
Mr. Sajan Anandraman	2.12	2.00
[ii.] Reimbursement of expenses		
Mr. Manoj Rajnarain Pandey	0.07	0.15
Mr Venkata Ramana Mannapragada	-	0.00
Mr. Rajesh Sharma	0.14	0.04
Ms. Narayanan Srividhya	-	0.00
[iii.] Transaction in current account (net)		
Mr. Ramesh Kunhikannan	3.56	3.56
Ms. Savitha Ramesh	4.18	4.18
Ms. Premita Ramesh	-	(1.13)
Mr. Jairam Paravasthu Sampath	-	(1.29)
Mr. Govind Shasiprasad Menokee	-	0.08

[C.] Balances with KMPs and relatives of KMPs

	As at 31 March, 2023	As at 31 March, 2022
[i.] Amount Receivable from/ Due to directors:		
Mr. Ramesh Kannan (Dr. Balance)	-	3.56
Ms. Savitha Ramesh (Dr. Balance)	-	4.17
Mr. Jairam P Sampath (Dr. Balance)	0.44	1.18
Mr. Govind Shasiprasad Menokee	-	0.08
Ms. Premita Ramesh (Dr. Balance)	-	1.13
[ii.] Salaries payable		
Mr. Ramesh Kunhikannan	0.98	0.94
Ms. Savitha Ramesh	0.99	0.96
Mr. Jairam Paravasthu Sampath	0.42	0.30
Mr. Manoj Rajnarain Pandey	-	0.50
Ms. Premita Ramesh	0.32	0.33
Mr. Govind Shasiprasad Menokee	0.40	0.42
Mr. Rajesh Sharma	0.06	0.51
Mr. Venkata Ramana Mannapragada	-	0.38
Ms. Narayanan Srividhya	0.19	0.11

Notes to the Consolidated Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

[D.] Transactions with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Kaynes Interconnection Systems India Private Limited	Sale of material	15.12	9.33
	Services Received	-	0.07
	Purchase of Material	41.28	18.89
Kaynes Technology Inc.	Services Rendered	48.06	26.72
	Services Received	0.11	-
Kemsys Technologies Inc.	Services provided	1.37	2.98
	Services received	6.76	-

[E.] Balances with Related Parties other than subsidiaries & Associates

Name of the related party	Nature of the transaction	As at 31 March, 2023	As at 31 March, 2022
Kaynes Interconnection Systems India Private Limited	Loans and Advances	-	3.20
	Trade Payables	4.23	-
Mysuru ESDM Cluster	Investments / Loans and Advances	2.64	2.64
Kaynes Technology Inc.	Services Rendered Receivable	8.87	7.95
Kemsys Technologies Inc.	Services Rendered Receivable	1.37	2.98

[F.] Disclosure as per Schedule VI (Para 11(1)(A)(i)(g) of ICDR Regulation

The following are the transactions eliminated during the years 31 March, 2023 and 31 March, 2022

Name of the related party	Nature of the transaction	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Kaynes International Design & Manufacturing Private Limited	Received towards Marketing, Distribution, Administration,	-	19.03
	Management & Other Support Services	-	1.37
	Sale of material	5.03	2.22
	Purchases	0.05	2.62
Kemsys Technologies Private Limited	Loans and Advances given to	30.05	90.47
	Loans and Advances repaid by	3.10	27.72
	Services Received from	-	3.73
	Interest on loan advanced	13.48	8.50
	Purchases	1.05	0.03
	Sale of material	-	8.89
Kaynes Technology Europe GMBH	Loans and Advances repaid by	-	6.59
	Commission paid	15.24	17.11

[G.] The following are the details of the balances that were eliminated during the years ended 31 March, 2023 and 31 March, 2022

Name of the related party	Nature of the transaction	As at 31 March, 2023	As at 31 March, 2022
Kaynes International Design & Manufacturing Private Limited	Loans and Advances received	78.66	67.13
	Investments	1.50	1.50
Kemsys Technologies Private Limited	Loans and Advances	180.96	177.98
	Investments	5.00	5.00
Kaynes Embedded Systems Private Limited	Loans and Advances given	-	-
	Investments	3.00	3.00
Kaynes Technology Europe GMBH	Investments	9.24	9.24
	Trade payable	1.34	1.28
Kaynes Electronics Manufacturing Private Limited	Investments	0.10	-
	Loans and Advances given	99.70	-

31 SEGMENT INFORMATION

Based on the management approach as defined in IND AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographical segments. Accordingly, the Company has identified India and Outside India as its reportable segment.

As expenses, assets and liabilities are not separately identified for the individual segments, these are considered as common cost and unallocated. Hence, information with respect to revenue alone is provided by the Company for the geographical segments identified.

A) Revenue from Customers

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Geographic Segment		
Outside India	1,661.50	1,411.77
In India	9,599.64	5,650.72
	11,261.14	**7,062.49**

All material assets are located in India as export proceeds are also realisable in India. Hence no disclosure of segment assets/cost to acquire tangible and intangible asset is given.

32 EARNINGS PER SHARE (EPS)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earnings		
Profit after tax for the year	951.96	416.75
Less: Profit attributable to the minority shareholders	(1.75)	(2.27)
Profit after tax for the year attributable to equity shareholders	**950.21**	**414.48**
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) :		
Basic :		
Number of Shares outstanding at the beginning of the year	46,158,006	6,799,992
Add : Shares Issued during the year	11,367,720	10
Add : Shares Issued during the year on conversion of CCPS	616,770	767,866
Add : Bonus Shares Issued during the year *	-	125,113
Number of Shares outstanding at the end of the year	**58,142,496**	**7,692,981**
Add : Post Bonus issue #	-	38,464,905
Number of Shares outstanding at the end of the year (Post bonus issue #)	**58,142,496**	**46,157,886**

Notes to the Consolidated Financial Statements (Contd.)
(All amounts are in ₹ mn, except per equity share value)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Weighted average number of equity shares For calculating Basic EPS	47,894,922	41,634,474
Profit after tax for the year attributable to equity shareholders	950.21	414.48
Cumulative Preference Dividend	-	-
Profit after tax for the year attributable to equity shareholders	**-**	**-**
Basic EPS (₹ per share)	**19.84**	**9.96**
EPS after preference dividend (₹ per share)	-	-
Diluted :		
Number of shares considered as basic weighted average shares outstanding	47,894,922	41,634,474
Add: Effect of diluted equity shares relating to CCPS issued during the year	568,443	4,673,516
Number of shares considered as diluted weighted average shares outstanding	48,463,365	46,307,990
No. of equity shares on conversion of preference shares		-
Total shares outstanding including dilution	48,463,365	46,307,990
Diluted EPS (₹ per share)	19.61	8.95
Restated Earnings per equity share ₹ (Face Value ₹ 10/- per share)		
- Basic	19.84	9.96
- Diluted	19.61	8.95

* The Company has issued bonus shares during the period ended 31 March, 2022. In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

Pursuant to the resolutions passed on EGM on 21 February, 2022 and Board of Directors on 25 February, 2022, company had issued bonus shares in the ratio of Five Bonus shares of One Equity share held post the reporting date 31 March, 2022. In line with the requirements of Para 64 of Ind AS 33, retrospective adjustments of the same has been considered in computation of the EPS and Diluted EPS.

33 DISCLOSURE WITH RESPECT TO IND AS 116 - LEASES

Information about Leases Assets for which the Company is a lessee is presented below

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance as at beginning of the year	180.62	78.57
Additions	29.11	134.22
Deletions	3.55	(0.54)
Depreciation*	(42.38)	(31.63)
Balance as at end of the year	**170.90**	**180.62**

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Standalone Statement of Profit and Loss.

