



Transcript of the 16th Annual General Meeting of Kaynes Technology India Limited.

The 16th Annual General Meeting (“AGM”) of the Members of Kaynes Technology India Limited (‘the Company’) held on Monday, September 09, 2024 at 03:30 P.M. (IST) through Video conference (VC) / Other Audio Visual Means (OAVM).

Mrs. Savitha Ramesh (Chairperson)

Nimmellarigu Namaskara Hagu Campaniyaa Hadinaraneya Vaarshika Saamaanya Sabhege Swaagata.

Good afternoon, ladies and gentlemen.

In accordance with article 54 of the Articles of Association, as the chairperson of the Board, let me have the pleasure to occupy the chair and conduct the proceedings of this Annual General Meeting on behalf of the Board of Directors of the Company, I extend a very warm welcome to all of you to this 16th Annual General Meeting of your Company being held through video conference.

In view of disruptions caused by Covid-19 the Ministry of Corporate Affairs MCAs and SEBI have permitted the companies to hold the Annual General meeting through video conferencing or other audio-visual means. Accordingly, the 16th Annual General meeting of your Company is being held through video conferencing.

I call the meeting to order as we have the requisite quorum present through videoconferencing to conduct the proceedings of this meeting. Participation of members through video conferencing is being reckoned for the purpose of quorum as per the circular issued by MCA as per section 103 of the Companies Act 2013, this meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate affairs and SEBI.

Before we start the main proceedings of the meeting, I take this opportunity of announcing my colleagues on the board of your Company and other participants who are participating in this video conference.

Mr. Ramesh Kunhikannan – Managing Director participating from Mysore.

Mr. Jairam Paravastu Sampath – Whole - time Director and Chief Financial Officer participating from Mysore.

Mr. Rajesh Sharma - Chief Executive Officer, participating from Mysore.

Mr. Aditya Jain - Company Secretary and Compliance Officer participating from Mysore.

Mr. Anup Kumar Bhat - Independent Director participating from Bangalore.

Mr. S G Murli - Independent Director participating from Bangalore.

Mr. Alexander Koshy - Independent Director participating from Bangalore.



Ms. Poornima Ranganath - Independent Director participating from Bangalore.

Mr. Heinz Franz Moitzi - Independent Director participating from Austria.

I further acknowledge the participation of Mr. Mohan R Lavi representing M/s KP Rao & Co., Statutory Auditors, participating virtually from Bangalore office and Ms. Kalaivani S. Secretarial Auditor and also scrutinizer for this meeting present in person here.

As the notice is already circulated to all the members with your permission, I take the notice of the meeting as read.

I now request Mr. Aditya Jain, Company Secretary and Compliance Officer, to provide general instructions to the members regarding participation in this meeting. Thank you.

Mr. Aditya Jain (Company Secretary and Compliance Officer)

Thank you, Madam.

Good afternoon, everyone. The Company has enabled the members to participate in the 16th Annual General Meeting through a video conferencing facility provided by Link Intime Private Limited, Register and Share Transfer Agent in compliance with the applicable circular issued by Ministry of Corporate affairs and SEBI securities Exchange Board of India.

Members have been provided with the facility to exercise the right to vote by electronic means both through revote e voting and e voting at the AGM in accordance with the provisions of Companies Act 2013 and SEBI listing regulations. The members joining the meeting through video conferencing who have not already cast their vote by means of remote e-voting may vote through e-voting facility provided by Link Intime Private Limited.

Company has appointed Ms. Kalaivani S., as Practicing Company Secretary as the Scrutinizer of this meeting to collate the results of the remote e-voting and the e-voting at the 16th Annual General Meeting for each of the agenda items as per the notice.

Representations under the section 113 of Companies Act 2013 have been received in respect of promoters and corporate shareholders. Members are requested to refer to additional information provided in the notes through the Annual General Meeting notice. The register of Directors and Key Non-executive Personnel, the registrar of contracts and arrangements has been made available electronically for inspection of the members during the Annual General Meeting. Members seeking to inspect such documents can send their request to our email at kaynestechcs@kaynestechology.net.

As the Annual General Meeting is being held to video conferencing the facility for appointment of proxy by members was not applicable, hence, the proxy register for inspection is not available. The company has received requests from a few members to register them as speakers at the meeting.

Accordingly, the floor will be open for the members to ask questions and express their views. The moderator will facilitate this session once the chairperson opens the floor for questions and



answers. The company has taken all the efforts feasible under the circumstances to enable the members to participate and vote on the items considered in this meeting. Thank you very much.

I request the Chairperson to deliver her speech to the members of the company.

Mrs. Savitha Ramesh (Chairperson)

Thank you, Mr. Aditya.

