OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 37, 280 and 356, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

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

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of Electronics System Design & Manufacturing, Skill Development (ESDM) In India" dated October 21, 2022 (the "F&S Report"), prepared and issued by Frost & Sullivan (India) Private Limited appointed on November 16, 2021, and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company at https://kaynestechnology.co.in/investors. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Prospectus has been derived from an industry report prepared by Frost & Sullivan (India) Private Limited exclusively commissioned and paid for by us for such purpose." on page 55. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 18.

OVERVIEW

We are an end-to-end and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of electronics system design and manufacturing ("**ESDM**") services. We have experience in providing conceptual design, process engineering, integrated manufacturing and life-cycle support for major players in the automotive, industrial, aerospace and defence, outer-space, nuclear, medical, railways, Internet of Things ("**IoT**"), Information Technology ("**IT**") and other segments.

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

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

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

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

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

Our Organisational Structure:
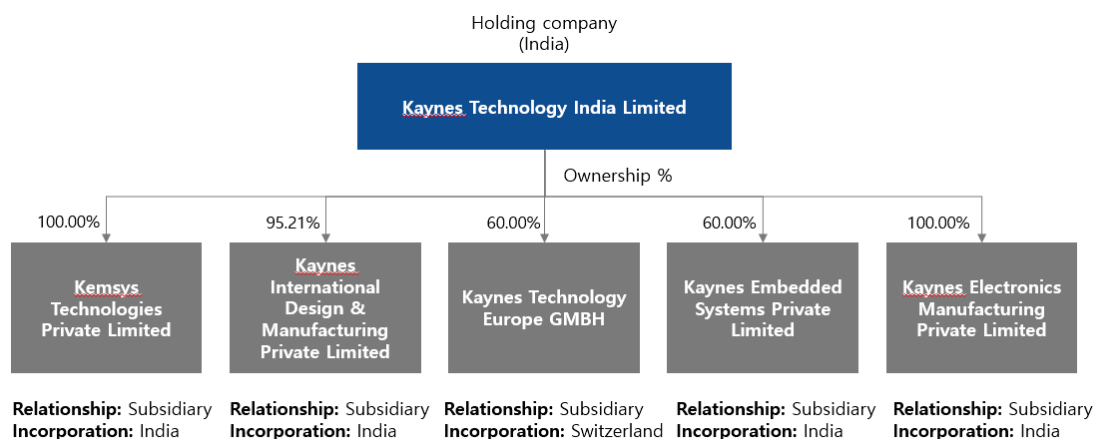
The below table shows details of operations of our Subsidiaries and the revenue from operations generated by such Subsidiaries for the periods indicated:

Name of the Subsidiary	Operations	Revenue from operations (₹ million)			
		Fiscal 2020	Fiscal 2021	Fiscal 2022	For the three months ended June 30, 2022
Kemsys Technologies Private Limited	It provides IOT solutions such as sensors and IO, edge processing, connectivity and monitoring solutions through device engineering, digital engineering, manufacturing and firmware engineering.	68.53	43.43	48.23	6.10
Kaynes International Design & Manufacturing Private Limited	It is involved in end-to-end procurement, assembly, manufacturing and testing of HVAC controllers.	112.66	317.63	334.98	69.57
Kaynes Technology Europe GMBH	It is engaged in consultancy and sales of manufacturing services and related technical services for the electronic manufacturing services industry.	8.98	16.01	15.37	3.97
Kaynes Embedded Systems Private Limited	Currently there are no business operations. However, it was incorporated for dealing in embedded computer software technology allied equipment including for computer aided design, manufacturing and telecommunications and to install or hire computer and allied equipment and to run and conduct bureau of computer service and in particular develop, design, programme, conduct feasibility studies and act as advisors in matters relating to management, marketing, and manufacturing	-	-	-	-

Kaynes Electronics Manufacturing Private Limited	Our Company intends to set up a new facility at Chamarajanagar, Karnataka under this Subsidiary as disclosed in the section "*Objects of the Offer*".	-	-	-	-

The table below shows our revenue from operations across various service segments for the periods indicated:

Services	Fiscal						Three months ended June 30, 2022	
	2020		2021		2022			
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
OEM – Turnkey Solutions – Box Build	942.07	25.58%	1,276.25	30.34%	1,988.21	28.15%	468.68	23.52%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	2,290.02	62.19%	2,509.07	59.65%	4,436.19	62.81%	1,326.96	66.59%
ODM	76.18	2.07%	184.21	4.38%	278.04	3.94%	98.99	4.97%
Product Engineering and IoT solutions	374.11	10.16%	236.74	5.63%	360.06	5.10%	98.03	4.92%
Total	**3,682.38**	**100.00%**	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**1,992.67**	**100.00%**

We operate eight strategically located manufacturing facilities across India in the states of Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, and Uttarakhand. Our facilities are located in proximity to our customers, allowing us to service their requirements efficiently and cost-effectively. Certain of our manufacturing facilities are approved under the Electronics Hardware Technology Park Scheme of Software Technology Park of India, Bengaluru and 100% Export Oriented Unit Scheme of Madras Export Processing Zone, Chennai, Tamilnadu that offer incentives similar to a special economic zone. As of June 30, 2022, we had a combined capacity to assemble over 1,500 million (on an annualized basis) components for the period and have an exclusive line for 'Green Manufacturing' that is compliant with Directive 2002/95/EC Restriction of Hazardous Substances ("**RoHS**"). As of June 30, 2022, our manufacturing infrastructure also includes one design facility and two service centres.

We lay significant emphasis on research and development. This has enabled us to address our consumers' diverse needs, enhance existing products with emerging technologies, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. We have a dedicated research and development facility located within our facility at Mysuru, Karnataka – Unit - I. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities and original design manufacturing capabilities. As of June 30, 2022, our research and development team comprised 19 employees, including engineers, designers and other workers.

Over the years, we have focused on creating robust manufacturing systems and processes that comply with health and safety, as well as environmental and social and governance requirements. Our operations comply with global standards and our facilities have 10 global accreditations, making us the most certified ESDM company in India (*Source: F&S Report*). We are an ISO 9001/14001/45001 BVCI certified company. Our facilities are approved by global product certification agencies including Underwriters Laboratories, Canadian Standards Association and TUV Rhineland. In addition, we have separate vertical specific certifications including EN/AS 9100 for defence and aerospace products, International Railway Industry Standard ("**IRIS**") (ISO/TS 22613) for railway signalling, IATF 16949 for automotive, and ISO:13485 for medical systems. We are the first company in the ESDM industry to be National Aerospace and Defense Contractors Accreditation Program ("**NADCAP**") accredited for aerospace products and are among the few Indian companies to maintain this accreditation (*Source: F&S Report*).

We have long-term relationships with a large customer base diversified across verticals and geographies. In the three months ended June 30, 2022, we served 229 customers in 21 countries globally and multiple industry verticals such as automotive, aerospace and defence, industrial, railways, medical and IT / ITES. Of the customers contributing 80.00% of our revenue from operations in the three months ended June 30, 2022, 37.50% of our customers (by value) have been associated with us for over seven years and accounted for 31.45%, 33.95%, 30.17% and 27.66%, respectively, of our revenue from operations in Fiscal 2020, 2021 and 2022, and the three months ended June 30, 2022. We collaborate with our customers through the entire product life-cycle and after-sales and end-of-life services including assisting with concept creation, product development, prototyping, testing and mass manufacturing. This results in customers shortening their product development and time-to-market cycles. We are well positioned to increase the number of different products that we manufacture for them, increase the volume of our shipments to them of each particular product and expand our coverage to other areas where they require similar solutions.

We are led by experienced Promoters with significant experience in the ESDM industry. Our Promoter and Managing Director, Ramesh Kunhikannan, started Kaynes Technology as a sole proprietorship in 1989. Ramesh Kunhikannan is a technocrat and has over 33 years of experience in the electronic manufacturing services industry. Savitha Ramesh, our Promoter and Whole-time Director has been associated with our Company since 1996 and is responsible for the overall implementation of process and control across our operations. Under their leadership we have been able to expand our operations and have established a significant presence in India. We also have a qualified and experienced Key Managerial Personnel that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

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

Particulars	As of and for the year ended March 31,			As of and for the three months ended June 30, 2022
	2020	2021	2022	
	(₹ million, except percentages)			
Revenue from Operations	3,682.38	4,206.27	7,062.49	1,992.67
Gross Margins[1]	34.37%	31.98%	30.70%	29.48%
EBITDA[2]	413.33	408.91	936.71	245.66
EBITDA Margin[3]	11.22%	9.72%	13.26%	12.33%
Restated Profit After Tax	93.55	97.33	416.75	100.46
Restated Profit After Tax Margin[4]	2.54%	2.31%	5.90%	5.04%
Return on Equity ("ROE")[5]	10.51%	8.08%	24.50%	4.78%*
Return on Capital Employed ("ROCE")[6]	14.42%	13.47%	24.44%	5.54%*
Net Worth[7]	957.58	1,365.10	2,018.18	2,120.04
Asset Turnover Ratio[8]	4.02	3.68	4.79	1.34*
Net Working Capital Days[9]	121	117	98	122#
Debt to Equity Ratio[10]	1.50	1.02	0.84	0.88
Inventory Turnover Ratio[11]	2.70	2.67	3.62	3.10

Notes:
* Not annualised
\# Annualised
[1]   *Gross margin is calculated as revenue from operations less cost of materials consumed and changes in inventories of finished goods and traded goods divided by revenue from operations.*
[2]   *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income.*
[3]   *EBITDA margin is calculated as EBITDA divided by revenue from operations.*
[4]   *Restated Profit After Tax Margin is calculated as restated profit after tax divided by revenue from operations.*
[5]   *ROE is calculated as restated profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*
[6]   *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as restated profit before tax plus finance cost. Total capital employed is calculated as tangible net worth plus non-current borrowings plus current borrowings. Tangible net worth is calculated as total assets less total non-current liabilities (except non-current lease liabilities and deferred tax liabilities), total current liabilities (except current lease liabilities), intangible assets, intangible assets under development, goodwill and right of use asset.*
[7]   *Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, debenture redemption reserve and foreign currency translation reserve.*
[8]   *Asset Turnover Ratio is calculated as revenue from operations divided by gross block of assets.*
[9]   *Net Working Capital Days is calculated as average inventory days plus average receivable days less average payable days.*
[10]   *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowings.*

Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.

STRENGTHS

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

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

We are an end-to-end and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the spectrum of ESDM services (*Source: F&S Report*). We are engaged in concept co-creation with our customers followed by product realization and life-cycle support.
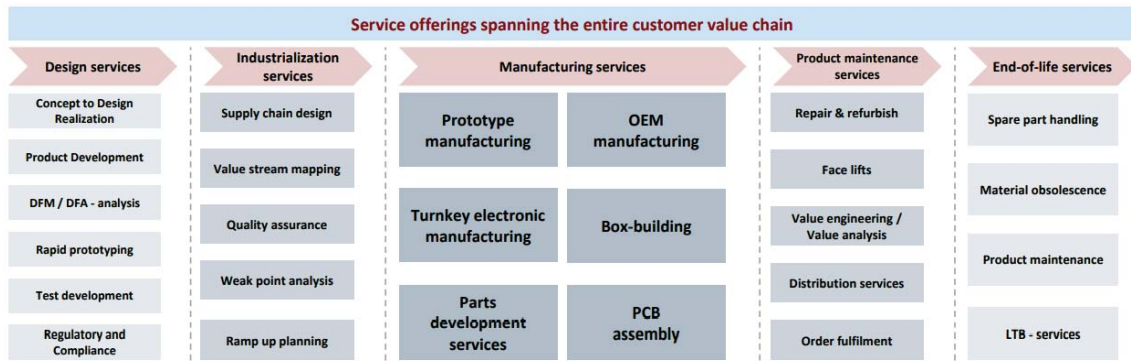
We also provide various value-added services such as obsolescence management, warehousing support, value engineering and value analysis, last time buy services that include purchase of electronic components that are either being discontinued or have been discontinued in larger quantities than immediately required for manufacturing continuity, regulatory and compliance and DFM / DFA analysis. Our ODM capabilities include hardware, software and firmware design, mechanical design, product integration and testing, amongst others. We have also evolved to offer customers in-house developed IoT technology consisting of hardware, software, and firmware design and tools which accelerate time-to-market and de-risk our customer's product development lifecycle. We have developed designs for miniaturized Bluetooth modules, smart lighting with embedded Bluetooth, ceiling fans and remotes with embedded Bluetooth, various industrial sensors, wireless gateways with Bluetooth, Wi-Fi and 4G, streetlight controller working on wireless area network ("**WAN**") technology, smart meters compliance 4G WAN and connected vending machines.

