January 24, 2026

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, India Ratings and Research has assigned **IND A-/Stable/IND A1** rating to Bank Loan facilities of Kaynes Technology India Limited.

The rating letter received from India Ratings and Research is attached as an Annexure.

1.	Date of occurrence of Event / Information	January 23, 2026
2.	Time of occurrence of Event/ Information	19:57 (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
Date: 2026.01.24 16:34:14 +05'30'
Anuj Mehtha
Company Secretary and Compliance Officer
ICSI Membership Number FCS 13802

KAYNES TECHNOLOGY INDIA LIMITED
CIN: L29128KA2008PLC045825
website: www.kaynestechnology.co.in email ID: kaynestechcs@kaynestechnology.net
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India Ratings & Research
A Fitch Group Company

India Ratings Affirms Kaynes Technology India's Bank Loan Facilities at 'IND A-'/Stable; Rates Additional Limits

Jan 23, 2026 | Industrial Products

India Ratings and Research (Ind-Ra) has taken the following rating actions on Kaynes Technology India Limited's (KTIL) bank loan facilities:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR6,250	IND A-/Stable/IND A1	Affirmed
Bank loan facilities	-	-	-	INR1,450	IND A-/Stable/IND A1	Assigned

Analytical Approach

Ind-Ra continues to take a fully consolidated view of KTIL along with its subsidiaries for the rating review, due to the strong operational linkages among them.

Detailed Rationale of the Rating Action

The rating affirmation reflects a continued improvement in the consolidated revenue, EBITDA, and order book over FY22-1HFY26. The improvement in the scale of operations is supported by timely execution of orders secured from strong, diversified counterparties. KTIL's financial profile remains strong, backed by (a) improved internal cash accruals with strong credit ratios and (b) a sustained net cash position, supported by higher cash flow generation and equity fund raising.

Ind-Ra expects KTIL to sustain double-digit revenue growth over FY26-FY28, backed by (a) continued robust growth in the existing electronics manufacturing business, (b) moderate 10%-15% growth in the recently acquired smart-meter business, and (c) potential revenue contributions from new projects. While the EBITDA margin trajectory may trend upward due to a higher proportion of the high-margin smart-meter business, it remains a key monitorable.

The ratings, however, are constrained by KTIL's significantly large investment plans in the outsourced semiconductor assembly and test (OSAT) and printed-circuit board (PCB) areas over FY26-FY30, creating project-specific implementation risks. While timely implementation of these plans would materially improve KTIL's credit profile, Ind-Ra would monitor the key milestones such as construction update, commercial operation date, timely receipt of subsidy support from the government, product approvals by clients, and revenue & profitability ramp-up. The ratings are also constrained by the working capital-intensive nature of KTIL's operations; there was a material rise in net working capital over FY24-FY25. Also, any developments regarding corporate governance issues, such as auditors' opinions in audit reports and tangible outcomes from management's efforts to enhance internal financial controls, will remain key rating monitorables.

List of Key Rating Drivers

Strengths

- Strong operating performance, backed by healthy orderbook growth
- Strong business profile, supported by diversified revenue profile
- Strong customer & supplier connect
- Comfortable credit metrics, supported by fund raising
- Positive regulatory environment and domestic demand tailwind

Weaknesses

- Large capex plans
- High technology risks
- Increased working capital requirements
- Development around corporate governance
- Forex risk, intense competition and other industry risks