Ladies and gentlemen, I am glad to address you today at the 16th Annual General Meeting of Keynes Technology India Limited. This significant occasion marks a major milestone in our company's journey and I am privileged to share important insights into our business and future goals with all of you first and foremost, I want to express my sincere gratitude to all our esteemed stakeholders, including investors.

Your confidence and support have been vital to our success. The trust you have placed in our vision not only affirms our efforts, but also drives our collective advancement. Building on this solid foundation, your Company is dedicated to enhancing its capabilities and broadening its market reach to achieve transformative outcomes in the electronics industry. From a leading EsDM player in the country, your Company is well poised to step into futuristic technologies.

As you all may have followed the news last week, I am very happy to share with all of you that the Union Cabinet Government of India has approved the project of the Company's wholly owned subsidiary, Keynes Semicon Private Limited, to set up OSAT facility in the state of Gujarat with an estimated outlay of 3307 crores INR, with a capacity of 6 million chips per day. The financial year 2023 to 24 marks a significant milestone in our journey, highlighting our growth and adaptability in the ever-evolving world of electronic system design and manufacturing.

Our impact extends beyond financial metrics to include the innovation we foster, the industries we transform and the technological landscape we influence. With a strong foundation and a clear path forward, we are already on the path to enhance our capabilities, broaden our reach and integrate emerging technologies.

Keynes Technology has not just evolved, but also thrived in a dynamic and challenging business environment. In a time of rapid technological progress and evolving global supply chains, the electronic system design and manufacturing sector is experiencing substantial transformation. This shifting landscape brings both challenges and opportunities for the industry participants at Keynes. We are strategically positioning ourselves to take advantage of these changing market dynamics by leveraging India's increasing role in the global electronics ecosystem. Our strategy includes expanding our core ESGM services, diversifying into high growth areas such as semiconductor and PCB manufacturing, and aligning with automation technologies that are redefining the manufacturing industry.

The convergence of manufacturing and software is rapidly evolving trend that is transforming the way products are designed, produced and distributed. This convergence is driven by advancement in technologies, that is, the development of new technologies such as Internet of Things, artificial intelligence, machine learning and these are making it possible for the manufacturers to connect their machines and equipment to the cloud and collect and analyze



data.

This data can be used to improve efficiency, quality and productivity. Product design technology is being used to design and simulate products before they are manufactured, which can help to reduce cost and improve quality and functionality.

Automating manufacturing processes such as assembly and testing helps to improve efficiency and productivity.

Latest technologies are being used to manage global supply chain, network and channels more effectively to reduce cost and improve delivery times. This technology is well positioned to capitalize on all the industry tailwinds.

Our expertise in advanced packaging, strong manufacturing capabilities and commitment to R&D makes us a leader in innovation.

We deliver customized solution and prioritize operational efficiency. By doing so, we contribute to India's goal of becoming a global electronics manufacturing powerhouse. With the above stated focus and strategy. Our goal is to achieve a Billion-Dollar revenue by 2027-28. In conclusion, the future looks exceptionally bright for your Company and we are poised to achieve our targets. Our unwavering commitment to innovation, quality and client relationships will continue to drive us forward as we look ahead.

We aim to play a more significant role in positively influencing our community and leaving a lasting impression in every area that we touch. I extend my heartfelt gratitude to our dedicated team, satisfied clients, and supportive shareholders and other stakeholders who have been instrumental in shaping our company into the powerhouse that it is today. With the invaluable guidance of our esteemed board of directors, we are well equipped to face the future challenges with confidence. Together, as we embark on this new chapter, we eagerly anticipate the boundless opportunities that lie ahead. As we navigate the ever-changing technological landscape, we remain committed to delivering enduring value to all our stakeholders.

Thank you and I look forward to achieving newer milestones together. I now invite Mr. Ramesh Kunyakanan, Managing Director of the Company, to address the Shareholders. Thank you.

Mr. Ramesh Kunhikannan (Managing Director)

Thank you, Mrs. Savita Ramesh, our Chairman.

Ladies and gentlemen, I extend a warm welcome to each one of you with great pleasure to the 16th Annual General Meeting of your Company. As we reflect on the past year, I want to express my sincere gratitude to all our stakeholders for your unwavering faith in the company and for witnessing its remarkable growth. Keynes Technology has consistently been a leader in the electronic system design and manufacturing sector. Our extensive experience spans a diverse range of industries including automotive, EV, aerospace, defense, industrial, railway and medical electronics.

Our commitment to excellence is evident in every phase of our operations, from initial conceptual



design and process engineering to integrated manufacturing and long-term life cycle support. The past years has been one of the profound transformations of your Company. We have reached significant milestones and undertaken strategic initiatives that highlights our dedication to growth and innovation.

Our focused effort in expanding capacity, entering new markets and product categories, and advancing our technological capabilities have laid a strong foundation for the future of the success. Your Company reported significant growth in the past year driven by strong demand in industrial, EV, aerospace and outer space. Key financial highlights include the following for the financial year 2023-24 on consolidated basis, revenue reported a growth of 60% year on year to 18,046 million and profit after tax increased by 93% to 1833.