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

We operate our canvas-to-cloud industrial internet of things ("**IIoT**") solutions through our Subsidiary, Kemsys. Our value proposition is to assist OEMs to transform their legacy products into smart systems by incorporating combination of sensors, micro-processors, software, and connectivity technologies in multiple ways. We differentiate our self by providing in-house developed IoT IPs and tools which accelerate time to market and de-risk our customer's product development lifecycle. As of June 30, 2022, we have a dedicated facility with a team of 49 engineers and employees who possess in-depth technical knowledge and expertise in assisting customers of our Subsidiary, Kemsys, in their solutions. We have portfolio of hardware and software accelerators, cloud platform based service and solution offerings which includes ODM product design, IoT data and analytics platform, and vertical IoT solutions.
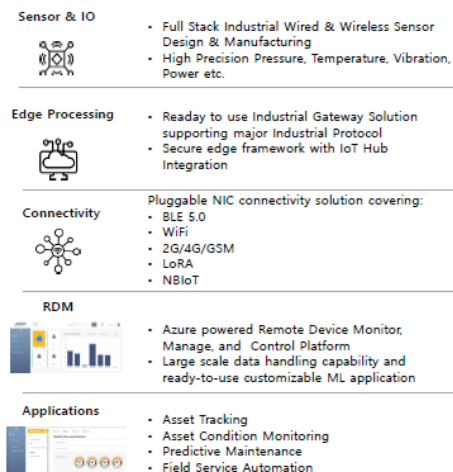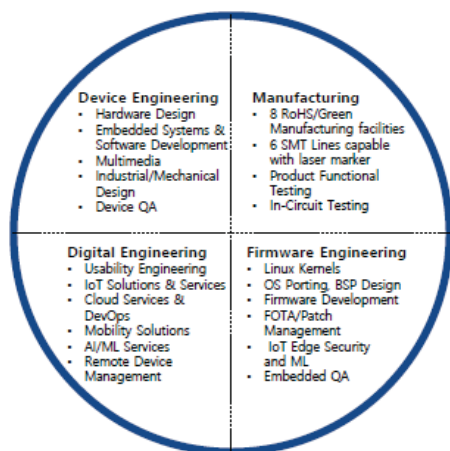
Our key capabilities are as below:

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

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

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

Diversified business model with portfolio having applications across industry verticals

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

Industry	Fiscal						Three months ended June 30, 2022	
	2020		2021		2022			
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Automotive	747.41	20.30%	1,003.59	23.86%	2,370.38	33.56%	822.99	41.30%
Industrial	1,178.06	31.99%	1,393.84	33.14%	2,104.78	29.80%	531.73	26.68%
Aerospace, Defence, Outer-space and Nuclear	200.02	5.43%	135.53	3.22%	177.71	2.52%	6.78	0.34%
Medical	229.66	6.24%	462.17	10.99%	711.74	10.08%	110.82	5.56%
Railways	630.86	17.13%	596.03	14.17%	731.12	10.35%	202.08	10.14%
IoT / IT and Others	403.13	10.95%	247.33	5.88%	375.38	5.32%	98.84	4.96%
Consumer	293.24	7.96%	367.78	8.74%	591.38	8.37%	219.44	11.01%
Total	**3,682.38**	**100.00%**	**4,206.27**	**100.00%**	**7,062.49**	**100.00%**	**1,992.67**	**100.00%**

Long-standing relationships with marquee customer base

We have, through our business operations, established long-term relationships with well-known customers across industries we cater to. We have a diversified customer base and we served 229 customers in 21 countries across three continents in the three months ended June 30, 2022. Our customers span multiple sectors, ranging from electronics, to automotive, to healthcare, industrial and IoT. We have a balanced mix of domestic and international customers including certain Fortune 500 companies, multinational corporations and start-ups. We believe that our continued success is, in part, due to our customer centric practices such as open book costing, internal and external audits, and direct shipments to end-customers. Our customers include Agappe Diagnostics Limited, Canyon Aero (*formerly* Cobham Aerospace Communications) ("**Canyan AERO**"), Frauscher Sensor Technology India Private Limited, Hitachi Rail STS India Private Limited, India Japan Lighting Private Limited, Siemens Rail Automation Private Limited, Iskraemeco India Private Limited and Tonbo Imaging India Private Limited.

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

Industry Vertical	Number of Customers (Fiscal 2022)		Number of Customers (for the 3 months ended June 30, 2022)		Average period of business relationship of top 10 customers (years)*
	Domestic	International	Domestic	International	
Automotive	67	5	45	2	5.20
Industrial	179	29	105	21	8.78
Aerospace and Defence, Outer-space and Nuclear	23	2	10	2	7.00
Medical	23	6	15	5	6.30
Railways	10	5	13	1	8.80
IoT / IT and Others	16	7	6	5	7.44
Consumer	6	1	6	0	3.67

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

We have low customer revenue concentration and our reliance on any single customer is limited. No customer contributed to over 15% of our revenue from operations in the last three Fiscals and in the three months ended June 30, 2022. In Fiscal 2020, 2021 and 2022, and in the three months ended June 30, 2022, our top 10 customers generated ₹ 1,974.20 million, ₹ 1,936.20 million, ₹ 3,603.07 million and ₹ 1,251.52 million, of our revenue from operations, respectively and accounted for 53.61%, 46.03%, 51.02% and 62.81%, respectively, of our revenue from operations in such periods. The value of each customer order has been increasing from an average order size of ₹ 1.49 million in Fiscal 2020 to an average order size of ₹ 5.53 million in Fiscal 2022, at a CAGR of 92.44%.

Our business footprint spans across geographies and as of June 30, 2022, we serve customers across 21 countries and we have a sales and business development team of 36 employees that allow us to generate business across such geographies. The table below sets forth details of our exports and revenues generated from export sales for the periods indicated:

Particulars	As of / for the year ended March 31,			As of / for the three months ended June 30, 2022
	2020	2021	2022	
No. of Countries Products Exported	17	18	20	20
Revenue from Operations (₹ million)	755.24	1,078.48	1,411.77	252.59
Percentage of Total Revenue from Operations (%)	20.51%	25.64%	19.99%	12.68%

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

Particulars	As of / for the year ended March 31,			As of / for the three months ended June 30, 2022
	2020	2021	2022	
	(₹ million)			
North America	276.09	306.45	443.20	45.02
Europe	311.58	360.67	790.68	165.45
South East Asia	37.04	62.92	51.66	10.60
Others	130.53	348.44	126.22	56.61
Total	**755.24**	**1,078.48**	**1,411.77**	**252.59**

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

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

Global Certifications

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

Our systems and processes are also certified by global certification bodies that helps us to serve our customers stringent quality specifications and assists in new customer acquisition. For further information regarding our certifications, see " – *Certifications*" on page 223. We are also part of the Maruti Center For Excellence ("**MACE**") and have been consistently participating and getting approved as part of the Supplier Excellence Programme. This allows us to be seen by potential customers as a MACE approved supplier for electronic assemblies. Further, we have qualified as a "Green" partner for a certain customer and accredited for electronic assemblies for space craft applications from U.R. Rao Satellite Centre, ISRO. We have also received the Certification of Military Airworthiness documents or CEMILAC for instrumentation electronics repair, which enables us to perform avionics repair. We are also certified by the Center for Design and Development of Chittaranjan Locomotive Works of the Indian Railways for the repair and rehabilitation of three phase locomotives.

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

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

Manufacturing Facilities

As of June 30, 2022, we operate various facilities comprising eight manufacturing facilities, one design facility, two service centers and one packaging and dispatch facility across located in Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, Uttarakhand, Kerala and Maharashtra. Our facilities at Manesar, Haryana, Chennai, Tamil Nandu and Parwanoo, Himachal Pradesh are strategically located in close proximity to our customers which in our experience helps reduce logistics costs, increase our efficiency and ensure minimal capital expenditures. Major automotive OEMs are located in Gurgaon, Haryana and Chennai, Tamil Nadu. This helps in reducing the logistics time and support our clients in their operations to the OEM. Our Mysuru, Karnataka – Unit – I facility is approved under Electronics Hardware Technology Park Scheme of Software Technology Park of India, Bengaluru our manufacturing facility at Chennai, Tamil Nadu is approved under 100% Export Oriented Unit Scheme of Madras Export Processing Zone, Chennai, both such schemes offer incentives similar to a special economic zone. Being a part of the ESDM Cluster of Reliability Lab that was started under the modified cluster scheme by the Ministry of Electronics and Information Technology, we benefit from access to electromagnetic interference testing and electromagnetic compatibility testing, component testing, reliability testing, and environmental testing laboratories.

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

As of June 30, 2022, our manufacturing infrastructure includes 269,000 square feet of electrostatic discharge free facilities with seven robotics surface mount lines which possess the ability to populate more than 1,500 million components, 57 through-hole devices ("**THD**") and exclusive clearance lines, class 10,000 cleanrooms, humidity controlled component stores, flying probes, in-circuit testers, X-ray machines, automatic optical testing machines and walk-in thermal cycling chambers. have obtained product approvals on behalf of customers for several safety related requirements, for example, Underwriters Laboratories, Canadian Standards Association and TUV Rhineland approved for supplying toggle switches, dental chair control units and medical diagnostic machines.

We possess customised lines for box building, integration and testing, with facilities for manufacturing cable forms and harnesses, plastic moulding and fabrication facility infrastructure as well as a burn-in / soak-test facility. We also possess build-capabilities for customised designing of testing hardware for a wide range of automated test equipment, functional testers right from firmware flashing fixture, PCBA fixture, end of line tester and product functional testers. These test equipment are designed and built in-house and custom firmware supporting various platforms, processors and microcontrollers. Test application software for automated testing, analysis, report generation, alert generation and data push to the server is also in-house designed based on specific requirements. These advanced service of in-house development of test fixture, provides customers with increase in productivity by reduction of time and skilled resources.
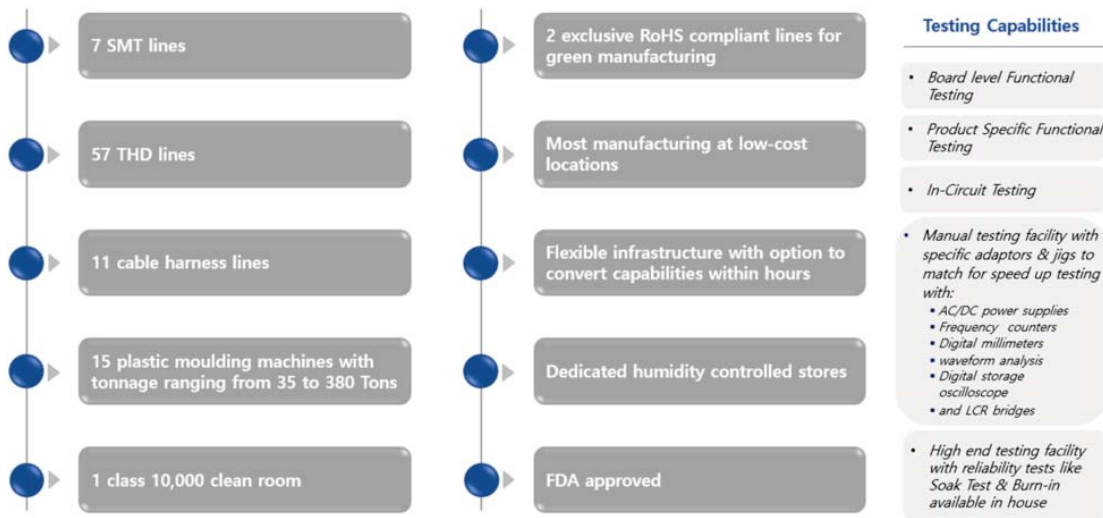
Our facilities are scalable allowing us to expand our capacity within a short time period without incurring significant capital expenditure This is primarily on account of relatively short procurement and installation time for surface mount technology ("**SMT**") lines and ability to augment manual lines without requiring incremental real estate. As such, our capacity can be

scaled. All our manufacturing lines are fungible with the flexibility to service customers across industry verticals and across diverse product requirements. We also have the capability to manufacture the new generation SMT technology-based boards containing ceramic columnar grid array, ball grid array, land grid array and quad flat package.