Detailed Description of Key Rating Drivers

Strong Operating Performance, Backed by Healthy Order Book Growth: KTL continued to report robust growth in revenue and profitability in FY25 and 1HFY26, backed by a strong and growing order book. After a strong revenue and EBITDA of CAGR of 60% and 65%, respectively, over FY22-FY24, the company's consolidated revenue grew 51% in FY25 to INR27,218 million, backed by a strong domestic demand environment, timely execution of order book, and client additions. Revenue growth continued in 1HFY26 at 47% to INR15,797 million. Ind-Ra expects the demand momentum to continue over the near to medium term, backed by a robust order book of INR80.9 billion as of 2QFY26 (31 March 2025: INR65.9 billion) and continued demand tailwinds from automotive & industrial, railways, and medical segments. The company has a strong margin profile, backed by its leading presence in the profitable B2B segments. Owing to the higher proportion of high-margin smart-meter business, the consolidated EBITDA margins grew to 15.1% in FY25 (FY24: 14.1%) and 16.5% in 1HFY26. Ind-Ra expects the EBITDA margins to remain healthy 15-16% over FY26-FY27, supported by the operating leverage, presence of purchase price variance clause in contracts which enables KTIL to pass on volatile raw material costs to customers and possible new orders from high-margin, low volume segments such as railways, medical and aerospace.

Strong Business Profile, Supported by Diversified Revenue Profile: KTIL has strong business profile, supported by a diversified revenue profile across key industry segments, product types, and clients, isolating the company from a demand slowdown in any one particular sector. The company derives its revenue from diversified segments such as automotive, industrial & electrical vehicles, aerospace, medical, railways, and information technology, with no one sector contributing over 60% to the consolidated revenue. While the share of industrial and electric vehicles in the consolidated revenue grew to 55% in FY25 (FY24: 48%), supported by the high-margin smart-metering business, the overall revenue within this segment is also well diversified across clients and product types. Over the next 12-18 months, management is expecting incremental orders from railways, smart meters, and information technology segments, which would further diversify the overall orderbook and subsequently the revenue profile. KTIL has a total customers base in excess of 500, with the top 10 and top five customers contributing 67% (FY25: 69%) and 46% (FY25: 53%), respectively. to the FY25 revenue. In terms of product type, the share of original design manufacturing business increased to 18% in FY25 (FY24: 2%), which augurs well for the overall margin profile, while share of box-build and PCB assembly stood at 39% (42%) and 43% (55%), respectively.

Strong Customer & Supplier Connect: KTIL has longstanding customers relations of seven to ten years across various industry segments, supporting the strong growth in its order book quarter on quarter. Also, KTIL has a geographically diversified, wide base of suppliers, with limited reliance on a single supplier, along with alternate sources of vendors for each component. KTIL's supplier base is a mix of domestic and international sources, with about 60% of its total raw material requirements being imported. KTIL has longstanding relationship over 10 years with its top suppliers.

Comfortable Credit Metrics, Supported by Fund Raising: While the gross debt (including lease liabilities) increased to INR9 billion at end-FY25 (FY24: INR3.2 billion) and reduced marginally to INR8.8 billion at end-1HFY26, the consolidated credit metrics remained comfortable. The gross interest coverage (EBITDA/ gross interest expense) was 4.05x in FY25 (FY24: 4.76x) and the gross leverage (gross debt/operating EBITDA) was 2.20 (1.27x). The company incurred significant capex of INR9.5 billion and INR8 billion in FY25 and 1HFY26, respectively, increasing its working capital requirements to INR7 billion and INR12.7 billion (FY24: INR5.3 billion). It raised funds amounting to INR29 billion through two qualified institutional placements (QIP; 1QFY26: INR16 billion; FY24: INR13.7 billion). While significant capex is lined up largely for its upcoming PCB and OSAT facilities in the coming years, Ind-Ra does not expect any major increase in debt levels, with the gross interest coverage and gross leverage ratios remaining below its negative rating trigger over the near to medium term. The comfortable credit metrics will be supported by its healthy cash accruals and unutilised portion of QIP (end-1HFY26: INR11.6 billion). However, any additional debt drawdown greater than Ind-Ra's expectations, deteriorating the credit metrics, would be a key rating monitorable.

Positive Regulatory Environment and Domestic Demand Tailwind: The government launched the National Policy on Electronics in 2019 to boost domestic electronics manufacturing and industry-led research and development initiatives. In March 2020, it rolled out three key policy initiatives: Production-linked Incentive scheme, capital subsidy for electronic components, and electronic manufacturing clusters, to create favourable environment for wide-scale electronics manufacturing in India. Demand remains robust due to rising digital penetration, government initiatives such as Digital India and Skill India, and supply chain recalibration by global original equipment manufacturers, positioning India as s strategic alternative for electronics manufacturing.

