



May 31, 2025

BSE Limited

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

Scrip Code: 543664

National Stock Exchange of India Limited

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

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 Keynes 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.kaynestechnology.co.in/>

Kindly take the above information on record.

Thanking You

Yours faithfully,

For Keynes Technology India Limited

Anuj Mehtha

Company Secretary and Compliance Officer

ICSI Membership Number A62542

KAYNES TECHNOLOGY INDIA LIMITED

CIN: L29128KA2008PLC045825

website: www.kaynestechnology.co.in email ID: kaynestechcs@kaynestechnology.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)
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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 Keynes 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 on 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		Unit	2024	2023
As on / for the period ended March 31		Rs crore	1,804.62	1,126.17
Operating income		Rs crore	185.73	94.93
Reported profit after tax		%	10.16	8.45
PAT margin		Times	0.17	0.20
Adjusted debt/Adjusted networth		Times	4.62	4.68
Interest coverage				

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.

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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	
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)

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