The changes / movement in Lease Liabilities of the Company are as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance as at beginning of the year	180.62	78.57
Additions	29.11	134.22
Deletions	3.55	(0.54)
Payment of lease liabilities	(39.34)	(39.34)
Accreditation of interest	12.19	12.19
Balance as at end of the year	**186.13**	**78.92**
Current Liabilities	33.86	31.96
Non-Current Liabilities	154.57	163.35
Total cash outflow for leases	**39.34**	**30.40**

The table below provides details regarding amounts recognised in the Standalone Statement of Profit and Loss:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Expenses relating to short-term leases and/or leases of low-value items	7.69	4.03
Interest on lease liabilities	23.09	12.56
Depreciation expense	42.38	31.62
Total	**73.16**	**48.21**

Contractual maturities of lease liabilities on undiscounted basis

Particulars	As at 31 March, 2023	As at 31 March, 2022
Less than one year	30.04	34.54
One to five years	119.89	69.20
More than five years	38.50	12.07
	188.43	**115.81**

34 TAXES

(a) Income tax expense:

Components of Income Tax Expense

(i) Income tax recognised in Profit or Loss:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Tax expense recognised in the Statement of Profit and Loss		
A. Net current tax expense	311.14	153.07
B. Deferred tax (credit)/charge	(2.71)	20.45
Net deferred tax	**(2.71)**	**20.45**
Total income tax expense recognised in statement of Profit & Loss	**308.43**	**173.52**

C. Tax recognised in Other Comprehensive Income:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Origination and reversal of temporary differences - OCI	0.70	(0.15)
Remeasurement of Defined Benefiy Obligation	-	-
Total	**0.70**	**(0.15)**

Current tax assets / liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
D. Advance tax (net of provision for tax)	36.07	-
E. Provision for tax (net of advance payment of taxes)	-	155.53

Deferred tax assets / liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
F. Deferred tax asset	(20.44)	(6.23)
G. Deferred tax liability	(96.78)	(73.98)
Deferred tax Liability (net)	**(117.22)**	**(80.21)**

H. Reconciliation of tax expense and the Accounting Profit

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit Before Tax	1,260.39	590.27
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expense using the Company's applicable rate	317.21	148.56
Deferred tax effect	(2.71)	20.45
Deferred tax effect on all amounts debited to other comprehensive income (OCI) in the statement of profit and loss that will not be re-classified to profit or loss;	0.70	(0.15)
Income tax expense recognised in statement of profit or loss	(2.71)	20.45

Note: The tax rate used for the period ended 31 March, 2023 and 31 March, 2022 reconciliations above is the corporate tax rate of 25.17% and 25.17% respectively, payable by corporate entities in India on book profits under Indian Income Tax Laws.

35 EMPLOYEE BENEFIT PLANS

[a.] Defined Contribution Plans

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Employers' contribution to Provident Fund	7.35	7.37
Employers' contribution to Employee State Insurance	5.34	4.67
Employers' contribution to Employee's Pension Scheme 1995	12.21	11.90

[b.] Defined Benefit Plan

Gratuity -Funded obligation

The liability towards gratuity is provided for on the basis of independent actuarial valuation using projected unit credit method. The liability for gratuity is administered through Life Insurance Corporation of India (LIC).

Compensated Absences- Unfunded obligation

Company provided for unavailed accumulated leave of employees on the basis of actuarial valuation using projected unit credit method.

Gratuity -Funded obligation

i. Actuarial Assumptions

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Discount Rate (per annum)	7.50%	7.25%
Expected return on plan assets	5.00%	6.75%
Salary escalation rate*	5.00%	5.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

*The assumption of future salary escalation in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii. Reconciliation of Obligation

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the beginning of the year	**44.86**	**38.82**
Current Service Cost	8.96	7.66
Past Service cost	-	-
Interest Cost	3.26	2.80
Actuarial (gain)/ loss	(4.48)	(0.24)
Benefits Paid	(3.67)	(4.18)
Present value of obligation at the end of the year	**48.93**	**44.86**

iii. Reconciliation of fair value of plan assets

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Fair value of plan assets at the beginning of the year	**3.53**	**6.07**
Actual return of plan assets	0.23	0.44
Actuarial gain/ (loss)	0.03	(0.11)
Contributions	5.40	1.23
Benefits paid	(3.41)	(4.10)
Assets distributed on settlement	-	-
Charges Deducted	-	-
Fair value of plan assets at the end of the year	**5.78**	**3.53**

iv. Description of Plan Assets

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Insured Managed Funds(LIC India)	0.00	0.00

v. Net (Asset)/ Liability recognised in Consolidated statement of assets and liabilities

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the end of the year	48.93	43.55
Fair value of plan assets at the end of the year	5.78	3.55
Net (asset)/ liability recognised in consolidated statement of assets and liabilities	43.15	40.00

vi) (Income)/ Expense recognised in Consolidated statement of profit and loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current Service Cost	8.96	5.55
Interest Cost	3.26	1.98
Expected return on plan assets	(4.22)	(0.32)
(Income)/ Expenses recognised in consolidated statement of profit and loss	0.79	7.21

Notes to the Consolidated Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

vii) Sensitivity analysis of the defined benefit obligation:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	48.92	43.55
Impact due to increase of 1%	45.38	40.16
Impact due to decrease of 1%	53.08	47.56
Impact of the change in salary increase	-	
Present Value of Obligation at the end of the period	48.92	43.55
Impact due to increase of 1%	53.13	47.60
Impact due to decrease of 1%	45.28	40.07
Impact of the change in Withdrawal Rate	-	
Present Value of Obligation at the end of the period	48.92	43.55
Impact due to increase of 1%	49.53	44.02
Impact due to decrease of 1%	48.17	42.99

Sensitivities due to mortality is insignificant & hence ignored.

viii) Maturity profile of defined benefit obligation:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Year 1	8.88	7.50
Year 2	2.15	1.64
Year 3	2.02	2.00
Year 4	3.09	1.53
Year 5	1.45	2.66
Years 6 to 10	31.19	29.25

The above disclosures are based on information certified by the independent actuary and relied upon by auditors.

ix) Other comprehensive (income) / expenses (Remeasurement)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Cumulative unrecognised actuarial (gain)/loss opening. B/F	(6.05)	(6.47)
Actuarial (gain)/loss - obligation	(4.42)	2.14
Actuarial (gain)/loss - plan assets	0.03	0.32
Total Actuarial (gain)/loss	(4.16)	2.46
Cumulative total actuarial (gain)/loss. C/F	(10.44)	(4.01)

Compensated Absences- Unfunded obligation

i. Actuarial Assumptions

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Discount Rate (per annum)	7.00%	7.00%
Expected return on plan assets	NA	NA
Salary escalation rate*	5.00%	5.00%

ii. Reconciliation of Obligation

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the beginning of the year	**12.12**	**5.64**
Current Service Cost	6.58	4.01
Past Service cost	-	-
Interest Cost	0.92	0.27
Actuarial (gain)/ loss	(1.58)	6.32
Benefits Paid	(0.41)	-
Present value of obligation at the end of the year	**17.62**	**16.24**

iii. Reconciliation of fair value of plan assets

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Fair value of plan assets at the beginning of the year	**-**	**-**
Actual return of plan assets	-	-
Actuarial gain/ (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Assets distributed on settlement	-	-
Charges Deducted	-	-
Fair value of plan assets at the end of the year	**-**	**-**

iv. Description of Plan Assets

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Insured Managed Funds (LIC India)	-	-

v. Net (Asset)/ Liability recognised in consolidated statement of assets and liabilities

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Present value of obligation at the end of the year	17.62	16.24
Fair value of plan assets at the end of the year	-	-
Net (asset)/ liability recognised in consolidated statement of assets and liabilities	17.62	16.24

vi (Income)/ Expense recognised in consolidated statement of profit and loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current Service Cost	6.58	4.01
Interest Cost	0.92	0.27
Actuarial (gain)/ loss recognised for the period	(1.58)	6.32
Expected return on plan assets	-	-
(Income)/ Expenses recognised in consolidated statement of profit and loss	5.92	10.60

vii) Sensitivity analysis of the defined benefit obligation:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Impact of the change in Discount Rate		
Present Value of Obligation at the end of the period	17.63	15.70
Impact due to increase of 1%	16.26	14.36
Impact due to decrease of 1%	19.20	17.29
Impact of the change in salary increase	-	-
Present Value of Obligation at the end of the period	17.63	15.70
Impact due to increase of 1%	19.23	17.31
Impact due to decrease of 1%	16.22	14.32
Impact of the change in Withdrawal Rate	-	-
Present Value of Obligation at the end of the period	17.63	15.70
Impact due to increase of 1%	17.94	15.97
Impact due to decrease of 1%	17.23	15.38

Sensitivities due to mortality is insignificant & hence ignored.

36 EMPLOYEES' STOCK OPTION PLANS (ESOP)

(i) Kaynes Employees Stock Option Scheme 2022

The members of the Company at its Extraordinary General Meeting held on January 12, 2022 had approved the issue of Stock Options to eligible employees/directors of the Company and its subsidiaries. Accordingly, the Board a their meeting held on 12 January, 2022 approved the "Kaynes ESOP Scheme 2022". A Compensation Committee was formed to govern the "Kaynes ESOP Scheme 2022" which has approved Details are as follows:

Particulars	Year 1	Year 2	Year 3	Year 4
Grant Date	04 July, 2022	04 July, 2022	04 July, 2022	04 July, 2022
Vesting date	04 July, 2023	04 July, 2024	04 July, 2025	04 July, 2026
Option Granted (Nos)	923,160	923,160	923,160	923,160
Exercise price (Amount in ₹ per share)	138.00	138.00	138.00	138.00

(ii) Fair value of share options granted during the year

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below. The expected volatility has been calculated using the daily stock returns on NSE, based on expected life options of each vest. The expected life of share option is based on historical data and current expectation and not necessarily indicative of exercise pattern that may occur.