Large Capex Plans: KTIL has planned significantly large capex of about INR47 billion (INR33.1 billion towards an OSAT facility and INR14 billion towards a PCB facility) over FY26-FY30, while investment in the existing electronics manufacturing services business remains negligible. The total capex shall be funded by a mix of equity contribution (QIP proceeds and internal accruals), subsidy support from central and state governments and bridge debt funding. Ind-Ra accesses the funding risk to remain low to moderate, as KTIL has already raised INR13.7 billion equity through the QIP route in FY24, of which INR10.6 billion has been earmarked towards full-equity contribution in both the projects. However, timely release of subsidy support from central and state governments is a key monitorable. The company incurred capex of INR5.3 billion till end-1HFY26 for PSB and OSAT facilities, using QIP proceeds.

High Technology Risk: Technology risk remains high for KTIL, given both the projects require new technology from India's perspective. This risk is partly allayed by (a) KTIL's long and established experience in the electronics manufacturing services industry which has similar business dynamics as that of both the projects, (b) continued support from technology partners (including Globetronics Inc.) to reduce the obsolescence risk, and (c) timely product approvals along with finalisation of supply chain. The company plans to start operations at its OSAT facility in 4QFY26 with products already sent for customer approvals and PSB facility from 1HFY27. However, timely completion of the projects along with product approvals and stabilisation of operations are key monitorables.

Increased Working Capital Requirements: KTIL's business model is working capital intensive, since its diversified sector presence necessitates a high inventory level, leading to a long working capital cycle. Owing to the company's recent Iskraemeco India Private Limited acquisition, the working capital cycle elongated to 194 days in 1HFY26 (FY25: 126 days; FY24: 137 days). While initiatives are underway, the ability to reduce the net working capital cycle (including the discounting of receivables non-recourse to the company) remains a monitorable. Additionally, while KTIL funded the incremental working capital requirements through QIP proceeds in 1HFY26, any higher-than-expected debt to fund the working capital requirements will remain a key monitorable.

Development around Corporate Governance: Ind-Ra has noted KTIL's stock exchange filing dated 5 December 2025 and subsequent interactions with market participants to address the corporate governance issues highlighted in a research report by an independent financial institution. As per Ind-Ra's interactions with management and public disclosures, the company did not report certain related-party transactions, although they were considered in financial statement preparations. Ind-Ra opines some disclosures could have been improved for better clarity on certain financial items. However, the agency does not see this as a credit event, given management's articulation that the observations would not lead to restating the financial statements and its commitment to enhancing disclosures to prevent future ambiguity. Ind-Ra will monitor subsequent audit reports and the outcome of the management's efforts to improve the internal financial control.

Forex Risk; Intense Competition and Other Industry Risks: The company imports 60% of its material requirements, which exposes it to forex risks. However, part of the forex exposure is naturally hedged from exports (about 10% of the total revenue) and the company has the ability to pass on volatility in forex rates to customers on a quarterly basis. Forex gain/losses remained negligible over FY21-FY24.

Moreover, KTIL is in the business of technology contract manufacturing, which exposes it obsolescence risk. It thus has to constantly upgrade its manufacturing processes and supply chain to meet customer requirements. Also, the company operates in a highly competitive business environment, due to the presence of several organised and unorganised players. This limits its bargaining power/pricing ability, thereby constraining any major uptick in margins.

Liquidity

Adequate: KTIL's liquidity is supported by cash and equivalents of INR10,563 million as on 31 March 2025. The average utilisation of the working capital limits was high at about 60% during the 12 months ended December 2025 at the standalone level. Working capital limits at the subsidiaries provide additional liquidity cushion. KTIL's scheduled term loan debt servicing is INR118 million-116 million each over FY26-FY27. KTIL raised total equity funding of INR19,997 million over FY22-FY24 and additional INR16,000 million in 1QFY26, of which about INR11,634 million remained unutilised as on 30 September 2025, which gives comfort over the capex plans.