Company reported the operating EBITDA margin of 14.1. Growth in order book was reported from 26,482 million to 41,152 million with monthly average order inflow increasing from 2788 million to 3212 million. Working capital days reduced from 99 days to 83 days. These positive financial results were driven by strategic initiatives and strong demand across all sectors. Our vision is for your Company to achieve a Billion-Dollar revenue by 27-28 to drive our ambitious growth goals, we are implementing a multi fated strategy.

This strategy includes enhancing our capabilities, diversifying our customer base, expanding geographically in India and outside India, optimizing operations and making strategic investments. We are widening our horizon from an integrated ESDM provider to an integrated electronics player by entering in semiconductor assembly and testing and manufacturing of high-density PCB bare board.

Simultaneously, we are pursuing new orders in high performance computing, aerospace, defense and smart meters while maintaining a balanced revenue mix across various industries. Our fully integrated facility at Chamarajanagar, being set up under the ages of our wholly owned subsidiary Keynes Electronics Manufacturing Private Limited, will be completely up and running by the beginning of quarter four of the current financial year.

A part of our Hellingana facility that was inaugurated last month will be catering to smart meter industry initially and will go to manufacturing other key products in the second and third phase. Our recently acquired plug and play facility in Pune is being set up for production for catering to automotive and other sectors. Our global expansions continue with the acquisition of Egcom Electronics in the US and partnership with Digilence in augmented reality and virtual reality. These strategic moves align with our goal of acquiring new technology and creating synergies with our existing business.

We are focused on growth and will continue to invest in new areas to enhance our position as an integrated ESDM provider. The recent approval of our OSAT project is a major step forward. We will actively seek new opportunities, expand our global reach and optimize our operations. Our innovation approach will ensure we remain competitive and align with industry trends. I extend my heartfelt gratitude to our employees, board members, customers, suppliers, government agencies, bankers, media and shareholders for their unwavering support. Thank you.

Mrs. Savitha Ramesh (Chairperson)

Thank you, Mr. Ramesh.

As there are no qualifications or observations or comments in the independent auditor's report and in the secretarial auditor report with the consent of the members. I take the independent auditor's report and secretarial audit report as read as per the secretarial standards. I would like Mister Aditya Jain, Company Secretary of the Company, to briefly explain the background of all the five resolutions proposed to be passed at this AGM for the benefit of all the members present.

Mr. Aditya Jain (Company Secretary and Compliance Officer)

Thank you, madam.

The details of the resolutions are as follows. Ordinary business one corruption of financial statements including the consolidated financial statements for the year ended March 31, 2023, together with the report of board of directors and the auditors. Thereon

Two reappointments of Mr. Jairam Paravastu Sampath DIN 08064368 who, retired by rotation and being eligible, offers himself for reappointment.

Special Business three to approve and adopt the employee stock option scheme called Keynes ESOP Scheme 2023

Four to approve and grant the ESOP stock employee stock options to the employees of the company and the subsidiaries and the Directors of the Company under the Keynes ESOP scheme 2023 to ratify the remuneration of cost auditor. Thank you very much. I hand over to the chairperson to continue with the proceedings.

Ms. Savitha Ramesh (Chairperson)

Thank you, Mr. Aditya.

If any member decides to ask any question pertaining to any item on the notice, he or she may do so now. Members are requested to keep their questions brief and specific. The moderator, a representative from Linkin time India Private Limited will facilitate the questions on the video feature.

Members may also note that the company reserves the right to limit the number of members asking questions depending on the availability of time. Members are requested to mention their name, their folio ID or client id before asking their questions. We shall take all commits and questions from the members who have registered as speakers and address them together at the end.

I also request Mr. Rajesh Sharma and Mr. Jayram P. Sampath to take note of the questions from the members and furnish replies, explanations and observations. The moderator may now give general instructions and sequentially call out the registered members to express their views or

raise questions as the case may be.

Moderator

Thank you, madam. I will now call out those here holders who are in the queue to ask questions. Speaker shareholders will be unmuted sequentially over to the moderator. You are requested to click on start video so that you are visible to the audience. If for some reason you are not able to join through video mode, you may choose to speak through audio mode only.

While speaking, we request you to use a headset for better audio clarity and ensure that you have adequate lighting and Internet bandwidth for clear video quality. If there is any connectivity problem at the speakers and we will ask the speakers to join and you will be added back to the queue and you will be called again to speak when other speaker complete their turn.

I now invite speaker no. 1 Ramakrishnan. Please start your video and you may ask your question.

Mr. S Ramakrishnan (Shareholder)

Hello. Am I audible? .

Moderator

Yes, you are audible sir.