(iii) Inputs in the pricing model

Particulars	Year 1	Year 2	Year 3	Year 4
Weighted average fair Value of options	18.07	22.66	32.26	35.32
Exercise price (Amount in ₹ per share)	138.00	138.00	138.00	138.00
Expected Volatility	16.96%	17.28%	25.02%	23.42%
Options Life (Number of Years)	1.50	2.00	2.50	3.00
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Risk Free Rate	6.13%	6.41%	6.62%	6.77%

(iv) Movement in stock options

For the year ended 31 March, 2023

Particulars	No of Options
Options outstanding as at 31 March, 2022	**-**
New options issued during the year	923,160
Options exercised during the year	-
Lapsed/ forfeited during the year	(27,260)
Expired during the year	-
Options outstanding as at 31 March, 2023	**895,900**
Options exerciseable as at 31 March, 2023	**-**

During the year ended 31 March, 2023, the Company recorded an employee share based payment expense of ₹ 6.31 mn in the Statement of Profit and Loss.

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to financing for working capital requirements. The Company has trade and other receivables, loans and advances that arise directly from its operations.

The Company is accordingly exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company has no exposure to financial instruments with an interest rate risk as on 31 March, 2023 and 31 March, 2022.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at the end of the respective reporting periods. The period end balances are not necessarily representative of the average debt outstanding during the period.

Notes to the Consolidated Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

Particulars	Currency	As at 31 March, 2023		As at 31 March, 2022	
		Foreign Currency	₹ (mn)	Foreign Currency	₹ (mn)
Financial assets					
Trade receivable	EURO	1.14	101.29	1.12	93.70
Trade receivable	GBP	1.27	128.39	0.73	72.17
Trade receivable	JPY	1.00	0.63	1.09	0.67
Trade receivable	CHF	4.38	357.95	4.04	304.22
Trade receivable	US$	-		-	-
Advance to suppliers	EURO	0.18	16.06	0.13	11.45
Advance to suppliers	GBP	0.05	4.61	0.03	3.43
Advance to suppliers	JPY	27.67	17.37	0.04	2.24
Advance to suppliers	US$	2.04	166.97	2.95	224.08

Particulars	Currency	As at 31 March, 2023		As at 31 March, 2022	
		Foreign Currency	₹ (mn)	Foreign Currency	₹ (mn)
Financial Liabilities					
Trade payables	EURO	0.43	37.97	0.34	28.95
Trade payables	GBP	0.54	54.18	0.01	0.79
Trade payables	JPY	74.79	46.95	59.10	36.98
Trade payables	CHF	15.44	1,261.70	10.22	779.57
Trade payables	US$	-	-	-	-
Net Exposure in financial asset			**(607.53)**		**(134.33)**

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A. Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.

The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The management makes estimates of the expected losses on receivables taking into account past history and their assumptions. Expected credit loss allowance is calculated by comparing the management estimates with the provision matrix.

Details of allowances for expected credit losses are provided hereunder

Particulars	As at 31 March, 2023	As at 31 March, 2022
At the beginning of the year	76.71	67.76
Provisions created	2.85	8.95
Closing at the end of the year	**79.56**	**76.71**

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt and overdraft from both domestic and international banks at an optimised cost.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2023:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,208.57	150.42	1,358.99
Trade Payables	2,228.74	-	2,228.74
Other financial liabilities	105.75	-	105.75
Lease liabilities	33.86	154.57	188.43
Total	**3,576.92**	**304.99**	**3,881.91**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2022:

Particulars	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	1,402.67	292.79	1,695.46
Trade Payables	1,640.56	-	1,640.56
Other financial liabilities	77.29	-	77.29
Lease liabilities	31.96	163.35	195.31
Total	**3,152.48**	**456.14**	**3,608.62**

38 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	As at 31 March, 2023	As at 31 March, 2022
Gross debt	1,358.99	1,695.46
Less: Cash and Cash equivalents	(259.31)	(68.74)
Net debt	**1,099.68**	**1,626.72**
Equity	9,590.42	2,022.06
Total capital	**9,590.42**	**2,022.06**
Gearing ratio	**11.47%**	**80.45%**

39 FINANCIAL INSTRUMENTS: FAIR VALUES

Particulars	As at 31 March, 2023				As at 31 March, 2022			
	FVTPL	FVOCI	Amortised cost	Total Carrying Amount	FVTPL	FVOCI	Amortised cost	Total Carrying Amount
Financial assets								
At Fair value								
Investments - Equity	-	13.44	-	13.44	-	10.83	-	10.83
Investments - Mutual Funds	19.32	-	-	19.32	4.33	-	-	4.33
At amortised cost:								-
a) Trade receivables	-	-	2,270.66	2,270.66	-	-	1,977.26	1,977.26
b) Cash and cash equivalents	-	-	259.31	259.31	-	-	68.74	68.74
c) Bank balances other than cash and cash equivalents	-	-	4,600.65	4,600.65	-	-	147.20	147.20
d) Loans and deposits	-	-	99.52	99.52	-	-	75.19	75.19
e) Other financial assets	-	-	90.30	90.30	-	-	17.02	17.02
Total Financial Assets	**19.32**	**13.44**	**7,320.44**	**7,353.20**	**4.33**	**10.83**	**2,285.41**	**2,300.57**
Financial liabilities								
At amortised cost:								
a) Borrowings (Long term)	-	-	150.42	150.42	-	-	292.79	292.79
b) Borrowings (Short term)	-	-	1,208.57	1,208.57	-	-	1,402.67	1,402.67
c) Trade payables	-	-	2,228.74	2,228.74	-	-	1,640.56	1,640.56
d) Other Financial Liabilities	-	-	105.75	105.75	-	-	77.29	77.29
e) Lease Liabilities			188.43	188.43			195.31	195.31
Total Financial Liabilities	**-**	**-**	**3,881.91**	**3,881.91**	**-**	**-**	**3,608.62**	**3,608.62**

The Company has assessed that trade receivables, cash and cash equivalents, bank balances, other assets, borrowings, trade payables and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

40 FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

i. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March, 2023:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at 31 March, 2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	31 March, 2023	32.76	19.32	-	13.44

There are no transfers between levels 1 and 2 during the year.

ii. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March, 2022:

Particulars	Date of valuation	Fair value measurement			
		Fair Value as at 31 March, 2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments	31 March, 2022	15.16	4.33	-	10.83

41 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III OF COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES

Name of the entity in the Company		As at 31 March, 2023		As at 31 March, 2022	
		Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities	
		As % of consolidated net assets	Amount in ₹ mn	As % of consolidated net assets	Amount in ₹ mn
A.	Parent company				
	Kaynes Technology India Limited	99.80%	9,583.86	99.54%	2,027.85
B.	Indian Subsidiaries				
	Kaynes International Design and Manufacturing Private Limited	0.90%	86.20	3.05%	62.13
	Kemsys Technologies Private Limited	(0.86%)	(82.11)	(3.37%)	(68.59)
	Kanyes Embedded Systems Private Limited	-	-	-	-
	Kaynes Electronics Manufacturing Private limited	(0.03%)	(3.02)	-	-
C.	Foreign Subsidiary				
	Kaynes Technology Europe GmbH	0.26%	24.67	0.99%	20.11
D.	Consolidated adjustments	(0.06%)	(6.11)	(0.21%)	(4.33)
		100.00%	**9,603.49**	**100.00%**	**2,037.17**

Notes to the Consolidated Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

Name of the entity in the Company		For the year ended 31 March, 2023		For the year ended 31 March, 2022	
		Share in Profit/(Loss)		Share in Profit/(Loss)	
		As % of consolidated net assets	Amount in ₹ mn	As % of consolidated net assets	Amount in ₹ mn
A.	Parent company				
	Kaynes Technology India Limited	99.42%	947.61	99.32%	409.85
B.	Indian Subsidiaries				
	Kaynes International Design and Manufacturing Private Limited	2.41%	22.93	4.89%	20.18
	Kemsys Technologies Private Limited	(1.36%)	(12.97)	(5.76%)	(23.77)
	Kanyes Embedded Systems Private Limited	-	-	-	-
	Kaynes Electronics Manufacturing Private Limited	(0.33%)	(3.12)	-	-
C.	Foreign Subsidiary				
	Kaynes Technology Europe GmbH	0.39%	3.73	0.00%	0.02
D.	Consolidated adjustments	(0.53%)	(5.01)	1.54%	6.37
		100.00%	**953.17**	**100.00%**	**412.65**

42 RATIOS AS PER SCHEDULE III REQUIREMENTS

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Current Assets	12,307.60	4,863.65
Current Liabilities	4,151.59	3,621.39
Ratio	**2.96**	**1.34**
% Change from previous year	120.74	

Ratio increase is due to increase in inventory, trade receivable, bank balance and other asset as Initial Public Offer (IPO) money was invested in Current Assets.

b) Debt Equity Ratio = Total Debt divided by total equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total Debt	1,358.99	1,695.46
Total Equity	9,603.49	2,037.17
Less : Non-controlling Interest	(13.07)	(11.32)
Less: Non free reserves	(13.77)	(7.67)
Equity attributable to the owners of the Company	**9,576.65**	**2,018.18**
Ratio	**0.14**	**0.84**
% Change from previous year	(83.11)	