Strong supply chain and sourcing network

We possess a mature and reliable supply chain network. We have long-term relationships with our vendors within India and outside India, that has led to improvement in credit terms over the years. As of June 30, 2022, we work with over 871 vendors and source materials from various regions including North America, Europe, Singapore as well as locally within India. Our top 10 suppliers have an average relationship period of over 10.80 years, as of June 30, 2022.

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

Track record of consistent financial performance

We have been delivering consistent financial performance, despite the impact of the COVID-19 pandemic on our business operations. Our revenue from operations has grown at a CAGR of 38.49% from ₹ 3,682.38 million in Fiscal 2020 to ₹ 7,062.49 million in Fiscal 2022 and was ₹ 1,992.67 million in the three months ended June 30, 2022, while our EBITDA has grown at a CAGR of 50.54% from ₹ 413.33 million as of March 31, 2020 to ₹ 936.71 million as of March 31, 2022 and was ₹ 245.66 million, respectively, in the three months ended June 30, 2022.

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

Particulars	As of and for the year ended March 31,			As of and for the three months ended June 30, 2022
	2020	2021	2022	
	(₹ million, except percentages)			
Revenue from Operations	3,682.38	4,206.27	7,062.49	1,992.67
Gross Margins[1]	34.37%	31.98%	30.70%	29.48%
EBITDA[2]	413.33	408.91	936.71	245.66
EBITDA Margin[3]	11.22%	9.72%	13.26%	12.33%
Restated Profit After Tax	93.55	97.33	416.75	100.46
Restated Profit After Tax Margin[4]	2.54%	2.31%	5.90%	5.04%
Return on Equity ("ROE")[5]	10.51%	8.08%	24.50%	4.78%*
Return on Capital Employed ("ROCE")[6]	14.42%	13.47%	24.44%	5.54%*
Net Worth[7]	957.58	1,365.10	2,018.18	2,120.04
Asset Turnover Ratio[8]	4.02	3.68	4.79	1.34*
Net Working Capital Days[9]	121	117	98	122#
Debt to Equity Ratio[10]	1.50	1.02	0.84	0.88
Inventory Turnover Ratio[11]	2.70	2.67	3.62	3.10

Notes:
* Not annualised
# Annualised
(1) Gross margin is calculated as revenue from operations less cost of materials consumed and changes in inventories of finished goods and traded goods divided by revenue from operations.
(2) EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income.
(3) EBITDA margin is calculated as EBITDA divided by revenue from operations.
(4) Restated Profit After Tax Margin is calculated as restated profit after tax divided by revenue from operations.
(5) ROE is calculated as restated profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.
(6) ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as restated profit before tax plus finance cost. Total capital employed is calculated as tangible net worth plus non-current borrowings plus current borrowings. Tangible net worth is calculated as total assets less total non-current liabilities (except non-current lease liabilities and deferred tax liabilities), total current liabilities (except current

(7) *Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, debenture redemption reserve and foreign currency translation reserve.*
(8) *Asset Turnover Ratio is calculated as revenue from operations divided by gross block of assets.*
(9) *Net Working Capital Days is calculated as average inventory days plus average receivable days less average payable days.*
(10) *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowings.*
(11) *Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.*

Experienced Promoters and senior management with extensive knowledge of the sector

We are led by an experienced management team. Our Managing Director and Promoter, Ramesh Kunhikannan, is a first-generation entrepreneur, and has more than three decades of experience in the ESDM industry. Our management team includes our Chairperson and Whole-time Director, Savitha Ramesh, who has over two decades of experience in operations management, and our Whole-time Director and Chief Financial Officer, Jairam Paravastu Sampath, who possesses over three decades of experience in manufacturing, operations, sales and marketing. Our other key management personnel have been with our Company for more than 15 years and head the functions of Market Development, Plant Operations and Commercial and have been instrumental in managing our rapidly expanding growth, implementing strategic marketing with overseas business initiatives and improving financial performance. We have a well-qualified senior management team with extensive experience in the EMS industry, which positions us well to capitalize on future growth opportunities. The quality of our management team is enhanced with specific yet extensive industry experience. For further information, see "*Our Management*" on page 256.

Strategies

Focus on full product / box build capabilities

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

Outsourcing of design and manufacturing of electronic components have been adopted in the industry for more than three decades. This trend is expected to continue among OEMs and most of the design and manufacturing is expected to be outsourced to contract manufacturers and ODMs in the long-term. This would contribute to the growth of the ESDM industry. (*Source: F&S Report*) In Fiscal 2020, 2021 and 2022, and in the three months ended June 30, 2022, our box build customers contributed ₹ 942.07 million, ₹ 1,276.25 million, ₹ 1,988.21 million and ₹ 468.68 million, and accounted for 25.58%, 30.34%, 28.15%,and 23.52% of our revenue from operations in the respective periods. In Fiscal 2020, 2021 and 2022, and in the three months ended June 30, 2022, our ODM capabilities have allowed us to service 17, 17, 22 and 7 customers, respectively.

We intend to deploy up to ₹ 2,482.30 million from the Net Proceeds to fund capital expenditure towards upgrading and expanding our existing facility at Mysuru, Karnataka – Unit - I, and near our existing facility at Manesar, Haryana, and to set up a new facility at Chamarajanagar, Karnataka. We believe this will allow us to build high value-added consumer electronic product portfolio, and expand our business with customers for full box build. We intend to expand our box build clientele for a more expansive reach. We have already built capabilities in BLDC motor controllers, invertors, IoT modules integration, smart energy meters and applied products such as street light controllers and biometric add-ons. We propose to grow our customer base in these areas and add newer product categories going forward.

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

As an ODM, we have the ability to provide product design and development services and even whole product lifecycle services. We intend to leverage on our experience and capabilities of our in-house design and research and development team to further our ODM capabilities. ODM services allows us to design and develop a product for a customer as per stated

specifications and features and thereby develop and control supply chain along with the manufacturing process. We believe, this results in deeper customer relationship with constant improvement in product features and introduction of newer variants. We are increasing our product design competency in our chosen areas of technological competency and trying to introduce newer applications with increased focus in developing collaboration with chip manufacturers and building stronger team with skills in embedded hardware design, firmware and software. This is a continuous process of up-skilling and adding infrastructure by investing in newer licenses, testing equipment and application software. We have a dedicated team of engineers focusing on our ODM strategy. As of June 30, 2022, our design, research and development team comprised 19 employees and has capabilities to provide end-to-end support, including verifying and developing conceptual designs received from customers and converting such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The team also provides solutions to improve manufacturing efficiency on the existing products, reduce production costs and assists our customers in designing durable products by providing design and engineering support. We believe that our focus on research and development will allow us to focus on ODM capabilities on new business verticals like consumer electronics. Our expansion strategies also include customer acquisition for smart meter ODM, appliance electronics ODM, solar panel cleaners as ODM, BLDC electric motor ODM as part of our diversified product portfolio. Our endeavour is to identify newer technology applications in consumer appliances, smart technology, IT accessories and cloud based, sensor driven IoT solutions which can easily be scaled, leading to growth in revenue with better margins. We also have a separate design team which offers non-intellectual property design and engineering services in consumer and industrial segments. This team provides hardware or device design and can contribute towards design led manufacturing.

Focus on expansion across each vertical to capitalize on industry opportunity

We intend to undertake vertical-focused expansion, to expand our business using different strategies for our different business verticals.

Aerospace, Defence and Outer-Space: The aerospace segment appears promising because of the increasing trend in the budget allocation, modernization and the procurement of state of the art electronic equipment and technology (*Source: F&S Report*). We intend to set up dedicated infrastructure, skills and competencies to address complex avionics assembly and testing. This will be done by undergoing expansion in this segment by focusing on key strategic customer accounts, and by focusing on building specific original equipment manufacturing relationships to get full box build and emerge as a system integrator in the long run. This will allow us to increase our wallet share and move up the value chain to manufacture incrementally complex products for space electronics. To this end, we have been qualified by an aerospace OEM for a long-term contract with an annual value of ₹ 350.00 million and on final qualification, we would be a part of approved global suppliers eligible for major global contracts. In addition we are approved for repair and maintenance of electronics cards for Dornier fixed wing aircrafts.

Automotive: We have been partnering in the programme with Maruti Center for Excellence since Fiscal 2017 and have been certified as a 'Green Supplier' and have been able to accelerate our growth in the automotive segment. Automotive is one of the key growth opportunity verticals for ESDM providers in the next five years, due to the technology transformation currently underway with autonomous cars development and electric car commercialization activities. Moreover, the rapidly growing electronics content will accelerate the growth of ESDM revenue from this vertical. The Indian passenger vehicle industry is estimated to post a growth of 22% - 25% in Fiscal 2022 (*Source: F&S Report*). We have established ourselves as a major supplier to OEMs for electronics in automotive lighting, passive entry passive start, electronic control units, door switches, clusters, sensors, electric vehicle electronics, convertors, battery management system and electronic drives. We intend to strengthen our relationship with our customer base by offering our design in conversion of mechanical function into electronics in steering control system, offering our designed infotainment, two and three wheeler universal electric vehicle cluster, inverter technology and wireless chargers.

Healthcare: We have been associated with number of medical startups where the biggest challenge is taking the idea from a concept stage to complete product realization. In our experience, not many companies in India offer these services as it involves early engagement, design, engineering, supply chain, reliability, test and manufacturing support. India has developed into a key centre for high-end diagnostic services as a result of large capital expenditure, therefore serving a large population (*Source: F&S Report*). and we intend to focus on this segment by creating additional teams in product realization, leveraging our existing relationships with customers and acquire larger businesses in the hospital equipment sector. We also propose to tap into our existing relationships with customers who have presence across multiple industry segments, but for whom we currently do not service their healthcare segment requirements.

Industrials: We intend to enhance our presence in the smart energy meter segment, through ODM products with strategic customers. We have a relationship with a number of customers in the power electronics and instrumentation segment which we can leverage to gain higher wallet share in the smart energy meter segment. We also intend to expand our customer base in the low voltage power switchgear segment as a part of import substitution and strategically develop our business in the large volume ODM electronics segment, on BLDC motor controllers and inverters in particular, various types of

dispensing technology and focusing on solar energy related electronics like robotic automated AI driven solar panel cleaning machine.

IoT: The adoption of IoT solutions for digital utilities and Smart Cities, as well as industries like manufacturing, and automotive, will fuel demand for industrial IoT applications in the future. The IoT market in India is expected to continue expanding at a CAGR of 16% from 2021 to reach ₹ 135 billion in 2026, backed by strong connectivity and coverage, rising internet penetration, surge in smart applications adoption, new business models, and government initiatives (*Source: F&S Report*). We intend to expand our ODM products under our current KPTR, KemPaas and KemSight platforms, build capabilities across communication technologies and develop communication modules for smart meters. For further information, see "– *Platforms*" on page 218. Certain customers use our modules for applications such as smart lighting, which we intend to further expand. We propose to scale our business in ODM products such as street light controllers, smart meters, IoT devices and solutions.

