20 May 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 reaffirmed its rating 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	19 May 2025
2.	Time of occurrence of Event/ Information	07:55 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 Kaynes Technology India Limited

ANUJ
MEHTHA

Digitally signed by ANUJ MEHTHA
DN: c=IN, o=PERSONAL,
pseudonym=773a3a81b2ba4aa4ab2233224d8a3522,
2.5.4.20=496f55509c41127be089b59e3cf2da5f71de1d0
8c6e3f33bebe151285ecb0121, postalCode=571438,
st=Karnataka,
serialNumber=e289f319bac249267b32cee3b90fdfbc35c
64da1077acd55de07f4ebcf63a683, cn=ANUJ MEHTHA
Date: 2025.05.20 17:46:24 +05'30'

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

Crisil Ratings

Rating Rationale

May 19, 2025 | Mumbai

Kaynes Technology India Limited

Rating reaffirmed at 'Crisil A/Positive'

Rating Action

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 reaffirmed its 'Crisil A/Positive' on the corporate credit rating (CCR) of Kaynes Technology India Limited (KTIL).

Crisil Ratings has taken note of corporate announcement by KTIL, on 9th May 2025, regarding acquisition of August Electronics Inc, for a total sale value of ~ Rs. 347 crores, subject to shareholders and other regulatory approvals. The transaction is expected to be met through debt to the tune of approximately Rs 200 crore and rest partially by way of internal accruals and cash balances. While the synergies arising out of the acquisition, backed by similarity in product lines, new customer and geographic profile, is likely to strengthen the business profile; Crisil Ratings believes that there would be no material impact on the credit risk profile of the group. Timely completion of the transaction and synergies emerging out of the acquisition will remain a key monitorable.

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		**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 networth	**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. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instruments

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs.Crore)	Complexity Level	Rating assigned with outlook
NA	NA	NA	NA	NA	NA	NA	NA

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

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Corporate Credit Rating	LT	0.0	Crisil A/Positive	31-01-25	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*

Criteria Details

Links to related criteria
[Basics of Ratings (including default recognition, assessing information adequacy)]
[Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)]
[Criteria for consolidation]

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

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

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

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.

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 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**