Ratio change is due to receipt of Share Premium on issue of Equity share and due to addition of profit for the year.

c) Debt Service Coverage Ratio = Earnings available for servicing debt divided by total interest and principal payments

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit before tax	1,260.39	590.27
Add: Depreciation	187.41	131.62
Add: Finance Cost	349.36	255.87
Adjusted Profit	**1,797.16**	**977.76**
Interest cost on borrowings	349.36	255.87
Principal repayments	234.55	194.31
Total of Interest and Principal repayments	**583.91**	**450.18**
DSCR	**3.08**	**2.17**
% Change from previous year	41.71	

The improvement in the ratio for the year ended 31 March, 2023 is due to a significant increase in Profit Before Tax.

d) Return on Equity Ratio = Profit after Tax divided by Equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit after tax	951.96	416.75
Less : Share of Profit /(Loss) of minority interest	(1.75)	(2.27)
Consolidated Net Profit after tax, for the year attributable to equity shareholders	950.21	414.48
Total Equity	9,603.49	2,037.17
Less : Non-controlling Interest	(13.07)	(11.32)
Less: Non free reserves	(13.77)	(7.67)
Equity attributable to the owners of the Company	**9,576.65**	**2,018.18**
Average Shareholder's equity *	5,797.42	1,691.64
Ratio	**16.39**	**24.50**
% Change from previous year	(33.11)	

The improvement in Ratio is due to increase in Total Equity due to share premium and profit for the year.

e) Trade Receivables Turnover Ratio = Credit Sales divided by Closing Trade Receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Revenue from Operations	11,261.14	7,062.49
Average Trade Receivables *	2,123.96	1,597.37
Ratio	**5.30**	**4.42**
% Change from previous year	19.92	

The improvement in the ratio for 31 March, 2023 is due to better collections.

f) Trade Payables Turnover Ratio = Credit Purchases divided by closing trade payables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Credit Purchases	9,642.13	5,517.71
Average Trade payables	1,934.65	1,297.44
Ratio	**4.98**	**4.25**
% Change from previous year	17.19	

Notes to the Consolidated Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

g) Inventory Turnover Ratio = Revenue from operations divided by Closing Inventory

Particulars	As at 31 March, 2023	As at 31 March, 2022
Revenue from Operations	11,261.14	7,062.49
Average Inventory	3,197.71	1,951.22
Ratio	**3.52**	**3.62**
% Change from previous year	(2.70)	

h) Net Capital Turnover ratio= Sales divided by net working capital

Particulars	As at 31 March, 2023	As at 31 March, 2022
Revenue from Operations	11,261.14	7,062.49
Average working capital	4,699.14	977.91
Ratio	**2.40**	**7.22**
% Change from previous year	(66.82)	

The improvement in the ratio for the year ended 31 March, 2023 is due to the increase in profits as a result of increase in sale but marginal increase in fixed expenses

i) Profit Ratio = Profit after tax divided by Revenue from Operations

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit after tax	951.96	416.75
Revenue from Operations	11,261.14	7,062.49
Ratio	**8.45**	**5.90**
% change from previous year	43.26	

The improvement in the ratio for the year ended 31 March, 2023 is due to the increase in profits.

j) Return on Capital Employed= Adjusted EBIT / Total Capital Employed

Particulars	As at 31 March, 2023	As at 31 March, 2022
Profit before tax	1,260.39	590.27
Add: Finance Costs	349.36	255.87
EBIT	**1,609.75**	**846.14**
Tangible Net worth	9,271.75	1,767.35
Non Current Borrowings	150.42	292.79
Short Term Borrowings	1,208.57	1,402.67
Total	**10,630.74**	**3,462.81**
ROCE %	**15.14**	**24.44**
% change from previous year	(38.03)	

The decrease in ratio is due to increase in net worth as a result of high retained earnings and money received from Initial Public Offer (IPO).

43 DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

(i) Included in loans, the particulars of which are disclosed in below as required by Sec 186(4) of the Companies Act 2013:

Sl. No.	Name of the Borrower	Type	Rate of Interest	Secured/ Unsecured	Due Date	Purpose	As at 31 March, 2023	As at 31 March, 2022
1	Kemsys Technologies Private Limited	Loan	8%	Unsecured	On Demand	General business purpose	180.96	177.98
2	Kaynes International Design & Manufacturing Private Limited	Corporate Guarentee	-	Unsecured	30 March, 2023	General business purpose	84.00	44.00
3	Mr. Ramesh Kunhikannan	Loan	8%	Unsecured	30 March, 2023	As per scheme u/s 185	-	3.56
4	Ms. Savitha Ramesh	Loan	8%	Unsecured	30 March, 2023	As per scheme u/s 185	-	4.18

44 OTHER STATUTORY DISCLOSURES

1. Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2. The Struck off Company details

S. No.	Name of the Struck off Company	Nature of transactions with struck off company	As at 31 March, 2023	As at 31 March, 2022
1	Kaynes Electro-Plast Private Limited	No Transactions	-	-
2	Wendorhub Solutions Private Limited	No Transactions	-	-

3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6. The Company has neither declared nor paid any interim dividend or final dividend during the year.

7. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

Notes to the Consolidated Financial Statements (Contd.)
(All amounts are in ₹ mn, unless otherwise stated)

45 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Amount required to be spent by the Company during the year *	8.06	3.32
Amount of expenditure incurred.	8.06	2.92
Shortfall at the end of the year.	-	0.40
Total of previous years shortfall.	-	0.40

* Including previous year's shortfall

The Company's CSR Activities primarily involve in the promotion of education, healthcare, art and cultural promotion, animal welfare, rural developement, natural calamities relief and skill developement for underprivileged people.

The shortfall has arisen due to the lack of eligible projects due to the impact of the pandemic.

46 DISCLOSURE AS REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT):

Particulars	As at 31 March, 2023	As at 31 March, 2022
Principal amount due to micro & small enterprises	216.45	45.00
Interest due on above	1.65	2.92
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

Note: The above information and that given in Note 16(b)'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

47 Previous year figures have been regrouped/ re-classified wherever necessary.

As per our report of even date

For K.P. Rao & Co
Chartered Accountants
Firm Registration Number: 003135S

Mohan R Lavi
Partner
Membership No.029340

Place: Mysuru
Date: 16 May, 2023

For and on behalf of the Board of Directors of
Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)

Ramesh Kunhikannan
Managing Director
(DIN: 02063167)

Rajesh Sharma
Chief Executive Officer

Place: Mysuru
Date: 16 May, 2023

Jairam P Sampath
Whole Time Director & Chief Financial Officer
(DIN: 08064368)

Ramachandran Kunnath
Company Secretary
Membership No. A57817

NOTICE

Kaynes Technology India Limited
(Formerly Kaynes Technology India Private Limited)
CIN: L29128KA2008PLC045825
Registered Office: 23-25, Belagola, Food Industrial Estate Metagalli PO, Mysuru 570 016, Karnataka India
Website: www.kaynestechnology.co.in **email ID:** kaynestechcs@kaynestechnology.net
Telephone No: +91 8214280270

NOTICE is hereby given that the **FIFTEENTH (15TH) ANNUAL GENERAL MEETING ("AGM")** of Kaynes Technology India Limited will be held on **Friday, 15 September, 2023 at 03.30 P.M. IST** through Video Conferencing (VC) or other audio visual means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 23-25, Belagola, Food Industrial Estate, Metagalli PO, Mysuru 570016 India.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the year ended 31 March, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Savitha Ramesh (DIN: 01756684), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. To ratify the remuneration payable to Messers GA and Associates, Cost Accountants, Mysuru (Firm Registration No.000409), Cost Auditors of the Company, for the financial year ending 31 March, 2024 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to Messrs GA and Associates, Cost Accountants, Mysuru (Firm Registration Number: 000409), who were appointed by the Board of Directors as Cost Auditors, to audit the cost records of the Company for the financial year ending 31 March, 2024, amounting to ₹ 100,000 (Rupees One lakh Only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.

   RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To re-appoint **Mr. Ramesh Kunhikannan (DIN: 02063167)** as Managing Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), approval of the Members be and is hereby accorded to re-appoint Mr. Ramesh Kunhikannan (DIN: 02063167) as Managing Director of the Company, for a period of 5 (five) years, on expiry of his present term of office, i.e., with effect from 1 April, 2024, on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment as it may deem fit;

   RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To re-appoint **Mrs. Savitha Ramesh (DIN: 01756684)** as Executive Chairperson & Whole Time Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time

being in force), approval of the Members be and is hereby accorded to re-appoint Mrs. Savitha Ramesh (DIN: 01756684) as Executive Chairperson & Whole Time Director of the Company, for a period of 5 (five) years, on expiry of her present term of office, i.e., with effect from 1 April, 2024, on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment as it may deem fit;

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To appoint **Mr. Heinz Franz Moitzi (DIN: 00323506)** as an Independent Director of the Company and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, **Mr. Heinz Franz Moitzi (DIN: 00323506)**, who was appointed as an Additional Director in the capacity of an Independent Director with effect from 16 June, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations, be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) years till to 15 June, 2028 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and ratify the **Kaynes ESOP Scheme 2022** and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (including any statutory modifications or amendments thereto or re-enactments thereof, for the time being in force), the enabling provisions of Memorandum of Association and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and all other applicable provisions of the Act, Rules, Regulations, Circulars and notifications issued by Central Government, Ministry of Corporate Affairs, Securities Exchange Board of India and/or any other competent authorities from time to time (hereinafter singly or collectively referred to as the "Regulatory Authorities") and as recommended by Nomination and Remuneration Committee and Board of Directors, the 'Kaynes ESOP Scheme 2022' formulated and approved prior to the Initial Public Offering ("IPO") of the Company, be and is hereby ratified within the meaning of Regulation 12 of (Share Based Employee Benefits and Sweat Equity) Regulations 2021 and consent/approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee of the Board exercising the powers conferred by the Board, including the powers conferred by this resolution), to create, grant, offer, issue, vest and allot from time to time, such number of employee stock options to present or future eligible employees of the Company including employees of the subsidiaries of the Company, whether in or outside India, determined in terms of Kaynes ESOP Scheme 2022, from time to time, in one or more tranches, exercisable in aggregate into not more than 923,160 (Nine lakhs Twenty Three Thousand One Hundred and Sixty) Equity Shares of the Company, where each such employee stock option would be exercisable for one Equity Share of a face value of ₹ 10/- each, fully paid-up, of the Company to be issued or transferred to the eligible employees by the Company on payment of the requisite exercise price, on such terms and conditions as may be determined by the Board in accordance with the Kaynes ESOP Scheme 2022, the Act, SEBI ESOP Regulations, applicable accounting policies and such other provisions of law, as may be applicable from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as mentioned herein before shall rank pari-passu with the then existing Equity Shares of the Company and the Board be and is hereby authorized to take necessary steps for listing of Equity Shares allotted under Kaynes ESOP Scheme 2022 on the stock exchanges where the securities of the Company are listed.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger/amalgamation, sale of division/undertaking or consolidation or sub division of Equity Shares or other re-organization, if any, the number of options in the Kaynes ESOP Scheme 2022 mentioned hereinabove shall be adjusted appropriately in a fair and reasonable manner.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For **Kaynes Technology India Limited**

Savitha Ramesh
(Chairperson & WTD)
DIN: 01756684

Date: 16 August, 2023
Place: Mysuru

NOTICE (Contd.)

NOTES:

1. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated 8 April, 2020, General Circular No. 17/2020 dated 13 April, 2020, General Circular No. 20/2020 dated 5 May, 2020, General Circular No. 02/2021 dated 13 January, 2021, General Circular No. 02/2022 dated 5 May, 2022, General Circular No. 10/2022 and General Circular No. 11/2022 dated 28 December, 2022 (collectively **"MCA Circulars"**) and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/DDHS/P/CIR/2022/0063 dated 13 May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 January, 2023 (collectively "SEBI Circulars") extended the relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till 30 September, 2023 and permitted companies to conduct Annual General Meeting (AGM) through video conferencing or other audio visual means (VC) till 30 September, 2023, subject to compliance with various conditions mentioned therein in compliance with the MCA Circulars, SEBI Circulars and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 15th AGM of your Company is being convened and conducted through VC.
2. The Company has facilitated the Members to participate in the 15th AGM through VC facility provided by Link Intime India Private Limited. The instructions for participation by members are given in the subsequent paragraphs. The facility for joining AGM through VC/OVAM will be available for up to 1,500 Members and Members may join on first come first serve basis. However, the above restriction shall not be applicable to members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
3. As per MCA Circulars, members attending the 15th AGM through VC will be reckoned for the purpose of quorum as per Section 103 of the Companies Act, 2013.
4. For exercising the votes by the Members by electronic means, the Company has provided the facility of remote e-voting as well as e-voting during the AGM. The procedure for using the remote e-voting facility as well as e-voting during the AGM is given in the subsequent paragraphs.
5. Members joining the AGM through VC shall be permitted to exercise their right to vote using the e-voting facility at the AGM, provided they have not cast their votes using remote e-voting facility. The members who have already cast their votes prior to AGM using the remote e-voting facility may also join the AGM though VC; but shall not be entitled to cast their votes again at the AGM.
6. As per the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and such proxy need not be a Member of the Company. Since 15th AGM is being held through VC as per MCA Circulars and SEBI Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 15th AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. Similarly, as this AGM is being held through VC, the route map is not annexed to this notice.
7. Corporate members may authorize their representatives for casting the votes using remote e- voting facility or for participation and voting in the AGM using VC. Institutional Investors are encouraged to attend and vote at the AGM through VC. Institutional Investors, who are members of the Company and corporate members intending to attend the AGM through VC or OAVM and to vote thereat through remote e-voting are requested to send a certified copy of the Board Resolution/ Letter of Authorisation/Power of Attorney to the Scrutiniser by e-mail at kalaivani@vjkt.in with a copy marked to kaynestechcs@kaynestechnology.net.
8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

9. In line with MCA Circulars and SEBI Circulars, the Annual Report for the Financial Year 2022-23 along with Notice of 15th AGM of the Company inter-alia indicating the process and manner of e-voting are being sent only to those shareholders who have registered their e-mail address with their Depository Participant(s) or Registrar and Share Transfer Agents of the Company for communication, as applicable, upto the cut-off date i.e. Friday, 18 August, 2023 by electronic mode. Physical copies of the Annual Report will be sent by permitted mode to those Members who request for the same.

   Members may note that the aforesaid documents may also be downloaded from the Company's website under the Investor Relations Section at https://www.kaynestechnology.co.in/investors.html or from the website of National Stock Exchange of India Limited at www.nseindia.com and from the website of BSE Limited at www.bseindia.com. Notice is also available on the website of Link Intime (agency for providing the remote e-Voting facility) i.e. instavote.linkintime.co.in.

   In line with MCA Circulars, the Company has enabled a process for the limited purpose of receiving the AGM Notice and Annual Report (including remote e-voting instructions) electronically. Shareholders are advised to update their mobile no. and email IDs in their demat accounts in order to access e-voting facility.

10. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the directors are interested, maintained as per the Companies Act, 2013 will be available for electronic inspection by the members during the AGM. All the documents referred to in the Notice will also be available for electronic inspection by the members without any fee from the date of circulation of this notice up to the date of AGM i.e., 15 September, 2023. Members seeking to inspect such documents may send an email to kaynestechcs@kaynestechnology.net.

11. Mrs. Kalaivani S, Practising Company Secretary (M. No. 57112 and CP No. 22158) has been appointed as the Scrutiniser to scrutinise the remote e-voting and e-voting during the meeting in a fair and transparent manner.

12. Members seeking clarifications on the Annual Report are requested to send an email to kaynestechcs@kaynestechnology.net on or before 10 September, 2023. This would enable the Company to compile the information and provide replies at the meeting.

13. Persons holding the shares on 8 September, 2023 (Record Date) would be entitled to attend the AGM.

14. The Shares of the Company are compulsorily traded in dematerialized form as per the directions of the SEBI/Stock Exchanges. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to dematerialize their holdings. Further, the members may note that as per SEBI(LODR) (Fourth Amendment) Regulations, 2018, except in case of transmission or transposition of securities, no transfer of securities shall be processed unless the securities are held in the dematerialized.

15. Members who are yet to register their e-mail address/Mobile Number are requested to register the same with the Depository through their Depository Participants in respect of shares held in dematerialized form. Members holding the shares in physical form may register their e-mail address/Mobile No. by writing to the Company's Registrar and Share Transfer Agent.

16. Non-resident Indian shareholders are requested to immediately inform the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, about the following matters:

    (a) the change in residential status on return to India for permanent settlement and

    (b) the particulars of the NRE account with a bank in India, if not furnished earlier.

17. Members holding shares in single name in physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13, as prescribed by the Government may be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its Registered Office.

18. Members holding physical shares may kindly note that if they have any dispute against the Company or the Registrar & Share Transfer Agent (RTA) on delay or default in processing the request, they may file for arbitration with the stock exchanges in accordance with SEBI circular.

NOTICE (Contd.)

19. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.

20. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the 15th AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, as the authorized e-voting agency. The facility to cast the votes by the members using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Link Intime India Private Limited.

21. The remote voting period begins on 11 September, 2023 (9:00 A.M. IST) and ends on 14 September, 2023 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of 8 September, 2023 may cast their votes electronically. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

    To increase the efficiency of the e-voting process, SEBI, vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December, 2020, intended to enable e-voting to all the demat account holders by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders should be permitted to cast their votes without having to register again with the e-voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

    As required by this Circular, Individual shareholders holding securities in demat mode are allowed to vote through their demat accounts maintained with Depositories and Depository Participants. Hence, members are advised to update their mobile numbers and email Ids in their respective demat accounts to access e-voting facility.