Mr. S Ramakrishnan (Shareholder)

Fine. Thank you. I am Ramakrishnan speaking from Bangalore. My DP id is IN300160410705835 I would like to ask one or two questions please. Can I proceed?

Mr. Rajesh Sharma

Yeah. Mr. Ram Krishnan, you can proceed.

Mr. S Ramakrishnan (Shareholder)

Yeah. Thank you to all respected madam chairman, chairperson and respected managing director and all other senior officials in the board. My questions are number 1. First of all, I am extremely glad that the company has given a great performance for their 23-24.

I congratulate all the board members including the chairman, managing director of the company. And in fact, I am very proud that one of the shareholders of the company. My questions now are..... one annual report. I find the profit of the company increased from 9 crores in 2019-20 to 180 crores in the year 23-24. While as a shareholder extremely glad about the tremendous growth in the profitability. But I am concerned about why the company has not declared any dividend in the last three years. While you were cash and cash equivalent as per your financial statement is more than 1500 crores.

Probably you could have considered declined the dividend to us. We feel this is the question number one and number question number two. Sorry it is only supplementary. It is only. I mean

see the return on equity with which a shareholder is mostly concerned as I find it is considerably declining in 22-23. Sorry. It was 20%..... Equal. 9.8% in the current year. Return on equity has further to why this such a steep decline is taking. These are all the only two questions.

Mr. Rajesh Sharma

Mr. Ram Krishnan, does that complete your comments or question?

Mr. S Ramakrishnan (Shareholder)

Yeah. Yeah. That's all.

Mr. Rajesh Sharma

Moderator, you can go to the next speaker.

Moderator

Thank you, sir. Speaker number two, Akkinimuthu Velu Baby. Please start your video and you may speak now.

It seems some audio connectivity issue.

I now invite speaker number three Mamata Devi. Please start your video and you may speak now.

Ms. Mamatha Devi (Shareholder)

Hello.

Moderator

Yes ma'am. You are audible.

Ms. Mamatha Devi (Shareholder)

Yes. Good evening, sir. This is Mamatha Devi S V. I'm shareholder of the company. My DP client id is IN302823796804 so in this regard I would like to ask as the shareholder the Company is doing very well and just a little curious about one or two things which I would like to ask by when are we expecting to implement this milestone project in Gujarat like a semiconductor plant? First thing is that because I want to know the further what the company is doing, how it is, how I can also. Go ahead, boot it.

The next one is like how does it integrate with the growth strategy of the company? Then to come to the third one is will this be for only internal consumption of here or to cater outside customers as well? So, these were the like kind of questions which I had it in mind. If you could answer that would have been better. Thanks a lot for the opportunity. What you people have given it to me. Thank you.

Moderator

Thank you, ma'am. Final speaker number four, Bharat Manegar. Please start your video and you may ask your question.

Mr. Bharat Manegar (Shareholder)

I am from Davangere. I have a question here in the last two years the company has raised. Around 2000 crore through Fund raised for financing the growth of the company through expansion and diversification. Out of these the Company raised around 1400 crores who are entering into the Semiconductor and PC manufacturing. What is the total investment outlay for these projects? How are you finding the short false if any. Thank you.

Moderator

Thank you sir and I invite speaker number five Prajith Panniyodan. Please start your video and you may ask your question.

Mr. Prajith Panniyodan (Shareholder)

I am a shareholder of the company. My DP id is IN301549 and client id is 57824629 thank you Kaynes management for sharing the wonderful growth story of the company during last year and my heartfelt compliments for inauguration of the company's new facility in Hyderabad last month. I have a question. Is this facility going to cater to a particular industry or is it to complement the existing manufacturing capacity catering to all the sectors like the company services. If my question is clear, sir.

Mr. Rajesh Sharma

Yes, Mr. Prajith, it's clear.

Mr. Prajith Panniyodan (Shareholder)

Thank you.

Moderator

Thank you, sir. I now Invite speaker number six Anusha Kumar. Please start your video and you may speak now.

Ms. Anusha (Shareholder)

Hi, Namaskara yellarigu, nanu mysore inda anusa antha nanu e Company ya Shareholder nanna DPID12081601,

Actually nange yavde riti question ella, nanu company bagge onderdu veshaya mathadbeku antha andkondidhini,