Railways: There are currently a number of global OEMs in signalling innovations and the Indian market is controlled by global OEMs. We work with most of the major global OEM (*Source: F&S Report*). We are also approved by Chittaranjan Locomotive Works for restoration of three phase locomotive electronics and are one of the few companies approved by Research Design and Standards Organisation and metro rail authorities for onsite factory acceptance testing (*Source: F&S Report*). We intend to tap into installation and maintenance of electronics equipment, branch out to traction electronics, on-board electronics, rolling stock lighting and information systems. We intend to invest in design for the Research Design and Standards Organization of certain select product categories, enhance capabilities to strengthen our market share in signalling vertical, and explore potential strategic technological alliances either with our existing clients or through strategic tie-ups, for bringing global next generation technologies into India in passenger safety, passenger comfort and internet connectivity.

Consumer Electronics: We intend to grow the consumer electronics and appliances segment in the areas of personal electronic devices such as consumer audio and wearables, lighting components and controls, components for consumer appliances, which require electronics solutions to make the device energy efficient and connected, home security and surveillance, communication modules as a connected technology for providing indigenous solutions for various applications, IT accessories to provide locally designed and manufactured product for brands to increase local manufacturing component and connected devices and platforms. We intend to leverage our ODM capabilities in wireless technologies, BLDC motor controllers and IoT driven smart solutions by working with customers from concept, design, product realization to bulk manufacturing. We have the capability for providing full box build solutions including PCBAs, plastic injection mouldings and wiring and metal fabrication, which will help our customers in localizing the manufacturing which was earlier dependent on international vendors. We believe our experience in providing complex box build solutions in other segments including medical systems, industrial and railways will enable us to provide services and solutions in this segment to our customers.

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

We intend to expand our order book by scaling our opportunity across our customer verticals. Our diversified products and customer base over the years, backed by our end-to-end integrated business model and our manufacturing capabilities has led to our order book growing from ₹ 3,521.69 million as of March 31, 2020 to ₹ 15,166.34 million, as of March 31, 2022. As on June 30, 2022, we had an order book of ₹ 22,662.64 million, with orders from several customers across business verticals. Currently, we are involved in several projects in our different business verticals like smart-meters, automotive lighting, electronic control units, hand-held diagnostic hardware, IOT driven smart solutions, dispensing solutions and avionic electronics.

We intend to develop a path with specific focus on new projects and transformative strategic initiatives, which possess significant revenue opportunities for us. These initiatives will be from different verticals, as shown below:
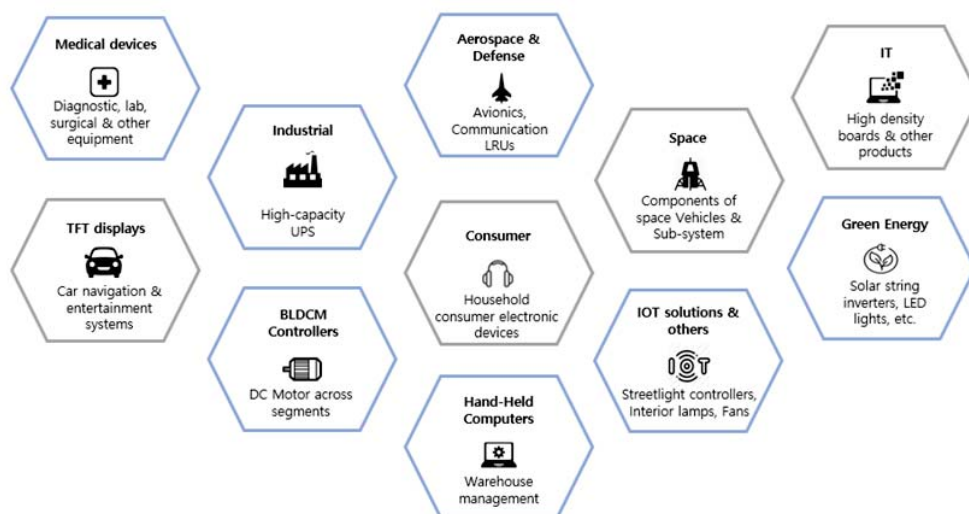
Continue to expand our customer base to focus on large customers

Over the last three Fiscals and in the three months ended June 30, 2022, we have been able to consistently grow our customer base. In Fiscal 2020, 2021 and 2022, and in the three months ended June 30, 2022, we served 283, 292, 346 and 229 customers, respectively, across our different business verticals. With the growing customer demand for our products, we intend to capitalize on this strong industry tailwind by continuing to grow our customer base.

Our expansion of customer base is generally four-pronged. We intend to acquire customers that can provide higher value business, to increase the wallet share with our existing customers through a combined means of marketing strategies and capacity enhancement of our manufacturing facilities to improve our services to our customers, and to attract customers who can provide to us higher margins. As we look to expand our operations both domestically and internationally, we intend to have additional sales and business development representatives in geographies outside India to acquire new and larger customers in such geographies. To generate brand awareness, we intend to continue to utilize content-based marketing through content articles, search engine optimization, email newsletters, social media, press mentions and media partners. We intend to increase the share of our export sales as these offer better margins. To further this strategy, we intend to set up sales and marketing offices in the United States, Japan and Europe in order to grow our exports. As of June 30, 2022, we have 36 employees in our sales and business development team who specialise in assisting us in customer acquisition efforts.

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

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

As of June 30, 2022, we have eight manufacturing facilities located in Karnataka, Haryana, Himachal Pradesh, Tamil Nadu, and Uttarakhand. For further information, see *"Our Business - Manufacturing Facilities"* on page 204. In order to support our growth strategy across India, we intend to set up an additional manufacturing facility at Chamarajnagar, Karnataka and undertake significant expansion at our current facility at Mysuru, Karnataka – Unit - I and near our existing facility at Manesar, Haryana. We also intend to expand our existing manufacturing facilities to increase our manufacturing capacity. The following table sets forth further information relating to our proposed manufacturing facilities.

Locations	Verticals	Area (sq. ft.)	Proposed Capacity (PCB Assemblies per annum)*
Mysuru, Karnataka – Unit I	Defence, Railways, Medical and Industrial	98,243	13.74 million
Manesar, Haryana	Automotive and Industrial	88,000	7.74 million

Locations	Verticals	Area (sq. ft.)	Proposed Capacity (PCB Assemblies per annum)*
Chamarajnagar, Karnataka	Consumer electronics and Smart Meters	200,000	12.55 million
Total Additional Capacity			**34.04 million**

As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated October 19, 2022.
 # For risks associated with the estimated schedule commercial date of our proposed manufacturing facilities, see "Risk Factors - Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns. Further, the installed capacities at our manufacturing facilities were not fully utilised in Fiscal 2020, 2021 and 2022 and in the three months ended June 30, 2022." on page 50.

To support our growth strategy, land has been allotted for the construction of our facility at Chamarajnagar, Karnataka. Certain of these facilities will also benefit from subsidized land grants and tax incentives. We believe that our strategy will allow us to better serve our existing customers, assist us in better addressing the business requirements of large customers, and allow us to expand into new business verticals, in particular, consumer electronics and smart meters.

Further improve operational efficiency through backward integration of manufacturing facilities

In order to improve our operational efficiency, we intend to implement comprehensive backward integration measures by manufacturing in-house components like bare printed circuit boards and get into deep competencies in design of integrated circuits, chip sets and system on chips to leverage complete backward integration for supporting component development. We believe these backward integration measures will allow us to reduce our dependence on third party components, reduce lead time on account of synchronization of actual requirements leading to faster utilization of remaining components, better management of our material inventory, and contribute to higher margins. We are also looking to participate in the Design Linked Incentive scheme of the Government of India. Further, our Company has received approval under the Production Linked Incentive Scheme for White Goods (Air Conditioner and LED Lights whereby our Company has committed to make an investment of ₹ 500.00 million. In addition, our Subsidiary, Kaynes International Design and Manufacturing Private Limited has submitted an application under the Scheme Design Led Manufacturing of Telecom and Networking Equipments which is under consideration. With backward integration, we will have greater control on the manufacturing process, quality standards and benefit from cost efficiencies. As a result, we expect to fulfil our customers' needs in a timely manner, increase our sales per customer and improve our working capital and supply chain processes.

Pursue inorganic growth through selective partnerships and acquisitions

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

BUSINESS OPERATIONS

We engage along the entire product development lifecycle for our customers as summarized below:

Product Development Life Cycle	OEM -Turnkey / OEM – Box Build	ODM	Product Engineering and IoT Solutions
Identification of customer need	N.A.	N.A.	Yes
Current technology and state of the art	N.A.	N.A.	Yes
Finalization of specification both generic and customized	N.A.	Yes (Generic Specification)	Yes
Engineering design	N.A.	Yes	Yes
Prototyping user testing and finalization	Yes	Yes	Yes

Product Development Life Cycle	OEM -Turnkey / OEM – Box Build	ODM	Product Engineering and IoT Solutions
Product realization / industrialization – development of supply chain, manufacturing process, testing infrastructure, including part obsolescence / end of life actions	Yes	Yes	Yes
Pilot and Series production	Yes	Yes	Yes
Post-sales – Warranty and out of warranty	Yes	Yes	Yes
After-Market	N.A.	N.A.	Yes

N.A.: Not Applicable

Business Verticals

The table below shows our revenue from operations across various service segments for the periods indicated:

Services	Fiscal						Three months ended June 30, 2022	
	2020		2021		2022			
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
OEM – Turnkey Solutions – Box Build	942.07	25.58%	1,276.25	30.34%	1,988.21	28.15%	468.68	23.52%
OEM – Turnkey Solutions – Printed Circuit Board Assemblies	2,290.02	62.19%	2,509.07	59.65%	4,436.19	62.81%	1,326.96	66.59%
ODM	76.18	2.07%	184.21	4.38%	278.04	3.94%	98.99	4.97%
Product Engineering and IoT solutions	374.11	10.16%	236.74	5.63%	360.06	5.10%	98.03	4.92%
Total	3,682.38	100.00%	4,206.27	100.00%	7,062.49	100.00%	1,992.67	100.00%

Original Equipment Manufacturer ("OEM") – Box Build

We work with our customers to offer complete "Build To Print" or "Build to Specifications" of complex Box Builds, sub-systems and products in the defence and aerospace, transportation, healthcare, IT and industrial verticals.

We have customised manufacturing lines for box building, integration and testing, with facilities for manufacturing cable forms and harnesses, plastic moulding and fabrication facility infrastructure as well as a burn-in / soak-test facility. We also possess build-capabilities for customised designing of testing hardware for a wide range of automated test equipment, functional testers right from firmware flashing fixture, PCBA fixture, end of line tester and product functional testers. Our OEM products are shipped directly to the warehouse of our customers.

We have a dedicated 'New Product Introduction' team that is capable of localizing custom built parts including tooling for plastics. As of June 30, 2022, we completed over 40 transfers of technology from overseas customers, wherein both the process and the complete product has been qualified and approved for manufacturing for global requirements.

We offer services from the concept to design stage and undertake prototyping and pilot and thereafter mass manufacturing. As part of our project management services, we undertake product reliability, validation and approvals. Type tests required for reliability of products are also carried out at external labs.

The infographic below sets forth the typical process for our end-to-end OEM – Box Build and OEM – Turnkey solutions:

Assembly Phase 1: This phase includes production of all PCBAs for each of the sub components involving SMT & THT components assembly and inspection. The sub-component are assembled in the following order – 1. Main Board ; 2. Power Supply; 3. Front Fascia ; 4. Back Plane; 5. Add-ons ; 6. Mechanical Frame Subassembly.