    Pursuant to above said SEBI Circular, login procedure for e-voting and joining virtual meetings for Individual shareholders holding securities in demat mode is given below:

22. Instructions for Members for Remote e-Voting before AGM:

In compliance with the provisions of Section 108 of Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of the Regulation 44 of SEBI (LODR) Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Link Intime India Private Limited, on all resolutions set forth in this Notice. As per the SEBI circular dated 9 December , 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

The remote e-voting period begins on Monday, 11 September, 2023 at 9:00 A.M. (IST) and ends on Thursday, 14 September, 2023 at 5.00 P.M. (IST). The remote e-voting module shall be disabled by **Link Intime India Private Limited** for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., Friday, 08 September, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 08 September, 2023.

As per the SEBI circular dated 09 December, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

I. Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL

i. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company

name or e- Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

ii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

i. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

ii. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

iii. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

iv. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

II. Login method for Individual Shareholders of the company, holding securities in physical form / Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding securities in physical form / Non Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under.

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in* **NSDL form, *shall provide 'D' above*

- Shareholders may set the password as per their choice containing minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

III. Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.

IV. Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of Link Intime at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the scrutiniser to verify the same.

V. Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

VI. Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Log in type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4 886 7000 and 0 22 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

VII. Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on 'Login' under **'SHARE HOLDER'** tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on **"SUBMIT"**.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

VIII. Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/depository participants' website.

i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ii. For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

iii. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

23. Process and manner for attending the Annual General Meeting through InstaMeet

Members are entitled to attend the AGM through VC/OAVM provided by RTA, Link Intime Private Limited, by following the below mentioned process.

i. Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open till the expiry of 15 minutes after the scheduled time on first-come-first basis.

ii. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.

iii. Members will be provided with Insta Meet facility wherein they shall register their details and attend the AGM as under:

Open the internet browser and open the URL https://instameet.linkintime.co.in & Click on **"Login"**.

- Select the "**Company**" and "**Event date**" and register with your following details:-

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
   - Shareholders/Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
   - Shareholders/Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
   - Shareholders/Members holding shares in **physical form shall provide** Folio Number registered wih the Company

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

NOTICE (Contd.)

- **Click "Go to Meeting":** You are now registered for InstaMeet and your attendance is marked for the meeting.

  (Note: Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience. Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting).

24. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

i. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request on or before 10 September, 2023, mentioning their name, demat account number/folio number, e-mail ID, mobile number, questions to ask, if any, at: kaynestechcs@kaynestechnology.net

ii. Only those Members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the meeting.

iii. Members will get confirmation on first cum first basis. First 10 Speakers registered with the Company will only be allowed to speak at the AGM for a duration upto 3 minutes each.

iv. Members will receive "speaking serial number" once they mark attendance for the meeting.

v. Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

vi. Please remember your speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

vii. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

The Members who do not wish to speak during the AGM but have queries may send their queries in advance on or before 10 September, 2023, mentioning their name, demat account number/folio number, e-mail ID, mobile number at: kaynestechcs@kaynestechnology.net. These queries will be replied to by the Company suitably by e-mail.

For a smooth experience of viewing the AGM proceedings of Link Intime India Private Limited InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance.

Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/

In case shareholders/members have any queries regarding login, they may send an e-mail to instameet@linkintime.co.in or contact on: - Tel: 022-49186175

25. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

(a) Only those Members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

(b) If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

(c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Once the electronic voting is activated by the scrutinizer/ moderator during the AGM, the Members who have not exercised their vote through the remote e-voting can cast the vote as under:

i. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

ii. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on "Submit".

iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

v. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

26. Other e-voting Instructions

The remote e-voting period commences on 11 September, 2023 at 9.00 A.M. IST and ends on 14 September, 2023 at 5:00 P.M. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 08 September, 2023 (the cut- off date) may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on 08 September, 2023.

A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting and voting during the AGM.

Mrs. Kalaivani S, Practising Company Secretary (M. No. 57112 and CP No. 22158) has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.kaynestechnology.co.in within two working days of the 15th AGM of the Company to be held on Friday, 15 September, 2023.

The contact details for Registrar and Transfer Agent:

Link Intime India Private Limited

Tel. No. : 022 4918 6270
E-mail : rnt.helpdesk@linkintime.co.in

NOTICE (Contd.)

Additional Information on Directors Retiring by Rotation and re-appointment:

[Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards)]

Name of the Director	Mrs. Savitha Ramesh (DIN: 01756684)	Mr. Ramesh Kunhikannan (DIN: 02063167)
Age	51 years	59 Years
Date of appointment on the Board	28 March, 2008	28 March, 2008
Qualification	Bachelor's degree in Commerce from the University of Madras.	Bachelor's degree in electrical engineering from National Institute of Engineering, Mysuru
Brief profile and nature of their expertise in specific functional areas	Mrs. Savitha Ramesh is the Promoter and Chairperson of the Company. She has been a part of the Company since 1996. She holds a bachelor's degree in commerce from the University of Madras. She has close to 27 years of experience in electronic manufacturing services industry. She is responsible for the overall process implementation and controls across our Company.	Mr. Ramesh Kunhikannan, is the Promoter and Managing Director of our Company. He has been associated with the Company since incorporation. He has over 34 years of experience in the electronic manufacturing services industry. He oversees the management function of the Company and together with the senior management is responsible for the implementation of strategy in respect of such management function.
Current Remuneration	₹ 18 million per annum	₹ 18 million per annum
Details of Remuneration sought to be paid	Same as Current Remuneration	Same as Current Remuneration
Key terms and conditions of appointment	Executive Chairperson & Whole Time Director of the Company. Additional details are furnished in the Explanatory Statement.	Managing Director. Additional details are furnished in the Explanatory Statement
Number of meetings of the Board attended during the year	Mrs. Savitha Ramesh attended 13 (Thirteen) meetings out of 13 (Thirteen) meetings during the Financial Year 2022-23.	Mr. Ramesh Kunhikannan attended 13 (Thirteen) meetings out of 13 (Thirteen) meetings during the Financial Year 2022-23.
Directorships in other Companies	• Kemsys Technologies Private Limited • Cheyyur 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 Private Limited • Kaynes Semicon Private Limited	• Kemsys Technologies Private Limited • Kaynes Embedded Systems Private Limited • Mvsore ESDM Cluster • Kaynes International Design & Manufacturing Private Limited • Kaynes Circuits Private Limited • Kaynes Electronics Manufacturing Private Limited • Kaynes Semicon Private Limited
Committee Memberships	• Kaynes Technology India Limited:	• Kaynes Technology India Limited:

Committee Memberships — Mrs. Savitha Ramesh:

Name of the Committee	Membership/ Chairmanship of the Committees
Corporate Social Responsibility Committee	Chairperson
Risk Management Committee	Member

Committee Memberships — Mr. Ramesh Kunhikannan:

Name of the Committee	Membership/ Chairmanship of the Committees
Audit Committee	Member
Risk Management Committee	Member

Name of the Director	Mrs. Savitha Ramesh (DIN: 01756684)	Mr. Ramesh Kunhikannan (DIN: 02063167)
Chairpersonship/ Membership of the Committee(s) of Board of Directors of other companies in which he/she is a Director excluding Private and Section 8 companies as on 31 March, 2023	Nil	Nil
Names of listed entities from which the director has resigned in the past three years:	Nil	Nil
Relationship with other Directors and KMP's	Wife of Mr. Ramesh Kunhikannan, Managing Director of the Company	Husband of Mrs. Savitha Ramesh, Chairperson & Whole Time Director of the Company
Number of Equity shares held in the Company	19,800	36,943,633

By Order of the Board of Directors
For **Kaynes Technology India Limited**

Savitha Ramesh
(Chairperson & WTD)
DIN: 01756684

Date: 16 August, 2023
Place: Mysuru

NOTICE (Contd.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 – To ratify the remuneration of Cost Auditors.

In terms of Section 148 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, the Company is required to maintain Cost Audit records and to have the same audited by a Cost Auditor. Further, Rule 14 of the Companies (Audit and Auditors) Rules 2014, requires that the remuneration payable to the Cost Auditor shall be ratified by the Shareholders.

Based on the recommendation of the Audit Committee, the Board of Directors at its Meeting held on 16 May, 2023, had re-appointed Messrs. GA and Associates, Cost Accountants, Mysuru (Firm Registration Number: 000409), for conducting the Cost Audit for the Financial Year 2023-24 on a remuneration of ₹ 100,000 (Rupees One lakh Only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

The Company has received a Certificate from the Cost Auditors confirming their independence and arm's length relationship with the Company and their willingness to act as Cost Auditors of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the Directors or Key Managerial Personnel is concerned or interested financially or otherwise in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Shareholders.

