

May 31, 2025

**BSE Limited**

Corporate Relationship Dept.,  
14th floor, P. J. Tower,  
Dalal Street, Fort  
Mumbai - 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai - 400 051

**Scrip Code: 543664**

**Scrip Symbol: KAYNES**

Dear Sir/Madam,

**Subject: Intimation of Credit Rating under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations')**

Pursuant to Regulation 30 of SEBI (LODR) Regulations this is to inform that, CRISIL Rating Limited has assigned its '**CRISIL A/Positive**' rating to the Long-Term Bank facilities and Corporate Credit Rating has been reaffirmed at '**CRISIL A/ Positive**' to Kaynes Technology India Limited.

The rating letter received from CRISIL Rating Limited is attached as an Annexure.

1.	Date of occurrence of Event / Information	30 May 2025
2.	Time of occurrence of Event/ Information	08:25 P.M. (IST)

The aforesaid information will also be made available on the Company's website at <https://www.kaynestechology.co.in/>

Kindly take the above information on record.

Thanking You

Yours faithfully,

**For Kaynes Technology India Limited**

**Anuj Mehtha**

**Company Secretary and Compliance Officer**

**ICSI Membership Number A62542**

**KAYNES TECHNOLOGY INDIA LIMITED**

CIN: L29128KA2008PLC045825

website: [www.kaynestechology.co.in](https://www.kaynestechology.co.in) email ID: [kaynestechcs@kaynestechology.net](mailto:kaynestechcs@kaynestechology.net)

H.O & Registered office: 23-25, Belagola, Food Industrial Estate Metagalli PO, Mysore 570016 India

Telephone No: +91 8212582595

## Rating Rationale

May 30, 2025 | Mumbai

### Kaynes Technology India Limited

*'Crisil A/Positive' assigned to Bank Debt; Corporate Credit Rating Reaffirmed*

#### Rating Action

Total Bank Loan Facilities Rated	Rs.770 Crore
Long Term Rating	Crisil A/Positive (Assigned)

Corporate Credit Rating	Crisil A/Positive (Reaffirmed)
-------------------------	--------------------------------

*Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to Annexure for Details of Instruments & Bank Facilities*

#### Detailed Rationale

Crisil Ratings has assigned its '**Crisil A/Positive**' rating to the long-term bank facilities Kaynes Technology India Ltd (KTIL) and reaffirmed its 'Crisil A/Positive' on the corporate credit rating.

The rating reflects the extensive experience of the promoters in the EMS industry, the diversified end-user industry base, sound operating efficiencies and the healthy financial risk profile. These strengths are partially offset by the working capital-intensive operations and susceptibility of the operating margin to volatility in commodity prices, limited product diversity and dependence on imports.

#### Analytical Approach

To arrive at the ratings, Crisil Ratings has combined the business and financial risk profiles of KTIL, along with its subsidiaries and associates. This is because these entities are in similar line of business, under a common management, with significant operational and financial synergies.

*Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

#### Key Rating Drivers & Detailed Description

##### Strengths:

**Established market position & extensive industry experience of the promoters:** KTIL has been engaged in the EMS business for over three decades. Over the years, the company has gained significant experience and has established its track record as a reliable supplier for reputed original equipment manufacturers (OEMs) in the public and private sectors. Having maintained strong relationships with reputed customers, and given its ability to produce goods as per their specifications, standards and timelines, KTIL has bagged a steady flow of repeat orders. Further, it seeks to adapt to varying requirements of customers by continuously expanding its product profile.

**Healthy order book and sound operating efficiency:** Orders of Rs 6,596 crore as on March 31, 2025, to be executed over the next 18-24 months, provide revenue visibility for the medium term. Order execution usually ranges from 6-18 months and the company also receives repeat orders from its customers. The order book position is expected to improve with new capacities in the HDPCB and OSAT divisions becoming operational in the next fiscal. Driven by high economies of scale and an experienced management, operating efficiency is marked by a healthy return on capital employed (RoCE) and stable operating margin.

**Diversified end-user industry base and healthy growth prospects in the new business:** KTIL has maintained longstanding relationships with its customers and suppliers. It caters to a diversified end-user industry base, including automotive, industrial, railways, medical, aerospace, defence, IT and retail. This mitigates the risk of slowdown in a particular industry and lends stability to revenue.

