



DAM Capital Advisors Limited
(Formerly IDFC Securities Limited)
One BKC, Tower C, 15th Floor, Unit No. 1511
Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4202 2500
E - mail: kaynes.ipo@damcapital.in
Website: www.damcapital.in
Investor Grievance ID: complaint@damcapital.in
SEBI Registration Number: MB/INM000011336
CIN: U99999MH1993PLC071865

IIFL Securities Limited
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Investor Grievance ID: ig.ib@iiflcap.com
SEBI Registration Number: INM000010940
CIN: L99999MH1996PLC132983

Ref: DAM/KAYNES/SEBI/2022/04/05

April 27, 2022

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

Kind Attention: Ms. Shivani Gupta

Re: Proposed initial public offering of equity shares (the “Equity Shares” and such offering, the “Offer”) of Kaynes Technology India Limited (the “Company”)

This is in connection with complaint shared *vide* email dated April 20, 2022 from the Securities and Exchange Board of India (“SEBI”, and such email, the “Complaint”), in respect of the draft red herring prospectus dated April 13, 2022 (“DRHP”) filed by the Company in relation to the Offer.

Based on the information made available to us by the Company, and our discussions with the representatives of the Company, set out below is the point wise reply to the Complaint:

S. No.	Clarifications/information requested	Response(s)
1.	Advance Income tax not paid in time	<p>Please note that as on date, Company has paid all the dues pertaining to advance income tax for Fiscal 2021, 2020, 2019.</p> <p>Advance tax is calculated based on estimated profits for the year based on the performance of the Company and management estimates for the relevant quarter. The Company has paid the advance tax as per the requirements, for the Fiscal Year 2018-19 and Fiscal Year 2017-18. The taxes for Fiscal Year 2019-20 were paid along with the relevant interest.</p> <p>In Fiscal Year 2020-21 and Fiscal Year 2021-22, on account of Covid-19 pandemic and consequent nation-wide and localized lockdowns, the Company was unable to estimate its profits for the respective year until the closure of the respective years. Accordingly, advance tax could not be calculated or paid during the financial year. Subsequently, when the annual income tax return was filed after finalization of the annual financial statements and income tax computation, the total tax due was paid as a part of the self-assessment tax with the filing of the return along with the applicable interest and penalties for the said delay, pursuant to the applicable provisions of the Income Tax Act, 1961, as amended.</p> <p>Further, for the Fiscal Year 2021-22, the Company is expected to pay the aggregate tax due as a part of the self-assessment tax with the filing of the return along with the applicable interest pursuant to the applicable provisions of the Income Tax Act, 1961, as amended.</p>
2.	TDS deducted are not deposited in time and there is wilful default	<p>Please note that as on date, for Fiscal 2021, 2020 and 2019, the Company has paid the entire tax deducted at source (“TDS”) amount due to the government along with the applicable interest and relevant late fees, except for the amount</p>