Item No. 4 -To re-appoint of Mr. Ramesh Kunhikannan (DIN: 02063167) as the Managing Director of the Company.

Mr. Ramesh Kunhikannan was appointed as Managing Director w.e.f., 1 April, 2019 for a term of 5 (Five) years. The Board, on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on 31 July, 2023 approved the re-appointment of Mr. Ramesh Kunhikannan, for a further period of 5 years with effect from 1 April, 2024 to 31 March, 2029 as the Managing Director of the Company, subject to the approval of the members in this Annual General Meeting.

Information about the appointee:

Mr. Ramesh Kunhikannan, is the Promoter and Managing Director of our Company. He has been associated with the Company since incorporation. He holds a Bachelor's Degree in Electrical Engineering from National Institute of Engineering, Mysuru He has over 34 years of experience in the electronic manufacturing services industry. He oversees the management function of the Company and together with our senior management is responsible for the implementation of strategy in respect of such management function.

TERMS AND CONDITIONS OF APPOINTMENT:

I. Remuneration ₹ 1.5 Million per month

II. Benefits, Allowances & Perquisites: Nil

III. Variable Component including Bonus: Nil

IV. Other terms and conditions:

   a. Contribution to provident fund, pension/ superannuation/ gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;

   b. Leave Travel Encashment.

   c. Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant

   d. Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;

   e. Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

   f. The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Shareholders.

Other than Mr. Ramesh Kunhikannan and Mrs. Savitha Ramesh, none of the other Directors and Key Managerial Personnel of the Company is interested, financially or otherwise, in the said resolution.

Item No. 5 –To re-appoint of Mrs. Savitha Ramesh (DIN: 01756684) as Executive Chairperson & Whole Time Director of the Company:

Mrs. Savitha Ramesh was appointed as Wholetime Director w.e.f., 1 April, 2019 for a term of 5 (Five) years. The Board, on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on 31 July, 2023 approved the

re-appointment of Mrs. Savitha Ramesh, for a further period of 5 years with effect from 1 April, 2024 to 31 March, 2029 as the Whole Time Director of the Company, subject to the approval of the members in this Annual General Meeting.

Information about the appointee:

Mrs. Savitha Ramesh, is the Promoter, Chairperson & Whole Time Director of your Company. She has been associated with the Company since incorporation. She holds a Bachelor's Degree in Commerce from the University of Madras. She has over 27 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.

TERMS AND CONDITIONS OF APPOINTMENT:

I. Remuneration ₹ 1.5 Million per month

II. Benefits, Allowances & Perquisites: Nil

III. Variable Component including Bonus: Nil.

IV. Other terms and conditions:

   a. Contribution to provident fund, pension/ superannuation/ gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;

   b. Leave Travel Encashment.

   c. Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant

   d. Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;

   e. Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

   f. The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Shareholders.

Other than Mrs. Savitha Ramesh and Mr. Ramesh Kunhikannan, none of the other Directors and Key Managerial Personnel of the Company is interested, financially or otherwise, in the said resolution.

Item No. 6 – To appoint Mr. Heinz Franz Moitzi (DIN: 00323506) as an Independent Director of the Company:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 16 May, 2023, appointed Mr. Heinz Franz Moitzi (DIN: 00323506) as an Additional Director in the category of Independent Director of the Company, with effect from the date on which inclusion /registration of his name in the Independent Directors Data Bank under the Ministry of Corporate Affairs ("MCA") portal and accordingly Mr. Heinz Franz Moitzi has registered himself on the Independent Directors Data Bank on 16 June, 2023.

Mr. Heinz Franz Moitzi has HTBL Electrical Engineering from Stadtwerke Judenburg. He has 42 years of Professional experience including 40 years at AT&S Austria Technologie & Systemtechnik AG, Leoben, Austria.

In terms of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Heinz Franz Moitzi, being eligible and offers himself for appointment as an Independent Director of the Company, for a term of five consecutive years from 16 June, 2023 to 15 June, 2028.

Mr. Heinz Franz Moitzi has furnished a declaration confirming that he satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and the Board noted the same. The Nomination and Remuneration Committee and the Board at their respective Meetings held on 16 May, 2023, have recommended the appointment of Mr. Heinz Franz Moitzi as an Independent Director of the Company for the term of five years. The Board considers that his association would be of immense benefit to the Company and it is desirable to appoint Mr. Heinz Franz Moitzi as an Independent Director. Accordingly, the Board recommends the appointment of Mr. Heinz Franz Moitzi as an Independent Director for a term of five consecutive years as above at the remuneration as per the Company's Remuneration Policy. As per explanation to Section 152, office of Independent Directors shall not be liable for retirement by rotation.

NOTICE (Contd.)

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Director Identification Number	00323506
Age	67 years
Date of appointment on the Board	16 June, 2023
Qualification	HTBL Electrical Engineering from Stadtwerke Judenburg.
Brief profile and nature of their expertise in specific functional areas	He has 42 years of Professional experience including 40 years at AT&S Austria Technologie & Systemtechnik AG, Leoben, Austria, which is engaged in Designs and manufactures high-end printed circuit boards and substrates for semiconductors. Functional Areas /Roles: • Member of the Regional Committee of the Chamber of Commerce, Leoben until the end of 2021. • Member of the Austrian and Styrian Electronic Organization until the end of 2021. • Founding Member of the Austrian Silicon Alps Electronic Cluster. • Award for special economic Services to the Republic of Austria – Councilor of Commerce - 06 December, 2019. • Member of the Supervisory Board Green wood power since beginning of July 2021 Headquarter Brunn am Gebirge, Austria. • Member of the Bord steady sense since beginning 2021. • Advisor for USound Headquarter since 2019 one of the 3 leading companies worldwide for mems loudspeakers. • Club Investor eQventure with more than 25 companies for software and hardware.
Number of meetings of the Board attended during the year	Not Applicable
Directorships in other Companies	NIL
Committee Memberships	Not Applicable
Names of listed entities from which the director has resigned in the past three years:	Nil
Relationship with other Directors and KMP's	None
Number of Equity shares held in the Company	Nil

Mr. Heinz Franz Moitzi, being an appointee, is concerned or interested in the Resolution set out at item no. 6 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

Item No. 7 - To consider and ratify Kaynes ESOP Scheme 2022:

The Shareholders may take note that, the Company has listed its Equity Shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (NSE and BSE together called "Stock Exchanges") on 22 November, 2022 pursuant to the Initial Public Offer (Fresh Issue and Offer for Sale) of Equity Shares of the Company.

Pursuant to Regulation 12 of Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

No company shall make any fresh grant which involves allotment or transfer of shares to its employees under any schemes formulated prior to its IPO and prior to the listing of its equity shares ('pre-IPO scheme') unless:

(i) Such pre-IPO scheme is in conformity with these regulations; and

(ii) Such pre-IPO scheme is ratified by its shareholders subsequent to the IPO:

Provided that the ratification under clause (ii) may be done any time prior to grant of new options or shares or Stock Appreciation Rights ("SAR") under such pre-IPO scheme.

The Kaynes ESOP Scheme 2022 is in compliance with the provisions of Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and now it is hereby recommended to the Shareholders to ratify the existing Kaynes ESOP Scheme 2022.

Your Board recommends the resolution in relation to ratification of the Kaynes ESOP Scheme 2022, for the approval by the Shareholders of the Company.

Mr. Jairam P Sampath, Whole Time Director & Chief Financial Officer ("WTD & CFO") and Mr. Rajesh Sharma, Chief Executive Officer ("CEO") of the Company are interested in the resolution to the extent of ESOP's granted to them pursuant to Kaynes ESOP Scheme 2022.

None of the other Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Following are the salient features Kaynes ESOP Scheme 2022:

1. Brief Description of the scheme:

Kaynes ESOP Scheme 2022 contemplates grant of employee stock options to the eligible employees including the Directors (excluding Independent Directors) of the Company and its subsidiary, as may be determined in due compliance of extant law and provisions of Kaynes ESOP Scheme 2022. After vesting of employee stock options, the employee stock option grantee earns a right (but not obligation) to exercise the vested employee stock options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

2. Total number of options to be granted:

Maximum of up to 923,160 (Nine lakhs Twenty Three Thousand One Hundred and Sixty only) Options convertible into 923,160 (Nine lakhs Twenty Three Thousand One Hundred and Sixty only) Equity Shares of the Company were granted to eligible employees of the Company, under Kaynes ESOP Scheme 2022. Each option when exercised would be converted into one Equity share of ₹ 10/- each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

3. Identification of classes of employees entitled to participate in the Employee Stock Option Plan:

i. a permanent employee of the Company working in India or outside of India; or

ii. a Director of the Company, whether a Whole Time Director or not, including a non-executive Director but excluding promoter director or an Independent Director of the Company or a member of the promoter group; or

iii. an employee as defined in clauses (i) or (ii) of a group company including subsidiary company or its associate company in India or outside India,

but does not include:

a. an employee who is a Promoter or belongs to the Promoter Group;

b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed equity share capital of the Company; and;

c. an independent director within the meaning of the Companies Act, 2013.