**Healthy financial profile:** Capital structure remains comfortable, aided by moderate reliance on external debt, as reflected in gearing of 0.31 time and total outside liabilities to adjusted networth ratio of 0.5 time, as on March 31, 2025. Over the next four fiscals, the group plans to undertake capex of around Rs 4,700 crore, towards the HD PCB and OSAT divisions; capex will be funded via government grants (~55%), internal sources (~25-30%) with moderate reliance on external debt. Leverage levels are still expected to remain low over the medium term. Any material delay in receipt of government grants and its impact on the financial risk profile will remain a monitorable. Debt protection measures are aided by low leverage and healthy profitability. Interest coverage and net cash accrual to total debt ratios stood at 4.08 times and 0.39 time, respectively, for fiscal 2025 and are expected to remain at similar levels over the medium term.

##### Weaknesses:

**Import reliance on key raw materials, exposure to forex fluctuations and volatility in input prices:**

The group has significant reliance on imports to meet its raw material requirement, with 20-30% sourced from China. This makes the group's operations vulnerable to supply chain disruptions caused by any bottleneck or geopolitical risk. Raw material cost forms a sizeable chunk of the cost of production and any sharp fluctuation in prices of these components or forex rates could impact profitability adversely over the medium term, and hence, remains a key monitorable. Diversification into OSAT and HD PCB divisions should mitigate this risk over the medium term.

**Exposure to risks related to the ongoing project:** The group is in the process of setting up new manufacturing facilities for OSAT/PCB at Tamil Nadu and Gujarat, under the Semiconductor India scheme. Timely receipt of government grants, along with completion of capex and successful stabilisation of operations at the new, augmented units remains a key rating sensitivity factor.

**Working capital-intensive operations:** Working capital cycle is marked by sizeable inventory of 90-130 days and receivables of 70-90 days, and is partly aided by payables of 90-110 days. Incremental revenue from PCB and OSAT divisions should help bring down receivables and inventory and improve the working capital cycle.

**Liquidity- Strong**

Cash accrual of over Rs 340 crore for fiscal 2025 should suffice to cover the term debt obligation over the medium term. The group is undertaking large capex but shall fund the same via government grants and internal resources, with moderate reliance on term debt. Bank limit utilisation averaged around 72% for the 12 months ended December 31, 2024. Current ratio was healthy at 1.60 times as on March 31, 2025. Cash/liquid assets were around Rs 1,100 crore as on March 31, 2025. Low gearing and moderate networth offer financial flexibility to withstand adverse conditions or downturn in the business.

**Outlook: Positive**

Crisil Ratings believe the group will continue to benefit from its established market position in the EMS segment, the favourable industry dynamics and incremental revenue streams from the upcoming OSAT/HD PCB divisions.

**Rating Sensitivity Factors****Upward factors**

- Strong and sustained revenue growth from the EMS segment; coupled with sustenance of operating margin at around 14%, leading to higher net cash accrual
- Prompt progress of ongoing capex, coupled with timely receipt of government grants, ensuring moderate reliance on external debt to complete the capex
- Sustenance of strong financial risk profile with low leverage levels; healthy debt protection metrics and strong cash buffer

**Downward factors**

- Any material order cancellations or lower-than-expected demand scenario in the EMS segment, having a material impact on revenue growth; or sustained decline in operating margin to less than 12%, leading to lower net cash accrual
- Any material delay in ongoing projects, leading to significant cost escalations or significant delay in receipt of government grants, increasing reliance external debt and leading to higher leverage levels.
- Major debt-funded capex/acquisitions, stretch in the working capital cycle, or moderations in financial flexibility/liquidity buffer, weakening the overall financial risk profile of the group.

**About the Company**

KTIL was formed as a proprietorship in 1988 and reconstituted as a private limited company in 2008. The company, along with its subsidiaries, provides EMS, mainly assembly of PCBs. It has 12 manufacturing facilities at various locations, including Mysuru (Karnataka), Parwanoo (Himachal Pradesh), Selaqui (Dehradun), Bengaluru (Karnataka), Chennai (Tamil Nadu), and Manesar (Haryana). Additionally, it has two service centres dedicated towards after-sales support and third-party repair services. The company has recently expanded its services to include product design and development, testing, and after-sales services such as repair, re-manufacturing, marketing, and product lifecycle management. KTIL got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) on November 22, 2022. Operations are managed by the promoters, Mr Ramesh Kunhikannan (Managing Director) and Ms Savitha Ramesh (Chairperson).