Testing Phase 1: The component is tested for performance and quality. Various tests performed are – 1. Each PCBA Switch on Test ; 2. Functional Test, Debugging; 3. Electrical safety and other parameters for each PCBA such as main board, back plane, etc.

Assembly Phase 2: Final Assembly of PCBAs and wiring harnesses and assembly into Chassis/ Frames

Testing Phase 2: The software aspects of the final component is tested. Various phases of testing are – 1. OS loading; 2. Application Program Loading; 3. Testing product/subassembly functionality; 4. Safety Tests.

Final Inspection & Packing: The various stages in the final phase are- 1. Final visual inspection; 2. Inspection of test reports and documents; 3. Packing and dispatching to client location.

OEM – Turnkey Solutions

We provide end-to-end turnkey solutions in manufacturing of PCB assemblies. We undertake prototyping, sourcing including supplier development for bare PCBs, building test jigs and designing processes for PCBAs.
We then manufacture at our SMT lines and deliver tested and validated boards to customers globally.

We focus on high mix, high technology, flexible volume production, and provide value added services to customer across aerospace, defence and outer-space, railways, medical, IT/ITES, industrial and automotive electronics verticals.

We have machines and capabilities for SMT devices and THD boards with latest packaging of QFPs, BGAs, LGAs / QFNs, 0402/0201/01005 chips, and handle all types of boards – processes based RF, power electronics and discrete logic boards.

We also have complete testing facilities for the PCB assembly and products including AOI, flying probe, x-ray, ICT and high precision voltmeter, frequency controls, digital oscilloscopes, spectrum analyzers, signal generators and customer specific test jigs and automated testing equipment.

Original Design Manufacturing ("ODM")

Concept to Commercialization
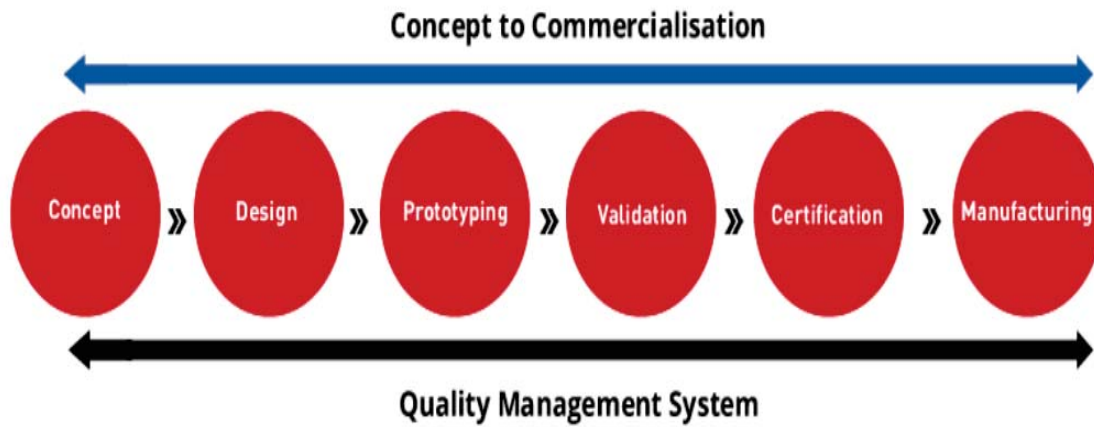
Software Services: We assist customers in creating new technology solutions. Our Kaynes Embedded Systems service develops customized products for our customers as per their requirements.

PCB Design Services: We specialise in high-speed, multi-layer, mixed signals, RF PCB designing along with fabrication and assembly. We offer two stage design reviews, either offline or interactive online. Designs are provided using industry standard PCB design software. We also offer RoHS compliant designs for new layouts and conversions of existing assemblies.

Mechanical Designs and Engineering Services: We provide product design solutions, enclosures design, remastering jigs and fixtures.

Prototyping: We provide turnkey prototyping solutions and rely on DFM, DFT and DFS review for transition of prototypes to bulk production. We have capabilities to manufacture prototype of small quantity of two to 10 numbers with expertise in handling SMT technology based boards, BGAs, LGAs, QFNs, QFPs and chip bonding.

We offer complete testing facility of basic measurements like oscilloscope, frequency counters, spectrum analyzer, power supply and specific test like the JTAG based testing for DSP designs. We provide prototypes on a turnkey basis; tests involving mechanical boxing for demo package design and door- to-door logistic services like ship to bill to where the end-user directly gets a technical product reducing time to market for customers.

Validation and Regulatory Compliance

We provide solutions for testing, verification, validation of products for quality assurance. We also support reliability demonstration through a series of reliability tests on prototype before release to manufacturing.

We evaluate the product for compliance to national and international regulatory standards (BIS, CE, FCC and others). We also provide end-to-end support for identifying requirements, pre-compliance and compliance testing, documentation and certification.

Use cases of certain of our ODM applications are set out below:

Products	Vertical	Description
Smart meter	Industrial	Our customer is a European company that has entered the Indian market and have supported with a design and qualification of smart meters suitable for the Indian standards.
Home diagnostic products	Medical	Start-up entering into at-home diagnostic market. We undertake the design, prototype and bulk manufacturing
Streetlight controllers	IoT and IT	Customer has its own long range network for which we designed and developed a street-light controller which has a built-in energy meter. The product has qualified for reliability and taken up for bulk manufacturing including exports.
IoT appliance	Consumer	Looking for support in IoT driven smart solutions for appliance. Handled design, proto and currently doing bulk manufacturing.

Products	Vertical	Description
Consumer audio	Consumer	Customer looking to localize manufacturing through assembly of semi-knockdown unit. We supported in SKU and localizing for complete knockdown unit.

Product Engineering and IoT solutions

Our service offerings in this vertical are set out below:

Device Engineering: We offer turnkey solutions for product companies across verticals requiring custom embedded system development. Device engineering is an interplay of hardware, embedded and mechanical designs involving advanced technologies such as high-end processors, sensors, connectivity, and advanced embedded software and device

Digital Engineering: We bring a one-stop-shop for our customers looking for an end-to-end IoT and Cloud enablement solution offering. We have a comprehensive remote device management IP and cloud platforms to accelerate our customer solution journey.

Quality Engineering: We provide quality assurance services across the entire connected product lifecycle spectrum, covering quality assurance consulting services, IoT quality assurance implementation services, to end-of-life quality assurance support services. Through our comprehensive suite of service offerings and best practices, we ensure high product quality, operational excellence, and agility to meet our customer's dynamic and complex end-to-end solution testing needs.

Prototype and Bulk Manufacturing: We manage product development and product certifications, mechanical casing design, BOM optimization, and mass manufacturing services. This results in time saving for customers and in better control.

Manufacturing Processes

Manufacturing

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

SMT Process

SMT process is an automated process with specific machines performing the job as per pre-set programs. The different sub processes in SMT are performed serially in process specific machines. The unit under assembly are moved from one machine to another thro' an automated conveyor. All the machines in the line as well as the connecting conveyors are conforming to SMEMA Electrical Equipment Interface Standard. This ensures proper sequencing of entry and exit of the unit under assembly from each individual machine.

The sequence of operations in SMT section and the machines used in each of them are as per the manufacturing process flow chart below:
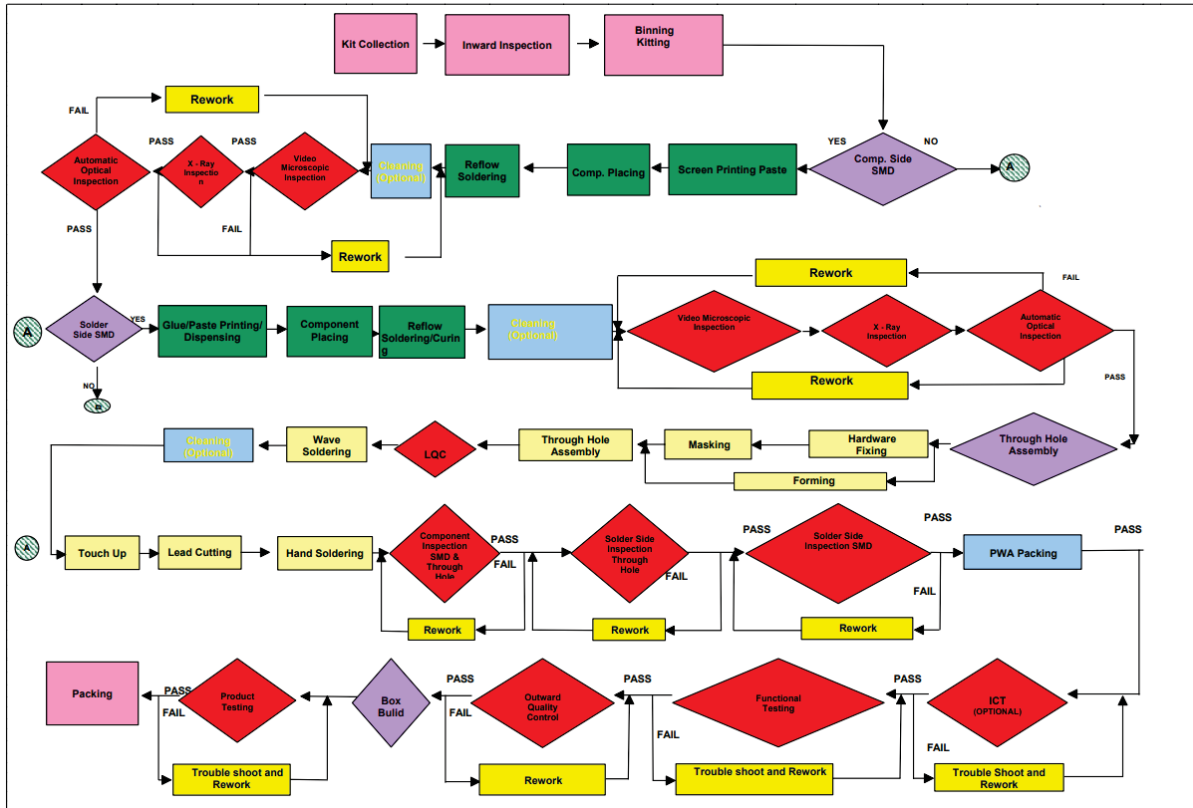
Screen Printing: A bare PCB is passed through the machine and the solder paste (a combination of lead, tin and in certain cases silver powder suspended in thick flux) is deposited on the board through a stencil. The stencil is specific to the product and will have openings corresponding to the solder-able pads on the bare PCB. The machine operation parameters like squeegee movement speed and pressure are set in the machine through different programs.

Component Placement: After solder paste printing is brought into the machine through conveyor and the components to be placed on the PCB are loaded in bulk packages through different feeders. The feeder and the location where the component is to be placed on the board are defined in a program.

Reflow Oven: During re-flow process, the PCB with components placed on solder paste deposits is moved through a conveyor. There are multiple heating zones in the oven. The temperature of each of the zone is set based on the temperature profile measured on the PCB during the movement of the PCB through the oven. The speed of the movement also is fixed based on the temperature profile measured on the board. By the time the PCB comes out of the oven, the solder paste get converted from paste form to solid form and the electrical connection from components to the pad on the board is established.

Wave Soldering and Selective Soldering: This process is used when any through hole components are to be soldered. Here the PCB after mounting the components is passed over a bath of molten solder. Due to capillary action, the molten solder passes through the plated holes in the PCB and once solidified, the electrical connection is established. If the component to be soldered is sensitive to heat, selective soldering process is adopted, where instead of a solder bath, a small solder wave is used and the board is moved in different axes so that the area to be soldered alone comes into contact with the wave.

Module Assembly Process

This process is also known as the box build process or final assembly process. In this process, all the sub-assemblies are assembled together to get a final product which is then tested and packaged for shipment. This stage may include some assembly processes, some testing processes, and final testing and quality control processes. At this stage all quality documentation and production documentation that is required for shipment is collated.