Namma mysorina company India alladhe international alli hesaru madidhe andre as a mysorian I feel proud of it, e tremendous growth ge company ya pointof view leadership and prathiyondhu vekthiya hardwork thoristhidhe. Namma local industry sector alli Company hosa parameter set madi namma indiyadha technology and production ge thumba dodda mattadhalli contribution kottidhe annodakke helodhakke esta padthini e huge success endha market changes and fluctuation ge easy agi adjust agthidhe, innovation na accept madkoltha mathu strong competition koduva shakthi company ge edhe antha already Company prove madidhe. So namma hometown eendha bandha Company international platform alli leadership achive madtha erodh kanditha inspiring agidhe, employment opportunity na generate madidhu improve agthidhe mathe namma economy ge thumba sahakara nidtha edhe e yella achievement gen anu entire team ge heartfully congratulation helodhke esta padthini and company mundhe hegene improve agli innovation na continue madkondu hechu opportunity create madi, dedication and view point na continue madli antha and upcoming years alli company enna high levels reach aguthe antha confidence edhe nange est heltha nan mathna mugistha edini, thank you so much for the wonderful opportunities and all the very best to all, thank you

Moderator

Thank you, madam. I now. I invite speaker number seven Vijay Venkatramana Yadlapalli. Please start your video and you may ask your question.

Mr. Vijay Venkatramana Yadlapalli (Shareholder)

Hello. Am I audible?

Moderator

Yes, you are Audible.

Mr. Vijay Venkatramana Yadlapalli (Shareholder)

Yeah. Good afternoon. I am Brigadier Vijay Venkatramana yadlapalli. My DP Id is 302902 and my client id is 43185932 I'd like to compliment Kaynes Technology. I've been closely involved with it for the last 14 years and I would like to compliment it on some phenomenal growth. I have a question to the respected. Board and leadership members.

On page 68 to 71 of your annual report I find the details of the Board and leadership team and out of the 20 people listed, I find only names of three women leaders. Now for under the ESG, I think we should have more women leaders in the top leadership. What is the company's philosophy to enhance the gender diversity in the senior leadership team? That was my question. Thank you.

Mr. Rajesh Sharma

Thank you, Mr. Vijay. We'll come back to you.

Moderator

Thank you, sir. I now invite speaker number eight, Dayananda Devanga Naveen. Please start your video and you may ask a question.

Mr. Dayananda Devanga Naveen (Shareholder)

Hello. I'm audible?

Moderator

Yes, you are audible sir.

Mr. Dayananda Devanga Naveen (Shareholder)

Okay. My name is Navin from Tunkur. My client id number is 12390696 and I would like to ask the question to the Board. The question is the Company has made steadily growth at over 60% every year for the past few years. Do you expect the same level of growth to continue in the future? Yes. Okay. Is that Audible sir?

Mr. Rajesh Sharma

Yes, Mr. Naveen, it was audible. I've noted the question. Thank you.

Mr. Dayananda Devanga Naveen (Shareholder)

Thank you very much sir.

Mr. Rajesh Sharma

Moderator next speaker.

Moderator

Thank you, sir. I now invite speaker number nine, Soumya Nair. Please start your video and you may ask your question.

Ms. Soumya Nair (Shareholder).

Am I audible?

Moderator

Yes, you are audible.

Ms. Soumya Nair (Shareholder)

Yeah. Thank you. So, this is Soumya Nair and my client id is IN30186269911707. First of all, I would like to convey my heartiest congratulations to Kaynes on all their successful endeavors so



far and I have a query regarding the Company. Us Company was acquired in December last year and also the company has formed a subsidiary in Singapore earlier this year.

My heartiest congratulations to that also. But I just wanted to know what is the strategy in adding operations outside of India in countries like USA or Singapore while customers can be serviced from India as well. Was my question clear enough?

Mr. Rajesh Sharma

Yes ma'am. Clear. Thank you.

Ms. Soumya Nair (Shareholder)

Yeah. Thank you. so much.

Moderator

Thank you, ma'am and now I invite speaker number ten, Govind Anand please start your video and you may ask your question.

Mr. Govind Anand (Shareholder)

Hello. Hello.

Moderator

Yes, you are audible sir.

Mr. Govind Anand (Shareholder)

Yeah. Am I audible?

Moderator

Yes, you are audible.

Mr. Govind Anand (Shareholder)

My id is 120472038824260. I wouldn't say it's a question. It's more of a comment about the ESOP scheme for 2023. Can you just let us know the criteria for allotting the shares to management and employees under the proposed scheme, please.

Mr. Rajesh Sharma

Yes, Mr. Anand noted the question.

Mr. Govind Anand (Shareholder)

Thank you so much, sir.

Moderator

Chairperson, with your permission, can we allow speaker number two to speak again?

Chairman

Yeah, sure we can.

Moderator

Thank you, ma'am. Mr. Akkinimuthu, you are in the panel. Please start your video and you may ask for a question.

Ms. Akkinimuthu Velu Baby (Shareholder)

Yeah. Good evening, all. Myself, Velu Beby. I'm a shareholder of the company. My DP client id is 1208160112343340 I would like to ask a question. The question is, what is the Company's readiness for adoption of ESG framework?

Ms. Akkinimuthu Velu Baby (Shareholder)

Am I audible?