**Key Financial Indicators**

Consolidated			
As on / for the period ended March 31	Unit	2024	2023
Operating income	Rs crore	1,804.62	1,126.17
Reported profit after tax	Rs crore	185.73	94.93
PAT margin	%	10.16	8.45
Adjusted debt/Adjusted networkth	Times	0.17	0.20
Interest coverage	Times	4.62	4.68

**Status of non cooperation with previous CRA**

KTIL has not cooperated with INFOMERICS Valuation and Ratings (IVR), which has classified it as non-cooperative vide release dated December 26, 2023. The reason provided by IRR is non-furnishing of information for monitoring of ratings

**Any other information:** Not Applicable

**Note on complexity levels of the rated instrument:**

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	770.00	NA	Crisil A/Positive

#### Annexure – List of Entities Consolidated

Name of the entity	Extent of consolidation	Rationale for consolidation
Kaynes Technology India Ltd	Full	Holding Company
Kaynes Embedded Systems Pvt Ltd	Full	Subsidiary
KEMSYS Technologies Pvt Ltd	Full	Subsidiary
Kaynes Technology Europe GmbH	Full	Subsidiary
Kaynes International Design & Manufacturing Pvt Ltd	Full	Subsidiary
Kaynes Electronics Manufacturing Pvt Ltd	Full	Subsidiary
Digicom Electronics, Inc.	Full	Subsidiary
Kaynes Semicon Pvt Ltd	Full	Subsidiary
Kaynes Circuits India Pvt Ltd	Full	Subsidiary
Kaynes Mechatronics Pvt Ltd	Full	Subsidiary
Essnkay Electronics LLC	Full	Subsidiary
Kaynes Holding Pte Ltd	Full	Subsidiary
Iskraemeco India Pvt Ltd	Full	Subsidiary

#### Annexure - Rating History for last 3 Years

Instrument	Current			2025 (History)		2024		2023		2022		Start of 2022
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Corporate Credit Rating	LT	770.0	Crisil A/Positive	19-05-25	Crisil A/Positive	--	--	--	--	--	--	Withdrawn (Issuer Not Cooperating)*
			--	31-01-25	Crisil A/Positive	--	--	--	--	--	--	--
Fund Based Facilities	LT	0.0	Crisil A/Positive	--	--	--	--	--	--	--	--	--
Non Convertible Debentures	LT	--	--	--	--	--	--	06-09-23	Withdrawn (Issuer Not Cooperating)*	28-02-22	Crisil D (Issuer Not Cooperating)*	Crisil D (Issuer Not Cooperating)*
								31-01-23	Crisil D (Issuer Not Cooperating)*	--	--	--

All amounts are in Rs.Cr.

\* - Issuer did not cooperate; based on best-available information

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	90	Canara Bank	Crisil A/Positive
Cash Credit	75	State Bank of India	Crisil A/Positive
Cash Credit	225	HDFC Bank Limited	Crisil A/Positive
Cash Credit	130	Axis Bank Limited	Crisil A/Positive
Cash Credit	100	The Federal Bank Limited	Crisil A/Positive
Cash Credit	75	ICICI Bank Limited	Crisil A/Positive
Cash Credit	75	Hongkong & Shanghai Banking Co	Crisil A/Positive

#### Criteria Details

##### Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for consolidation](#)

**Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)**

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p><b>Ramkumar Uppara</b> Media Relations <b>Crisil Limited</b> M: +91 98201 77907 B: +91 22 6137 3000 <a href="mailto:ramkumar.uppara@crisil.com">ramkumar.uppara@crisil.com</a></p> <p><b>Kartik Behl</b> Media Relations <b>Crisil Limited</b> M: +91 90043 33899 B: +91 22 6137 3000 <a href="mailto:kartik.behl@crisil.com">kartik.behl@crisil.com</a></p> <p><b>Divya Pillai</b> Media Relations <b>Crisil Limited</b> M: +91 86573 53090 B: +91 22 6137 3000 <a href="mailto:divya.pillai1@ext-crisil.com">divya.pillai1@ext-crisil.com</a></p>	<p>Jayashree Nandakumar Director <b>Crisil Ratings Limited</b> B: +91 44 6656 3100 <a href="mailto:jayashree.nandakumar@crisil.com">jayashree.nandakumar@crisil.com</a></p> <p>Athul Unnikrishnan Sreelatha Associate Director <b>Crisil Ratings Limited</b> B: +91 44 6656 3100 <a href="mailto:athul.sreelatha@crisil.com">athul.sreelatha@crisil.com</a></p> <p>ACHUTH SEKHAR Manager <b>Crisil Ratings Limited</b> B: +91 22 4040 5800 <a href="mailto:ACHUTH.SEKHAR@crisil.com">ACHUTH.SEKHAR@crisil.com</a></p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 3850</p> <p>For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a></p> <p>For Analytical queries: <a href="mailto:ratingsinvestordesk@crisil.com">ratingsinvestordesk@crisil.com</a></p>



**Note for Media:**

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

**About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)**

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit [www.crisilratings.com](http://www.crisilratings.com)

**About Crisil Limited**

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit [www.crisil.com](http://www.crisil.com)

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

---

**CRISIL PRIVACY NOTICE**

Crisil respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from Crisil. For further information on Crisil's privacy policy please visit [www.crisil.com](http://www.crisil.com).

**DISCLAIMER**

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') provided by Crisil Ratings Limited ('Crisil Ratings'). For the avoidance of doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for use only within the jurisdiction of India. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings provision or intention to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

The report is a statement of opinion as on the date it is expressed, and it is not intended to and does not constitute investment advice within meaning of any laws or regulations (including US laws and regulations). The report is not an offer to sell or an offer to purchase or subscribe to any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way.

Crisil Ratings and its associates do not act as a fiduciary. The report is based on the information believed to be reliable as of the date it is published, Crisil Ratings does not perform an audit or undertake due diligence or independent verification of any information it receives and/or relies on for preparation of the report. THE REPORT IS PROVIDED ON "AS IS" BASIS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, CRISIL RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE. In no event shall Crisil Ratings, its associates, third-party

providers, as well as their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

The report is confidential information of Crisil Ratings and Crisil Ratings reserves all rights, titles and interest in the rating report. The report shall not be altered, disseminated, distributed, redistributed, licensed, sub-licensed, sold, assigned or published any content thereof or offer access to any third party without prior written consent of Crisil Ratings.

Crisil Ratings or its associates may have other commercial transactions with the entity to which the report pertains or its associates. Ratings are subject to revision or withdrawal at any time by Crisil Ratings. Crisil Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

Crisil Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For more detail, please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>. Public ratings and analysis by Crisil Ratings, as are required to be disclosed under the Securities and Exchange Board of India regulations (and other applicable regulations, if any), are made available on its websites, [www.crisilratings.com](http://www.crisilratings.com) and <https://www.ratingsanalytica.com> (free of charge). Crisil Ratings shall not have the obligation to update the information in the Crisil Ratings report following its publication although Crisil Ratings may disseminate its opinion and/or analysis. Reports with more detail and additional information may be available for subscription at a fee. Rating criteria by Crisil Ratings are available on the Crisil Ratings website, [www.crisilratings.com](http://www.crisilratings.com). For the latest rating information on any company rated by Crisil Ratings, you may contact the Crisil Ratings desk at [crisilratingdesk@crisil.com](mailto:crisilratingdesk@crisil.com), or at (0091) 1800 267 3850.

Crisil Ratings shall have no liability, whatsoever, with respect to any copies, modifications, derivative works, compilations or extractions of any part of this [report/ work products], by any person, including by use of any generative artificial intelligence or other artificial intelligence and machine learning models, algorithms, software, or other tools. Crisil Ratings takes no responsibility for such unauthorized copies, modifications, derivative works, compilations or extractions of its [report/ work products] and shall not be held liable for any errors, omissions of inaccuracies in such copies, modifications, derivative works, compilations or extractions. Such acts will also be in breach of Crisil Ratings' intellectual property rights or contrary to the laws of India and Crisil Ratings shall have the right to take appropriate actions, including legal actions against any such breach.

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html>