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Inspection Systems and Processes

There are different stages of inspections for ensuring products are defect free and the processes followed are in compliance with the standards / guidelines adopted for manufacturing. In addition to the manual inspections, there are automated inspection systems also.

After reflow soldering, the PCB from reflow oven is passed onto automatic optical inspection system. Here the soldering qualities as well as the identity of the components are verified with reference to the reference data available in the system.

For certain customers, there is a requirement that they require fully-assembled and tested OK boards. In such assembly lines, at the end of the line there will be an automatic test equipment, In-Circuit Tester ("**ICT**"). The final product is loaded onto the machine and connected through a customized testing jig specific to the product. Once connected, the assembly will power up from the ICT machine and all functionalities of the assembly are verified by electronic means through output from different test points.

In certain PCBs, the electrical connection will be from beneath the component. In such cases, no visual inspection can be undertaken to ensure soldering quality. In such cases, the inspection is conducted with the help of an inspection system employing X-ray.

Once the product is ready, there are additional tests undertaken to ensure reliability. These include vibration tests and temperature cycling. To ensure mechanical stability, the product undergoes a vibration test for a specified time at specified amplitude of vibration on a vibration table of suitable capacity. To ensure functionality of the product under varied operating conditions, the unit is kept in Power ON or OFF condition in a thermal cycling chamber, where temperature is varied between – 30°C and 80°C. Temperature ramp up and down is done in different cycles and rates based on product requirement and application.

Products

The table below sets forth details of the products we manufacture based on the verticals for which they are manufactured:

Industry	Type of Products
Automotive	
Industrial	

Industry	Type of Products
Aerospace, Defence, Outer-space and Nuclear	
Medical	
Railways	

Industry	Type of Products
IoT / IT and Others	Bar Code Scanner, RFID Gateway, Industrial Tablet, Industrial HMI, PLC Gateway, Gateway – Asset Condition Monitoring, AIIoT Gateway, Diff. Air pressure, RTD Temperature, Liquid Pressure, Vibration

Platforms

KPTR – IIoT Products and Accelerators: The Smart Edge platform powers our array of ODM products including industrial sensors and multi-protocol gateways. These devices are essential to make assets smart by capturing and contextualizing the machine data in real-time. KPTR designs are field-proven and have industry certifications. They support varied industrial protocol and IoT connectivity stack out-of-box.

KemPaaS – Remote Device Management Platform: KemPaaS provides a managed and secure cloud platform to capture, store, and analyse industrial machine data at scale. KemPaaS extends IoT data as an API for building vertical applications and enabling OT-IT data integration with known IT platforms. The platform also offers turnkey remote device management, rule-based workflow automation, and a notification engine.

KemSights – Analytical Applications: Connected industrial applications targeted for various IIoT use cases including condition monitoring, asset tracking, predictive maintenance, energy optimization, and equipment rental. KemSight offers the opportunity to use out-of-box applications, build custom applications, or port third-party application on KemPaaS data APIs.

Facilities

The map below sets forth details of our facilities, as of June 30, 2022.

Parwanoo, Himachal Pradesh
Area – 5,253 sq.ft
Sectors: IT, Industrials

Selaqui, Uttarakhand
Area – 5,500 sq.ft
Sectors: IT, Industrials

● Manufacturing Facilities Design
● Facility
● Service Center
● Packaging and dispatch facility

Manesar, Haryana
Area – 88,000 sq.ft
Sectors: Automotive and Industrials

Navi Mumbai, Maharashtra
Area – 6,350 sq.ft
Sectors: All industries Service Centre

Mysuru, Karnataka - Unit I
Area – 98,243 sq.ft
Sectors: Industrial, Railways, Medical, Defence, others

Bengaluru, Karnataka – Unit I
Area – 12,425 sq.ft
Sectors: Defence, Wire Harness, Power Includes testing facility

Mysuru, Karnataka - Unit II
Area – 27,842 sq.ft
Sectors: Automotive and Industrial

Bengaluru, Karnataka – Unit II
Area – 13,447 sq.ft
Sectors: Automotive and Industrial

Mysuru, Karnataka
Area – 3,000 sq.ft
Packaging & dispatch facility

Bengaluru, Karnataka
Area – 4,990 sq.ft
Sectors: All industries Design Facility

Kochi, Kerala
Area – 2,000 sq.ft
Sectors: All industries Service Centre

Chennai, Tamil Nadu
Area – 10,125 sq.ft
Sectors: Wire Harness, Magnetics

[Map not to scale]

Manufacturing Facilities

As of June 30, 2022, our Company has eight manufacturing facilities situated in India at various locations as set out below:

S. No.	Location	Verticals	Area (Square Feet)	Owned / Leased
1.	Mysuru, Karnataka – Unit I	Railways, Defence and Aerospace, Medical and Industrials	126,085	Owned
2.	Mysuru, Karnataka – Unit II			Leased
3.	Parwanoo, Himachal Pradesh	IT, Telecom, Industrial, Medical and Automotive	5,253	Owned
4.	Selaqui, Uttarakhand	IT and Industrial	5,500	Leased
5.	Bengaluru, Karnataka – Unit I	Automotive, Medical, IOT, IT and Industrial	12,425	Leased
6.	Bengaluru, Karnataka – Unit II	Automotive and Industrial	13,447	Leased
7.	Chennai, Tamil Nadu	Automotive, Medical and Industrial	10,125	Leased
8.	Manesar, Haryana	Industrial, Medical and Automotive	88,000	Leased

Our facilities are routinely audited and approved by our customers including various multinational corporations as a part of their approval process.

Service Centers

As of June 30, 2022, our Company has two service facilities situated in India as set out below:

S. No.	Location	Verticals	Area (in Square Meters)	Owned / Leased
1.	Kochi, Kerala	Aerospace and Defence	185.80	Leased
2.	Navi Mumbai, Maharashtra	Railway, Aerospace, Defence and Industrial	589.93	Leased

Design Facility

As of June 30, 2022, our Subsidiary, Kemsys Technologies Private Limited, has one design facility in India as set out below:

S. No.	Location	Verticals	Area (in Square Feet)	Owned / Leased
1.	Bengaluru, Karnataka	Automotive, Industrial, Aerospace, Defence, Outer-space and Nuclear, Medical, Railways, IoT / IT and Others and Consumer	4,990	Leased

Packaging and Dispatch Facility

As of June 30, 2022, our Subsidiary, Kaynes International Design & Manufacturing Private Limited has one packaging and dispatch facility in India as set out below:

S. No.	Location	Verticals	Area (in Square Feet)	Owned / Leased
1.	Mysuru, Karnataka	Industrial	3,000	Leased

The table below sets forth details of our facilities and service centers and their operations within our organisational structure as of June 30, 2022:

Name of the Entity	Facility/ Service Centre
Kaynes Technology India Limited*	• *Operates the following manufacturing facilities which are located at*: 1. Mysuru, Karnataka – Unit – I 2. Mysuru, Karnataka – Unit II 3. Bengaluru, Karnataka – Unit I 4. Bengaluru, Karnataka – Unit II 5. Parwanoo, Himachal Pradesh 6. Selaqui, Uttarakhand 7. Chennai, Tamil Nadu 8. Manesar, Haryana • *Operates the below service centres which are located at*: 1. Navi Mumbai, Maharashtra 2. Kochi, Kerala
Kemsys Technologies Private Limited	Operates the design facility which is located at Bengaluru, Karnataka.
Kaynes International Design & Manufacturing Private Limited	Operates the packaging and dispatch facility which is located at Mysuru, Karnataka
Kaynes Embedded Systems Private Limited	Does not operate any facility or service centre.
Kaynes Technology Europe GMBH	Does not operate any facility or service centre.
Kaynes Electronics Manufacturing Private Limited	Currently does not operate any facility or service centre, however, a new manufacturing facility will be set up at Chamarajnagar, Karnataka which will be operated by Kaynes Electronics Manufacturing Private Limited, as disclosed in the section "*Objects of the Offer*" on page 120.

The proposed expansion to Mysuru, Karnataka – Unit I and setting up of Manesar, Haryana – Unit II, as disclosed under "Objects of the Offer" on page 120, will be operated by the issuer Company.

Aggregate Installed Capacity and Capacity Utilization

The following tables sets forth certain information relating to the installed capacity and capacity utilisation (on the basis of total installed capacity and actual production) of SMT components placement/ assembly and PCB assemblies at our manufacturing facilities located at (i) Mysuru, Karnataka – Unit I and Mysuru, Karnataka – Unit II; (ii) Parwanoo, Himachal Pradesh; and (iii) Manesar, Haryana. The two facilities at Mysuru, Karnataka are used interchangeably for the assembly of SMT components. Accordingly, the facility-wise data cannot be determined for individual capacity utilization calculations and have been clubbed for the purpose of determination of capacity utilization.

The installed and utilized capacity of our facilities located at: (i) Selaqui, Uttarakhand; (ii) Bengaluru, Karnataka – Unit I; (iii) Bengaluru, Karnataka – Unit II; and (iv) Chennai, Tamil Nadu cannot be specified these facilities are engaged in ancillary placement/assembling activities. Since these facilities are not involved in SMT component assembly and PCB assemblies, an estimate with respect to installed or utilised capacity cannot be specified. The capacity of the placement/assembly operations varies significantly depending on products manufactured and hence an estimate of the installed / utilized capacity cannot be provided accurately.

The capacity is measured in two ways: (i) number of SMT components placed on a PCB (in million SMT components places per annum); and (ii) number of PCB assembled (in million PCB assembles per annum).

SMT Components Placement/ Assembly

| Facility | As of and for the financial year ended March 31, | | | | | | | | | As of and for the three months ended June 30, 2022 | | |
| | 2020 | | | 2021 | | | 2022 | | | | | |
	Installed Capacity*(1) (SMT Components Placement/ Assembly per Annum) (Million)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1) (SMT Components Placement/ Assembly per Annum) (Million)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1) (SMT Components Placement/ Assembly per Annum) (Million)	Actual Production	Utilisation (%)*(2)	Installed Capacity*(1) (SMT Components Placement/ Assembly per Annum) (Million)	Actual Production	Utilisation (%)*(2)
Mysuru, Karnataka – Unit I and Unit II	464.94	360.87	77.62%	458.26	377.78	82.44%	652.55	587.76	90.07%	240.12	175.90	73.25%
Parwanoo, Himachal Pradesh	72.64	30.80	42.40%	60.53	27.43	45.32%	72.64	26.82	36.92%	18.16	8.61	47.40%
Manesar, Haryana	178.40	100.76	56.48%	148.67	102.44	68.91%	196.24	184.01	93.76%	119.15	83.53	70.10%

PCB Assembly

| Facility | As of and for the financial year ended March 31, | | | | | | | | | As of and for the three months ended June 30, 2022 | | |
| | 2020 | | | 2021 | | | 2022 | | | | | |
	Installed Capacity*(1) (PCB Assemblies per Annum) (Million)	Actual Production (PCB Assemblies per Annum) (Million)	Utilisation (%)*(2)	Installed Capacity*(1) (PCB Assemblies per Annum) (Million)	Actual Production (PCB Assemblies per Annum) (Million)	Utilisation (%)*(2)	Installed Capacity*(1) (PCB Assemblies per Annum) (Million)	Actual Production (PCB Assemblies per Annum) (Million)	Utilisation (%)*(2)	Installed Capacity*(1) (PCB Assemblies per Annum) (Million)	Actual Production (PCB Assemblies per Annum) (Million)	Utilisation (%)*(2)
Mysuru, Karnataka – Unit I and Unit II	14.34	11.13	77.62%	29.24	24.1	82.44%	37.12	33.44	90.07%	10.37	7.59	73.25%
Parwanoo, Himachal Pradesh	1.75	0.74	42.40%	1.96	0.89	45.32%	3.21	1.19	36.92%	0.41	0.19	47.40%
Manesar, Haryana	3.00	1.69	56.48%	3.30	2.28	68.91%	4.94	4.64	93.76%	2.90	2.03	70.10%

* As certified by K. L. Arun, Independent Chartered Engineer, by certificate dated October 19, 2022.