Mr. Rajesh Sharma

Is that the only question of company's readiness for ESG adoption?

Ms. Akkinimuthu Velu Baby (Shareholder)

Yes sir. Yes, exactly and I'm very proud to be a Shareholder of the company also.

Mr. Rajesh Sharma

Thank you, ma'am.

Moderator

Thank you, ma'am. With this, we complete with the speaker shareholder queries. I now hand over the proceedings to the chairperson.

Mr. Rajesh Sharma

Thank you very much, respected shareholders and I think very insightful questions and some of the observations made by some of the shareholders.



Thank you very much for your continued support to the organization, for trusting and believing the business plans, our action, the long term actions that we are taking in investing into the company. So we really thank all of you for your trust and confidence in us. So I have made the note of questions and between myself and my colleague Jayram will be addressing your questions.

So we will first take the question which was raised by Mister Ram Krishnan regarding the growth of the company and return on equity, a marginal decline in return of equity during the previous financial year. So certainly Mister Ram Krishnan, as you would have been noticing that over the last couple of years, since we went public in 2022, we raised money for growth and expansion of the companies. And that phase still continues.

And when we evaluate our financial strategies and policies, we still believe that investment in the growth of the company is a higher priority than sharing the profits with the shareholders by way of dividend. Right now and through the investments that we are making into the business, we believe we can create larger value for our shareholders than by dividend declarations at this point in time.

Nevertheless, we keep exploring our financial strategies and policies regularly and whenever it is feasible and we feel that the growth and expansion is moving in the direction that it was set for. We will evaluate our financial policy and strategy again and as and when required, we'll also look at declaring the dividends as well. Coming to your second question, on the return on equity.

So if you certainly notice over the past few years, again, you know, since the company is in the investment phase and we also raised funds from the market on two occasions. One through the IPO in November 22 and again by way of QIP in December 23. So which certainly increases the equity base of the organization. And many of these investments which have been made into the various projects of the company are yet to get into complete revenue generation mode.

So once we have the complete results and outcome of these investments coming out, certainly that will contribute to the profitability of the company and automatically the improvement in return of equity as will be visible. I hope this addresses your query mister Ram Krishnan.

The next question was on the implementation of our project in OSAT. We very recently received the approval from the Union cabinet for our OSAT semiconductor project in Gujarat. We will request my colleague Jayaram if he wants to add some comments on this particular question to misses Mamata.

Mr. Jairam Paravastu Sampath

Thank you Rajesh. Thank you Rajeshji. So with the recent approval of our semiconductor plant in Gujarat the next steps are being planned. We have already acquired the land and our current timeline is to have commercial production sometime in FY 26, especially the third quarter of FY



26. And we are on track. And this entire capacity buildup will happen until FY 28 when we'll be going full steam on the project.

And there was another question on the how this weaves into the strategy of the company. So basically our objective is to become an integrated electronics manufacturing company. So this needs that OSAT capability also becomes integral to our Company's technological capability and towards that we have embarked on this ambitious project and we are actually one of the three companies in India who have been accorded this honor of first approval under the Indian Semiconductor Missions project and we hope to do justice to these expectations.

Mr. Rajesh Sharma

Thanks Jayram. The other question that came was from Mister Bharat regarding the raising of our funds in the last couple of years through IPO and QIP and the investment outlay. And he was keen to know how would we fund if there was a shortfall in this investment outlay.

So Mister Bharat, as you rightly pointed out we raised about 1400 crores by way of QIP in December 23. And the objective of raising these funds was for us to invest in our OSAT semiconductor plant as well as the bareboat PCB manufacturing plant. We did receive the approval of Indian semiconductor mission from Union Cabinet last week and based on that we would be starting the project very shortly. And similarly the full action is on the PCB plant as well. The total outlay. If you recollect from our stock exchange filing last week on the OSAT, we are looking at investing an outlay of about 3300 crores, which will be spread over a period of about 24, 30 to 36 months over three phases. and similarly in the PCB, the investment plan is about 1400 to 1500 crores. So totally we are talking about 4700 to 5000 crores is the total outlay on both these projects.

And incidentally, under the government scheme of promoting and encouraging domestic manufacturing, there are several subsidy schemes, the capital subsidy schemes from the government, which we would be certainly utilizing for these projects. And net of these savings or these subsidies that we will receive from government, we had set aside about 750 crores from the QIP raise for the OSAT project and about 350 crores for the PCB project.

So out of this 5000 crore, the total outlay of the project that we have to invest and adjusting for the subsidies that we would receive from the government for both the projects, be it from the union, central government or the state governments and the funds that have been set aside almost about 900 crores for this project, if there is any shortfall, we would certainly be investing through our internal accruals.

The projects will get implemented over the 30 to 36 months, as I mentioned. So we do have internal accruals currently accrued in the balance sheet and the accruals that will be also getting generated over the next couple of years. So the investment will be coming out of the internal accruals of the Company.