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		<p>of ₹ 4.00 million, as outstanding in the contingent liabilities appearing in “Summary of Offer Document” on page 24 of the DRHP. Further, there has been no wilful default.</p> <p>In a financial year, the TDS is deposited every month with the authorities. Subsequently, a quarterly return is filed and as a routine process, TRACES portal sends auto generated intimations for mismatches, if any.</p> <p>There have been delays in the monthly payments of TDS, though subsequently all amounts have been duly paid. In the last 3 financial years, i.e., 2019, 2020 and 2021, the Company has received such auto generated TRACES intimations and have paid the amounts due under such letters along with the applicable interest and relevant late fees, except in few instances which are appearing in contingent liabilities amounting to ₹ 4.00 million.</p> <p>Details of such interest paid on delayed TDS payments is as follows: (₹ in million)</p> <table border="1" data-bbox="644 965 1385 1133"> <thead> <tr> <th>Particulars</th> <th>March 31, 2021</th> <th>March 31, 2020</th> <th>March 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Interest on delayed payment of taxes</td> <td>11.01</td> <td>4.24</td> <td>3.25</td> </tr> </tbody> </table> <p>Further, the details of all the disputed TDS demands that are open have been disclosed in the section ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Off-Balance Sheet Arrangements’ on page 347 of the DRHP.</p>	Particulars	March 31, 2021	March 31, 2020	March 31, 2019	Interest on delayed payment of taxes	11.01	4.24	3.25
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Interest on delayed payment of taxes	11.01	4.24	3.25							
3.	GST Returns are not filed in time and there are wilful default	<p>Please note that as on date, for Fiscal 2021, 2020 and 2019, the Company has filed all the GST returns along with the applicable interest and relevant late fees. Further, there has been no wilful default.</p> <p>All the amounts payable towards Goods and Services Tax (“GST”) to the relevant regulatory authorities along with interest and relevant late fees have been paid, as of date. Further, any delay in payment of GST by the Company has been remitted as on date.</p> <p>In a financial year, the GST returns are filed every month with the authorities for each location where the Company is registered. In the last 3 financial years i.e., 2019, 2020, 2021 and 9 months ended December 31, 2021, across various locations, the Company was required and has filed a total of 630 GST returns. Out of the aforementioned filed GST returns, 397 GST returns were filed on time, however there was delay in filing of 233 GST returns on account of covid lockdowns, technical glitches, unavailability of technical experts or inadvertent delays.</p> <p>Details of interest paid on GST payments is as follows: (₹ in million)</p> <table border="1" data-bbox="644 1823 1385 1991"> <thead> <tr> <th>Particulars</th> <th>March 31, 2021</th> <th>March 31, 2020</th> <th>March 31, 2019</th> </tr> </thead> <tbody> <tr> <td>Interest on delayed payment of GST</td> <td>0.20</td> <td>3.25</td> <td>0.27</td> </tr> </tbody> </table>	Particulars	March 31, 2021	March 31, 2020	March 31, 2019	Interest on delayed payment of GST	0.20	3.25	0.27
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		Further, the details of disputed demands which are currently open have been disclosed in the section ' <i>Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities and Off-Balance Sheet Arrangements</i> ' on page 347 of the DRHP.
4.	Bank loans taken from Canara Bank ICICI Bank showing the same assets and hiding the facts from the respective banks with wilful default as per RBI	There are no loan facilities availed from ICICI Bank as on March 31, 2022 or as on the date of the DRHP. Hence, this statement is factually inaccurate. All the necessary charge related forms have been duly filed with Registrar of the Companies for the loan taken from Canara Bank. Further, our Company has not been declared as wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI, as defined under SEBI ICDR Regulations.
5.	Annual Financial Reports are manipulated to show higher profit and wrong Valuation for the Public offer.	The Company has confirmed that this statement is incorrect and strongly rejects this allegation from the complainant. It is baseless and the vague and is intended to impact the IPO process of the Company. Please note that the Company has been consistently earning gross margins, EBITDA margins and PAT margins in the same range during the historical period. There has been an improvement in EBITDA and PAT margins during the nine months ended December 31, 2021, which has been adequately explained under the section titled ' <i>Management's Discussion & Analysis of Financial Condition and Results of Operations</i> ' on pages 317 and 338 of the DRHP.

Please feel free to contact the following persons from DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*) in case you require any information or clarification:

Contact Person	Mobile No.	Email
Sachin Chandiwala	+91 98205 31925	sachin@damcapital.in
Akshay Bhandari	+91 90044 14807	akshay@damcapital.in
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Thanking you,

Sincerely,

Enclosures: As above



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This signature page forms an integral part of the letter submitted to SEBI, in relation to the initial public offering of Kaynes Technology India Limited.

For DAM Capital Advisors Limited
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Authorized Signatory

Name: Sachin K. Chandiwal
Designation: MD – Corporate Finance
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This signature page forms an integral part of the letter submitted to SEBI, in relation to the initial public offering of Kaynes Technology India Limited.

For IIFL Securities Limited




Authorized Signatory

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