4. Requirements of vesting and period of vesting:

The Options granted would vest not earlier than one year and not later than five years form the date of grant of such options. Vesting of options would be subject to continued employment with the Company and thus the Options would vest on passage of time. However, in addition to this, the Board may also, if it feels necessary in certain or in all cases, specify certain performance parameters metrics on the achievement of which the granted options would vest.

NOTICE (Contd.)

Also, in the event of death or permanent incapacity of an Employee, the minimum vesting period of one year shall not be applicable and in such instances, all the options shall vest on the date of the death or permanent incapacity.

5. The maximum period within which the options shall be vested:

The Options granted would vest not earlier than one year and not later than five years form the date of grant of such options.

6. Exercise Price or pricing formula:

Exercise Price per option shall be as decided by the Board and as follows:

i. At a price equal to the latest available closing price, prior to the date of the meeting of the Board, in which options are granted/shares are issued, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered; or at the face of the equity share as decided by the Board.

7. Exercise Period and the process of Exercise:

The stock options granted shall be capable of being exercised within a period being not more than two years from the date of vesting of the respective stock options.

The options will be exercisable by the Employees by a written application to the Company to exercise the options in such manner and on execution of such documents, as may be prescribed by the Board from time to time.

8. The Eligibility Criteria of employees for the Scheme:

Recommended by Management to Nomination and Remuneration Committee ("NRC") of the Board based on the service tenure of the employees and approved by the Board on recommendation of NRC.

9. Lock-in period for options:

The shares allotted pursuant to exercise of options shall not be subject to any lock-in period.

10. Maximum number of options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee under the Kaynes ESOP Scheme 2022 shall be less than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

11. Maximum quantum of benefits to be provided per employee under the scheme:

Any benefit other than grant of options or consequential issue of equity shares is not envisaged under the Kaynes ESOP Scheme 2022. Accordingly, the maximum quantum of benefit for the employees under the Kaynes ESOP Scheme 2022 is the difference between the exercise price of the options and the market price of the equity shares of the Company as on the date of exercise of options.

12. Method of option valuation:

The employee stock options granted in terms of this Scheme are valued under the Fair Value Method.

13. The conditions under which option vested in employees may lapse:

The vested options shall lapse due to non-exercise of Options within the exercise period and upon termination of employment due to misconduct or due to breach of Company policies or the terms of employment. The vested options may also get cancelled in event of abandonment of employment by an employee.

14. Route of Kaynes ESOP Scheme 2022 implementation:

Kaynes ESOP Scheme 2022 shall be implemented and administered directly by the Company and does not involve any Trust.

15. The amount of loan to be provided for implementation of the scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

Currently Trust route is not contemplated under the Kaynes ESOP Scheme 2022.

16. Whether the scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both

Kaynes ESOP Scheme 2022 involves new issue of shares by the Company

17. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the scheme:

Not Applicable.

18. Disclosure and Accounting Policies:

As specified in Regulation 15 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company shall comply with the requirements of the 'Guidance Note on Accounting for employee share-based Payments' or other accounting standards as may be prescribed by the Institute of Chartered Accountants of India from time to time including the disclosure requirements.

Employee Stock Options granted under Kaynes ESOP Scheme 2022 are accounted under the Indian Accounting Standard (Ind AS) 102 Share based payments and such other accounting policies/principles as may be prescribed from time to time during the continuance of Kaynes ESOP Scheme 2022. The same is in accordance with the SEBI SBEB Regulations.

19. Listing

The shares allotted pursuant to the exercise of the stock options under Kaynes ESOP Scheme 2022, shall be listed on National Stock Exchange of India Limited and BSE Limited.

Copy of the scheme Kaynes ESOP Scheme 2022 will be made available for inspection during the meeting and provided to the members on written request to the Company.

By Order of the Board of Directors
For **Kaynes Technology India Limited**

Savitha Ramesh
(Executive Chairperson & WTD)
DIN: 01756684

Date: 16 August, 2023
Place: Mysuru

NOTICE (Contd.)

15TH AGM INFORMATION AT A GLANCE

Sl. No.	Particulars	Details
1.	**Date and time of AGM**	Friday, 15 September, 2023 at 03:30 P.M. (IST)
2.	**Mode**	Video Conferencing (VC) or Other Audio-Visual Means (OAVM)
3.	**Participation through Video Conferencing**	https://instameet@linkintime.co.in
4.	**Helpline number for VC participation**	*Contact on: -* Email ID: enotices@linkintime.co.in or Tel: 022 – 4918 6000
5.	**Cut-off date**	The Annual Report of the Company for FY 2022-23 along with the Notice of the 15th AGM has been / will be sent electronically only to those shareholders who have registered their e-mail address with their DPs/ RTA/ the Company, as applicable, upto the cut-off date i.e. Friday, 18 August, 2023.
6.	**Cut-off date for e-voting**	Friday, 08 September, 2023
7.	**Remote e-Voting start time and date**	Monday, 11 September, 2023 at 9:00 A.M.(IST)
8.	**Remote e-Voting end time and date**	Thursday, 14 September, 2023 at 5.00 P.M. (IST)
9.	**E-voting website of Link Intime India Private Limited.**	instavote.linkintime.co.in
10.	**Speaker Registration start date and time**	Friday, 01 September, 2023 09.00 AM (IST)
11.	**Speaker Registration end date and time**	Sunday, 10 September, 2023 5.00 P.M. (IST)
12.	**Last date for sending questions**	Sunday, 10 September, 2023
13.	**Webcast and transcripts**	https://www.kaynestechnology.co.in/investors.html
14.	**Name, address and contact details of e-voting service provider**	**Name : Link Intime India Private Limited** **Address:** C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400 083 **Contact details:** Email ID: rnt.helpdesk@linkintime.co.in Contact number: 022 4918 6270
15.	**Name, address and contact details of Registrar and Transfer Agent.**	**Name : Link Intime India Private Limited** **Address:** C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400 083 **Contact details:** Email ID: rnt.helpdesk@linkintime.co.in Contact number: 022 4918 6270

CORPORATE INFORMATION

Chairperson & Whole Time Director

Mrs. Savitha Ramesh

Managing Director

Mr. Ramesh Kunhikannan

Directors

Mr. Jairam Paravasthu Sampath – Whole Time Director & Chief Financial Officer
Mr. Anup Kumar Bhat – Independent Director
Mr. Vivekanandah Ramasamy – Independent Director

Mr. Seeplaputhur Ganapathiramaswamy Murali – Independent Director

Mr. Alexander Koshy – Independent Director

Mrs. Poornima Ranganath – Independent Director

Mr. Heinz Franz Moitzi* – Independent Director

*Appointed w.e.f 16th June 2023

Chief Executive Officer

Mr. Rajesh Sharma

Chief Strategy Officer, Company Secretary & Compliance Officer

Mr. Ramachandran Kunnath*
*Left the Company on 15th July 2023.

AUDIT COMMITTEE

Chairperson

Mr. Seeplaputhur Ganapathiramaswamy Murali

Members

Mr. Alexander Koshy
Mr. Anup Kumar Bhat
Mr. Ramesh Kunhikannan

NOMINATION AND REMUNERATION COMMITTEE

Chairperson
Mr. Anup Kumar Bhat

Members

Mr. Alexander Koshy
Mr. Vivekanandah Ramasamy

STAKEHOLDER'S RELATIONSHIP COMMITTEE

Chairperson

Mr. Alexander Koshy

Members

Mr. Vivekanandah Ramasamy
Mr. Jairam Paravasthu Sampath

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Chairperson
Mrs. Savitha Ramesh

Members

Mr. Anup Kumar Bhat
Mr. Seeplaputhur Ganapathiramaswamy Murali

Statutory Auditors

K.P. Rao & Co
Chartered Accountants
Bengaluru

Internal Auditors

Brahmayya & Co
Chartered Accountants
Bengaluru

Secretarial Auditors

Mrs. Kalaivani S
Practicing Company Secretary
Bengaluru

Cost Auditors

GA & Associates
Cost Auditors
Mysuru

BANKERS

Axis Bank Limited
Canara Bank
HDFC Bank Limited
ICICI Bank Limited
IndusInd Bank Limited
Kotak Mahindra Bank Limited
Saraswat Co-operative Bank
State Bank of India

REGISTERED OFFICE

#23-25, Belagola Food Industrial Estate,
Metagalli P O, Mysuru,
Karnataka, 570 016.

SHARE REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
C 101, 247 Park, L.B.S.Marg,
Vikhroli (West), Mumbai – 400 083
Email ID: rnt.helpdesk@linkintime.co.in
Tel: 022 4918 6270

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REGISTERED OFFICE
23-25 Belagola Food Industrial Estate,
Metagalli PO, Mysuru 570016
Karnataka, India.