And if there are any shortfalls and timing delays in raising some of these funds. So we would also be approaching banks and financial institutions for short term, you know, term funding for this project. So that there is no hiccup in setting up this project as per the timelines that the



management has discussed and got approved from the board for rolling out these projects. So I hope that addresses the query of Mister Bharat.

The next point was from Ms. Anusha. Thank you very much, Madam Anusha. I think being a localite from Mysore, you're really proud of the Company. So we are all as the employees of the company, as the management team of the company. We really look that, you know, company like Keynes, starting from a tier two town of Mysore, making a global mark. So we really want company to become a very large global corporation having its footprint across the world.

Today we are delivering products to almost about 23 countries and we should be able to reach more and more nations, providing more and more products and services to different parts of the country. Probably I can link my comment to also the question that was raised by Madam Soumya Nair regarding our acquisition in USA. and also setting up an entity in Singapore. Exactly, ma'am. As I just told in Anusha's case, we are catering to a lot of customers based out of India. It was important for us to, as part of our long term strategy to have our operational footprint in various global locations. So setting or acquiring of this entity in us, the Digicom Electronics, was important part of our strategy to have the last mile serviceability to our customer. Certain operations that local customers expect in terms of, you know, customization that is required in their product. So being closer to the customer helps us in understanding the customer requirement. And similarly also in a setting up of a subsidiary in Singapore is to widen our footprint in the southeast asian market. So these are the reasons why we are looking and probably will continue to look at setting up of our newer entities in other parts of the globe which can take us closer to the global customers and set up our brand in a very, very high standard of international levels.

Yeah. So next, Mister Prajeet had raised, has asked a question on the recent inauguration of our Hyderabad facility. And so maybe I request my colleague Jayram to again add few points on our newer facility that was inaugurated last month.

Mr. Jairam Paravastu Sampath

Yeah, so one of the things in our EMS business is that most of the facilities are fungible given requisite amount of time to retune the entire facility towards any particular customer. So in the beginning it will be aimed towards industrial clients and as we go forward towards different other phases we will add other products manufacturing to being an integrated facility. It has plastics molding, it has got electronics manufacturing, complete testing and other facilities. So this can become a, a large facility where many different products can be done.

Mr. Rajesh Sharma

Thanks Jayram. So next was a question from our citizen or a member from the Indian Armed forces, Brigadier Vijay Jai Hind. Sir, thank you very much for your question. Happy that you invested in our company and certainly in sector defense sector that we also cater to. So your question was very insightful on the gender diversity. You're rightfully noted that we do have three members in our senior management team and board team put together almost out of 20 people. We have about three women employees or women directors.



It might seemingly look low but if you look at the pure board level, two out of the eight directors are women director. And as if you see our chairperson herself being a woman, that shows, you know, the kind of power we are handing over. And it's that the women who have been driving the organization from the top, from the guidance, from the strategy that they have in the mind and you know, driving the whole management team and the board together for the success of the organization and, you know, having long term plans in place.

Having said that, I would like to add that Keynes is equal opportunity employer. So when we are hiring employee, it is without any discrimination towards gender, race, religion, nationality, age, disability, etcetera.

So we look at the capability and the talent of the candidates, or the talent that apply to our organization. After a due evaluation for engaging or hiring this, recruiting these employees, we go through a rigorous employment cycle. And that is how we onboard our employees.

And that's our strong workforce of almost about 4000 people, including some contractual employees that are there on the organization that we have engaged. And having said that, actually at the company level, the gender ratio is almost 30:70. So 30% of our workforce is women workforce. The ratio is higher at the middle management and junior management level.

These are the employees who started their careers with the company over the last three to five years, who started with the company and have now reached the middle management level.

And in the years to come, they will certainly be reaching to the senior management of the organization. As an organizational philosophy, we have been encouraging and harnessing our talent internally. Before we explore the market for individual hirings, etcetera, we do, do a complete career path evaluation of our employees.

And we see that in the coming years, a lot of these women employees who are in this, the junior and the middle management level, will be reaching higher management. And hopefully the ratios will get better in the years to come, as it will get displayed in our annual reports in the future.

Next is the question from Mister Naveen, who talked about companies steadily growing at about 60% over the last few years. Will we continue this journey?

Jayaram, what do you think?

Mr. Jairam Paravastu Sampath

Yeah, so we can talk about the present. Last year we did grow and this year also we have guided a growth to the tune of about 60% on the top line.

And since this is riding on the back of huge, let's say tailwind, which is due to indigenous production or localization of imports. And also it is heavily aided by government policies, etcetera.

We think in the near future also similar growth rates are feasible.

Mr. Rajesh Sharma

Thanks, Jairam. So, we have a couple of more questions. Try to finish them quickly.