Notes:

(1) The information relating to the existing installed capacity of our manufacturing facilities as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the component manufacturing industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing facilities.

(2) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing plant as of at the end of the relevant period. In the case of capacity utilization for the period ending June 30, 2022, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.

(3) The assumptions and estimates taken specifically into account include the following:

a. Number of working hours per day taken at 22 hours per day; Number of working days per month taken at 25 days per month; and Number of months in a year taken at 12 months per year; and

b. The SMT machines have a rated capacity in terms of number of components placements per hour ("CPH") and based upon 3(a) above, the rated CPH for the year was determined for each of the machines in terms of total number of component placements in a year which is the rated theoretical capacity for each machine.

c. Due to COVID-19 lock down, all facilities were operational only for 10 months out of 12 months. Accordingly, the effective Installed Capacity for Fiscal 2021 was 10/12th of the annual capacity for Fiscal 2021.

(4) Actual production levels and utilization rates may vary significantly from the capacity information of our manufacturing facilities included in this Prospectus and undue reliance should not be placed on such information.

Also, see *"Risk Factors – Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary."* on page 69.

Research, Development and Technological Capabilities

We believe that R&D is critical in maintaining our competitive position in the ESDM industry, including in order to address changing customer trends, be updated with technological advancements, industry developments and business models. Our R&D capabilities focus on technology development, costs and operating efficiencies, product design and development, production processes and environmental management by understanding current market demands and evolving customer trends. We believe that the ESDM industry is rapidly evolving due to technological advancements and deeper penetration of information technology.

Manpower: As of June 30, 2022, we have 120 personnel engaged as part of our R&D and engineering operations. Through our R&D and innovation capabilities, we have successfully designed and developed a portfolio of wide ranging products that are used across various industry verticals. We have the ability to manufacture most of our products from the concept and design stage until the final delivery thereby covering the entire manufacturing value chain.

Quality Control, Testing and Certifications

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

IATF 16949 is the required QMS standard for the global automotive supplier base. Any automotive supplier who supplies a component or system that ends up in an automobile must be certified, along with any automotive supplier who is contractually required by an automotive OEM to be certified.

ISO 9001 certification provides us with tools to improve our business performance, such as defining policy and objectives, monitoring and measuring processes and product characteristics, specifying corrective and preventive actions and encouraging continuous improvement. We have also obtained ISO 14001:2015 certifications to ensure compliance with environmental standards.

To complement our existing quality certifications, we have also obtained ISO 13485: 2016 registration to support our activities in the manufacture of medical devices and implants as well as AS 9100 – Rev D to validate our quality system for the aerospace and defence applications.

Other accreditations and certifications pertaining to quality and health and safety standards obtained by us include NADCAP certification for our aerospace products.

Our customers expect us to undertake extensive product approvals and/or certification process and some of our customers also perform their own quality checks to ensure that our products meet their demands and comply with the requirements.

Certain information regarding our certifications are shown in the table below.

Certifications	Certification Type	Vertical	Description
EN 9100	Industry specific	Aerospace, Defence and Nuclear	• Mandatory for all electronic and mechanical supplies to aerospace industry • Assists in vendor selection by a global MNC. • Certification to manufacture and service populated PCBs, electromechanical assemblies, and cable harnesses for aerospace application.
National Aerospace and Defense Contractors Accreditation	Industry specific	Aerospace, Defence and Nuclear	• Certification is managed by a consortium of all aerospace and defence contractors in the United States for suppliers who need to be accredited before any supplies for Aerospace industry. • We are NADCAP accredited for all electronic processes for delivering products compliant with EN 9100 standards.

Certifications	Certification Type	Vertical	Description
Program ("NADCAP")			
International Railway Industry Standard ("IRIS") / ISO TS22163	Industry specific	Railways	• Required standard for any supplies to railway authorities or companies in Europe. • Scope of the certification comprises design, development, and manufacturing of components for populated PCBAs, electromechanical assemblies, and services.
IATF 16949	Industry specific	Automotive	• Manufacturing permitted exclusions, design and development of products and services for the Automotive electronics.
ISO 9001	Industry specific	Industrial	• Minimum standard required for supplies of industrial products • Design, manufacture, and service of populated PCBAs, electromechanical assemblies, and transformers for electronic assemblies.
ISO 13485	Industry specific	Medical	• The management system is applicable for: ▪ Manufacturing of PCBAs, electromechanical assemblies, cable assemblies for active and in-vitro diagnostics, medical devices and laboratory equipment, ▪ High level assembly of in-vitro diagnostic and medical devices ▪ Designs and engineering / value engineering support for manufacture of parts and assemblies used in medical devices
EN 9110/ AS 9110C	Industry specific	Aerospace, Defence and Nuclear	• Repair and maintenance of PCB assemblies for aerospace and other industries
SA 8000	Social Accountability	Various	• Certification to develop, maintain, and apply socially acceptable practices in the workplace.
ANSI S 20.20	Generic	Various	• Certification for implementing and maintaining electrostatic discharge control program.
IEC 61340	Generic	Various	• Certification for implementing and maintaining electrostatic discharge control program.
ISO 14001	Regulatory	Various	• Adhering to environmental standards and regulations.
ISO 45001	Regulatory	Various	• Adhering to safeguarding health and safety in workplace.

Customers

We have a diversified customer base and we served 229 customers across industries and geographies in the three months ended June 30, 2022. We have long-established relationships with most of our customers. We have low customer concentration. The table below sets forth details of revenues generated from our single largest customer, top 5 customers and our top 10 customers for the periods indicated.

Customer	Fiscal						Three months ended June 30, 2022	
	2020		2021		2022			
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top 1	455.87	12.38%	498.69	11.86%	728.06	10.31%	279.20	14.01%
Top 5	1,441.67	39.15%	1,349.41	32.08%	2,629.57	37.23%	888.74	44.60%
Top 10	1,974.20	53.61%	1,936.20	46.03%	3,603.07	51.02%	1,251.52	62.81%

The table below sets forth details of some of our major customers and products supplied by us to them:

Segment	Customer	Major Products Supplied
Automotive	India Japan Lighting Private Limited	Cluster PCBAs, all types of electronics for automotive lighting, passenger entry passenger exit, electronic control units, switches for steering control, doors, windows, HVAC and lumbar support.
Industrial	Leading global manufacturer of electronic instruments and electromechanical devices	Engine control panels, biometric add-ons, surge protectors, accelerometers, street light controller, BLE modules, precision bridges, test equipment, temperature controllers, switch gear electronics, instrumentation, power electronics, control systems, energy metering and controls, process control electronics, machinery electronics, security and surveillance systems, BLDC motor controllers, HVAC system electronic and alternate energy electronics.
Aerospace, Defence and Nuclear	Tonbo Imaging Private Limited and Canyon Aero	Electronics for navigation and sensors, airborne radio communication systems, thermal imaging systems and line replaceable unit for power supplies.
Medical	Agappe Diagnostics Limited and Health ARX Technologies Private Limited	Ventilators, respirators, controller units for dental chairs, smart glucometers, single and multiple-bed patient management systems, endoscopy carts, fetal monitoring systems, X-ray machines with display, tube sealers, incubators and agitators, Specific protein analyzers and clinical chemistry analyzers, foreign body extractors and diagnostic devices.
Railways	Siemens Rail Automation Private Limited, Hitachi Rail STS India Private Limited and Frauscher Sensor Technology India Private Limited	Audio frequency track circuits, short distance track circuits, cubicles, electronics for interlocking, axel counters, passenger information systems.
IoT / IT and Others	Iskraemeco India Private Limited	Bar code scanners, industrial tablets, industrial human machine interface, programmable logic controller gateways, gateway – asset condition monitoring, artificial intelligence IIoT gateway, magnetics, relays, plastic moulding, high complex and high mix PCBAs, printer electronics, robotics, development kits, infotainment systems, street-light controllers, vending and dispensing machines, industrial display electronics, semi-conductors based products, IoT solutions, IoT modules and remote asset management.
Consumer	Leading owner of consumer audio accessories	Wired headsets, wireless headsets, accessories, true wireless stereo, smart watches and Bluetooth speakers.
Non-Automotive	Leading provider of global digital infrastructure	PCBAs, high end test instruments, integrated circuit card readers, BLE modules, streetlights, energy meters, controllers, and night vision cameras.

Customer Service and Support

We endeavour to ensure customer satisfaction not only by delivering customized products to make our customers achieve their intended goals but also by assisting customers through their journey during the envisaged products life span and beyond. We consider customer satisfaction and feedback as a critical measure of our business success and use the valuable information for improve our processes and procedures.

Our customer service and support team has 37 qualified engineers, as of June 30, 2022. We also periodically advice our customers on product life cycle updates and upgrades to keep pace with technological changes and also to circumvent obsolescence.

Repair and Maintenance

We schedule regular repair and maintenance programs for our facilities, including maintenance of machinery and equipment, to maximize production efficiency and avoid unexpected interruption of our operations. We also have periodic scheduled

shutdowns for maintenance. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the facilities and machinery on an as-needed basis.

Raw Materials and Suppliers

The primary raw materials used in the manufacture of our products are:

Electronic Components (micro controllers, IC, resistors, capacitors, LED, PCB and other semiconductors): We procure these components directly from overseas manufacturers or their authorized distributors.

Wound Components: Wound components or magnetic components are either manufactured in-house, sourced from approved vendors. Periodic and non-periodic audits are conducted to ensure quality.

Wiring Harness: These are critical for long-term quality of our products since these carry actual electrical load in our products. Wiring harness for export products are manufactured in-house while those required for domestic markets are procured from approved vendors. Drawings of wiring harness specifying the gauge of wires, number of strands in each wire, insulation strength, make and material of crimping pins, and the make and specification of the insulation tape are detailed in the drawings provided by us. Periodic and non-periodic audits are conducted to ensure quality.

Plastic Parts: These are procured from dedicated plastic moulding companies. The drawings and specifications for the moulds are provided by us, and the moulds for these parts are owned by us. Strict quality control procedures, including third party testing, are carried out to ensure compliance with our quality specifications.

Sheet Metal Parts: These are made based on our drawings.

Process consumables: These are sourced from various third-party manufacturers. We rely on certified and recognized laboratories to verify the quality of these components.

Our cost of materials consumed constituted a significant component of our expenditure and in Fiscal 2020, 2021 and 2022, and in the three months ended June 30, 2022, was ₹ 2,603.38 million, ₹ 2,822.99 million, ₹ 4,931.07 million and ₹ 1,585.27 million, respectively, and constituted 72.54%, 68.22%, 75.71% and 84.98%, respectively, of our total expenses.

We have a centralized system across our manufacturing facilities for procurement of raw material. We procure raw material from various domestic and foreign vendors. Majority of our raw materials are sourced from 871 vendors based on our engineering designs, as of June 30, 2022. Further, we subject our suppliers to a qualification process to ensure that the supplied raw materials are of appropriate quality.

The purchase price of our raw materials generally follows market prices. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Moreover, we do not rely on a single source or vendor for components, instead, have alternative sources for vendors for each component category. This offers us leverage to ensure availability of materials and negotiate better credit terms at cost-effective rates.