So one is, I think Mister Anand talked about what is our policy on granting of ESOP to the various management and employees career. So Mister Anand, as you may be aware, you know, there are several companies in India and outside of India, which use ESOP, the employee stock option plans, as a tool for attracting talent in the organization, for retaining talent in the organization. And so similarly, Keynes has also adopted ESOP schemes in the company. We did once keep ESOP scheme 2022 and now the ESOP scheme 2023, which we have presented before you shareholders for approval today.

So it's a scheme that we are looking at for the next phase of our growth to kind of compensate and support with our senior and the other management team members in the organization. If I talk some of the key salient features of this ESOP scheme, 23 so certainly the promotor directors are not eligible for grant of these options under the scheme. It was also so in the case of our previous scheme.

So the promoters and the directors are not eligible for the schemes, and independent directors as well are not eligible for grant options under this scheme. The management team and a couple of executive directors are eligible for this scheme.

The total number of options that we have proposed under this scheme about are about 580 thousand options, which will equate to equal number of equity whenever the vesting, the granting, vesting and exercise does take place on a fully diluted basis, post the exercise, it will dilute the current equity by about 0.89%.

We have proposed the grant be issued at the prevailing of the current market price at a discount of about 25%.

Again, since it's linked to current market price, which is purely driven by the market scenarios of demand and supply.

So whatever is the market price at the time of the grant being awarded to these employees and management team members, it will be at a discount of about 25%. The vesting period will be up to a period of five years. It doesn't rest immediately. There are performance parameters that are linked to both the grant as well as vesting.

The complete scheme is administered by the nomination and remuneration committee of the board, which is headed or chaired by an independent director. Saw Mister Anubh Bhatt earlier in the introduction call of chairperson. So Mister Anubh Bhatt, who is the chairperson of the board of the NRC committee, administers this entire scheme.

So the parameters for granting as well as vesting will be determined and are determined by the NRC committee based on which will grant the options, and at an vesting time will also allow for the vesting of these options.

So again, independently managed by the independent directors, the employees can exercise the vested options in a period of two years from the vesting date.

So largely, it's a very independently managed scheme, though there is no cap on an individual's allotment or granting of options.

But the overall scheme is capped with about 580 thousand options, as I mentioned earlier, and the complete NRC committee as well as the senior management team will together drive this grant so that you know, fair amount of allotment happens through various segment of the employees and management team members.

I hope this addresses your question Mister Anand.

And I think the last question was from Miss Madam Velube regarding the company's readiness for the ESG adoption.

Ma'am, as you may be aware that any significant good governance practice that is implemented in the country certainly becomes more forceful when it is implemented and mandated by the government of the country.

So in this particular case also, both Sebi and Ministry of Corporate affairs have made it mandatory for companies or the top 250 companies by market cap to implement and report ESG guidelines or ESG disclosure data for FY 25. Though we are not yet in top 250 companies as of March 24 financial year.

Nevertheless, we did roll out the BRSR of the business reporting and Sustainability report data as of FY 23. So FY 23 we have reported BRSR. FY 24 we have reported BRSR. It does provide the basic framework for us to move towards ESG.

There are several global and Indian customers who are auditing us and evaluating for the ESG norms that the company has implemented across its operations.

So we are working towards the complete adoption of the ESG framework as well. BRSR will provide the groundwork for us to take the whole action to the next level.

And I think with this in FY 25 we should be ready for any external audit that might, you know, the SEBI or MCA may make it mandatory for the companies for implementation of ESG.

I think with this I have addressed all the questions or comments that were raised by the shareholders. Any comments from my fellow panelists?

Chairperson Ma'am, Md Sir, Jayram, any other additional comments or we can move to the next item?

Mrs. Savitha Ramesh (Chairperson)



We can move to the next question.

Mr. Rajesh Sharma

So back to the moderator for next item or we get back to chairperson. You can advise us.

Moderator

I now hand over the proceeding to the chairperson to continue.

Mrs. Savitha Ramesh (Chairperson)

Thank you moderator. Thank you Mister Rajesh Sharma and thank you Jayram Sampath.

Members may note that the voting on the platform felicitated by link in time India Private Limited will continue to be available for the next 30 minutes. Therefore, members who have not cast their vote yet are requested to do so.

The Board of directors has appointed misses Kalaivani, yes practicing company secretary as the scrutinizer to supervise the e voting process.

Further, I hereby authorize Mister Aditya Jain, Company Secretary and Compliance officer to declare the result of the voting and place the results on the website of the company, Linkin Time India Private Limited and stock Exchange.

The resolutions as set forth in the notice shall be deemed to be passed today subject to the recipe of requisite number of votes.

We are grateful to all our shareholders for attending the meeting and I hereby declare the proceedings of this 16th AGM as closed.

Thank you very much and see you next year.

Danyavadha Galu.