The table below sets forth details of our supplier concentration (based on value of purchases) in the periods indicated and the average relationship period with such suppliers:

Supplier Concentration (%)	Fiscal 2020	Fiscal 2021	Fiscal 2022	Three months ended June 30, 2022	Average Relationship Period (Years)
Top 1	7.37%	6.97%	8.42%	10.54%	17.00
Top 5	26.53%	27.99%	29.03%	31.45%	12.20
Top 10	39.07%	38.24%	36.74%	42.24%	10.80
Top 15	45.87%	44.44%	42.89%	48.28%	8.53

The table below sets forth details of our suppliers in the periods indicated:

Suppliers	Fiscal 2020	Fiscal 2021	Fiscal 2022	Three months ended June 30, 2022
	Number of Suppliers			
Domestic	818	814	933	624
International	392	395	447	247

Utilities

We consume a substantial amount of power and fuel for our business operations. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture high quality products. Our power requirement for our manufacturing facilities is sourced from local providers. We have also installed generators in our manufacturing facilities to ensure constant supply of power.

For further information, see "*Risk Factors - Our manufacturing facilities are dependent on adequate and uninterrupted supplies of electricity, water and fuel; shortage or disruption in electricity or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.*" on page 73.

Marketing, Sales and Distribution

Our principal markets are India, North America, Europe and South East Asia. Our diversified customer base enables us to reduce our dependence on any particular segment or market. Our marketing activities involve our development and engineering teams working closely with customers or prospective customers, and our design and manufacturing facilities to design products tailored to meet specific customer requirements.

We supply our products and services directly to the Indian and global OEMs. Further, our sales and marketing team is regularly in contact with our OEM customers, distributors, sales representatives and agents to understand the evolving needs of customers as well as market trends. We also engage in a variety of marketing and promotional activities tailored to different customers groups to promote brand recognition of our products, including by participating in technical shows and events as well as through periodic interactions and by direct marketing to existing and potential OEM customers.

Exports

A portion of our revenue is generated from export of our products to North America and Europe. In Fiscal 2020, 2021 and 2022, and in the three months ended June 30, 2022, our revenue from operations from exports were ₹ 755.24 million, ₹ 1,078.48 million, ₹ 1,411.77 million and ₹ 252.59 million, respectively, and accounted for 20.51%, 25.64%, 19.99% and 12.68% of our revenue from operations, respectively.

Environmental, Social and Corporate Governance

Our financial performance allows us to make investments in order to ensure responsible and safe operations and help us enrich the communities we work and live in. We believe in caring and nurturing the environment and the community. We work collectively and individually towards a sustainable and green environment.

Environment

We are focused on conserving the environment, and have made various contributions and undertaken initiatives towards environmental sustainability. We seek to integrate our business values and operations ethically to improve our fulfilment of environmental practices to positively impact society. We have implemented sustainable practices across all our operations, such as, responsible use of natural resources, well-calibrated processes to reduce wastage, optimized the raw material mix to reuse waste materials and debottlenecking operations.

We deploy modern and sophisticated equipment, which allows us to reduce emissions, minimize our carbon footprint and help us operate more sustainably. We comply and aim to continue to comply with all regulatory policies and frameworks. We

regularly undertake plantation programmes to revive the quality of soil and air near our facilities. Our waste management systems incorporate sustainable practices in the ESDM industry. We also deploy technological solutions to ensure minimal environmental impact.

Social

We believe that our responsibility is to positively impact society and endeavour towards imparting the basics of livelihood to our villages and the community, *i.e.* food, water, shelter and education. We have contributed to the betterment of the quality of lives in the villages surrounding our manufacturing facilities. We have obtained a voluntary certification under SA8000, the international standard for social accountability, which confirms our compliance with labour rights and our commitment to established social standards of corporate governance. We are one of the biggest companies that have been certified by Global Standards for Social Accountability Standards (*Source: F&S Report*).

Governance

We are committed to following the best governance practices relevant to our industry and aim to achieve high levels of transparency, accountability and ethical behaviour in all aspects of our operations. Our Board consists of experienced professionals in their respective fields, bringing in specialized experiences and adding to the diversity of our Board. Our Directors are well qualified and have significant experience in accounting, manufacturing, operations, engineering, power, governance, administrative services, mergers, and acquisitions. Our Board's performance is evaluated annually, based on the Directors' key responsibilities during appointment/ re-appointment. We have also implemented a robust mechanism for managing compliances and ensure that all the applicable rules and regulations are followed.

We believe that transparency, accountability, inclusiveness and integrity constitute the basic building blocks of good governance practice. We have built a governance framework with well-defined codes of conduct and procedures, with an experienced and diverse leadership driving our operations.

Sustainability

We believe in incorporating ethical corporate practices and undertake initiatives in the areas of accountability of suppliers, transparency, professional development cum growth of employees, employee productivity, community building and reduction in attrition and operational risks.

Product Compliance Requirements for Suppliers: All international regulations and voluntary standards for safety, health and environmental protection are complied with.

Training and Awareness: We provide training to our core and key suppliers covering the latest updates in worldwide compliance.

Professional Development Programs: We undertake training programmes for employees.

Community Building and Philanthropy: We comply with the standards on social awareness and create a social infrastructure, environmental and ethical issues in the electronics industry supply chain.

Health, Safety and Environment

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety.

We are environmentally friendly and have set up an exclusive "Lead free" manufacturing line for PCB Assemblies, with the expertise on manufacturing RoHS compliant products.

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. This is further driven by our ESG focussed practices within our organisation. To this end, we have accreditations such as the ISO and OHSAS.

We aim to ensure safe and healthy environment and further provide for medical checkups and safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facilities including by providing training and safety manuals to our employees and conducting safety audits periodically. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our offices and branches, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. To ensure workplace safety, we also provide personal protective equipment to our employees, which include safety shoes and goggles.

Environmental requirements imposed by the regulatory authorities in India will continue to have an effect on our operations. We believe that we have materially complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business.

For information regarding applicable health, safety and environmental laws and regulations, see "*Key Regulations and Policies*" on page 233.

Inventory Management

Our finished products are stored on-site at our manufacturing facilities. The raw materials are also stored at our warehouses on-site. We typically keep up to three to four months of inventory including raw materials, work in progress and finished good at our facilities to mitigate the risk of raw material price movements. These inventory levels are planned based on historical trends and expected orders, which are confirmed due to our long-standing relationships with customers. We maintain a lead-time material requirement planning system and utilize our ERP system to manage our levels of inventory on a real-time basis.

Logistics

We transport our finished products by road, sea and air. We rely on freight forwarders to deliver our products. We do not have formal contractual relationships with our freight forwarders. The pricing for freight is negotiated and agreed.

We sell our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery/ delivery at place basis. Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders co-ordinate with the shipping line/ airline to file and release the necessary bills of lading/ air waybills. Incoterms determine the exact delivery terms, which would include how the goods will be delivered, who pays, who is responsible and who handles specific procedures such as loading and unloading.

Information Technology

Our information technology systems support key aspects of our business, from manufacturing, sales, planning, operations and documentation to accounts and customer service. We have implemented enterprise resource planning system to leverage business value by centralizing accounting systems across all locations in India, leading to cost optimization. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers, receivables from customers and distribution network. We also utilize an enterprise resource planning solution that covers production, finance, sales, marketing logistics, purchase and inventory, across all our offices and facilities.

Intellectual Property

As of the date of this Prospectus, our Company together with our Subsidiary have been granted four trademark registrations. For further information, see "*Government and Other Approvals – Intellectual Property Rights*" on page 403.

Insurance

We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain product liability insurance, a marine cargo insurance policy that insures consignments of goods by sea, air and by courier until delivery to the customer's warehouse and inland movement of bulk cargo in road tankers. In addition, we maintain a commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, personal and advertising injury. Our insurance coverage for our employees covers pre and post-hospitalization expenses and emergency road ambulance expenses.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance.

Also see, "*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability*" on page 71.

Awards and Recognition

We have been recognised with several awards by various industry bodies and association for the quality of our products. We have been awarded the Award for "Excellence in Manufacturing – Components, MSME Category" by ELCINA - Electronic Industries Association of India in 2018. In addition, we have been awarded the "Export Excellence Award (in less than ₹100 million category)" by Madras Export Processing Zone, Government of India in 2018 and ELCINA defEnnovation Award for Excellence in Manufacturing – Product (large scale) in 2022. For further information, see "*History and Certain Corporate Matters – Key Awards, Accreditations and Recognition*" on page 244.

Competition

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

As per the F&S Report, Key ESDM Companies in India are Bharat FIH, Dixon Technologies India Limited, Amber Enterprises India Limited, SFO Technologies Private Limited, Elin Electronics Limited, Syrma SGS Technology Limited, Elin Electronics Limited, Avalon Technologies Private Limited, VVDN Technologies Private Limited and Sanmina – SCI Technology India Private Limited.

Due to our diversified product portfolio, we cater to various segments in the automotive, medical products, consumer goods, defense and aerospace industries, and as a result, we compete with various companies for each of our business segments. For further information, see, "*Risk Factors - Increasing competition in the electronics system design and manufacturing industry may create pressures of pricing and market share that may adversely affect our business, prospects, results of operations, cash flows and financial condition.*" on page 39.

Human Resources

As of June 30, 2022, we have 1,651 permanent employees and 65 persons employed as contract employees. The following table provides information about our full-time employees, as of June 30, 2022:

Vertical	Headcount
Manufacturing	972
HR and Admin	74
Materials	104
Quality Assurance	132
R&D and Engineering	120
Operations	78
Finance and Accounts	38

Vertical	Headcount
Security	3
Servicing	37
Business Development	24
Maintenance	22
Systems, EHS and Training	15
Corporate	11
Sales	12
IT / ERP	9
Total	**1,651**

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees. We train all our employees in our manufacturing operations, including machine utilization, operations flow, quality management and work safety.

Our human resource department continuously focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization. Our human resource practices are aimed at recruiting individuals with good potential and ensuring their continuous development and addressing their grievances, if any, in a timely manner.

Our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years. For further information, see "*Risk Factors – We may be subject to labour unrest and slowdowns.*" on page 72.

Corporate Social Responsibility

We have constituted a Corporate and Social Responsibility Committee of our Board and have adopted and implemented a CSR policy, pursuant to which we carry out various CSR activities. Our CSR activities include, among others:

- *Technical training for economically weaker sections*: Kaynes Technical Training Foundation runs a technical institute for the social cause since 2007. People from economically weaker sections are given the opportunity for their two year diploma programme in electronics and mechanics duly approved by National Council for Vocational Training.

- *Encouragement and employment of differently abled*: We employ differently abled people and they are specially trained and groomed to do repetitive jobs under the guidance of a trained mentor. We also teach yoga and other measures of physical and mental developmental exercises to these employees as part of their daily routine.

- *Road safety awareness programme*: We conduct safety awareness programmes with the police and civil administration during the road safety week.

- *Environmental day programmes*: We undertake awareness programmes on ecological and environmental protection and educating people on hygiene, including planting of saplings.

- *Socio-cultural exhibit programme*s: We regularly conduct cultural programmes on social themes with involvement of school and college students.

- *Indian cultural developmental programmes*: We undertake activities to display the cultural heritage of various arts and music in various public forum and by conducting state level dance competition programme. We also support artists and their talent building for the children of various groups.

- *Youth programme on nation building*: Programmes are organized with the help of people of eminence for interactive session with the youth from colleges and young employees for knowledge exchange and conceptual clarity.

- *Activities for Spastic Society*: We contribute to the wellbeing of the spastic society by supporting the organization "Sneha Kiran" who are running a school especially for children of cerebral palsy.

- *Disaster Relief*: As a citizen of India, it is every individual's responsibility to extend our supporting hand especially during disasters.

Properties

Our registered and corporate office is owned by us and is located at #23 – 25, Belagola Food Industrial Area, Metagalli PO, Mysuru – 570 016, Karnataka, India. We operate eight manufacturing facilities, one design facility, one packaging and dispatch facility and two service centres in India. Each of our manufacturing facilities, design facility and service centres are located on land that is owned or leased by us. For further information, see " – *Manufacturing Facilities*" on page 65.

Also see, "*Risk Factors – Certain of our manufacturing facilities, design facility, service centres and offices are located on leased premises.*" on page 66.