Rating Sensitivities

Positive: Sustaining the growth in revenue and EBITDA in line Ind-Ra's expectations and/or timely completion and commercialisation of upcoming capex plans and/or an improvement in working capital situation without any significant deterioration in the key credit ratios could lead to a positive rating action.

Negative: Developments that can individually or collectively lead to a negative rating action include:

- a slower-than-expected ramp-up in the revenue and EBITDA and/or an elongation in the working capital cycle, leading to the gross leverage exceeding 2.5x and interest coverage reducing below 3.0x on a sustained and consolidated basis;
- delayed implementation of the new projects with respect to completion, product approval and subsidy support from government; and
- any adverse development on corporate governance.

Any Other Information

Standalone Performance: KTIL's revenue was INR19,154 million in FY25 (FY24: INR12,739 million) and EBITDA margins were 13.2% (13.5%). The total debt stood at INR6,267 million at FYE25, against cash and equivalents of INR10,041 million, resulting in a net cash position. The gross interest coverage was 2.9x in FY25 (FY24: 3.2x).

About the Company

KTIL is a leading end-to-end and IoT solutions enabled integrated electronics manufacturing player, having capabilities across the entire spectrum of electronics system design and manufacturing services. It has over three decades of experience with more than 530 customers, 12 manufacturing plants, two design centres, and two service centres. The company has presence across various sectors such as automotive, industrial & electric vehicles, railways, medical, and aerospace.

Key Financial Indicators

Particulars (Consolidated)	FY25	FY24
Revenue (INR million)	27,218	18,046
EBITDA (INR million)	4,107	2,542
EBITDA margin (%)	15.1	14.0
Interest coverage (x)	4.1	4.8
Net leverage (x)	-0.3	-4.7
Source: KTIL, Ind-Ra		

Correction in Previous Rating Action Commentary

Ind-Ra corrects the rating action commentary published on 24 October 2024 to correctly state the rating history.

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating/Outlook	Historical Rating/Outlook					
				24 October 2024	17 April 2024	8 April 2024	18 September 2023	2 May 2023	30 September 2022
Issuer rating	Long-term	-	-	-	-	-	WD	IND BB+(ISSUER NOT COOPERATING)	IND BB+/Rating Watch with Positive Implications
Bank loan facilities	Long-term/Short-term	INR7,700	IND A-/Stable/IND A1	IND A-/Stable/IND A1	IND BB+/Stable(ISSUER NOT COOPERATING)/IND A4+(ISSUER NOT COOPERATING)	IND BB+/Rating Watch with Positive Implications(ISSUER NOT COOPERATING)/IND A4+/Rating Watch with Positive Implications(ISSUER NOT COOPERATING)	-	IND BB+(ISSUER NOT COOPERATING)/IND A4+(ISSUER NOT COOPERATING)	IND BB+/Rating Watch with Positive Implications/IND A4+/Rating Watch with Positive Implications
Non-convertible debenture	Long-term	INR22.31	-	-	WD	IND BB+/Rating Watch with Positive Implications(ISSUER NOT COOPERATING)	-	IND BB+(ISSUER NOT COOPERATING)	IND BB+/Rating Watch with Positive Implications

Bank wise Facilities Details

The details are as reported by the issuer as on (23 Jan 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	HDFC Bank Limited	Term loan	112	WD
2	Axis Bank Limited	Fund-based working capital limits	1300	IND A-/Stable / IND A1
3	Canara Bank	Fund Based Working Capital Limit	900	IND A-/Stable / IND A1

4	HDFC Bank Limited	Fund-based working capital limits	2250	IND A-/Stable / IND A1
5	State Bank of India	Fund Based Working Capital Limit	850	IND A-/Stable / IND A1
6	Canara Bank	Non-Fund Based Working Capital Limit	220	WD
7	Federal Bank	Fund-based working capital limits	1000	IND A-/Stable / IND A1
8	Hongkong Shanghai Banking corporation	Fund-based working capital limits	650	IND A-/Stable / IND A1
9	ICICI Bank	Fund-based working capital limits	750	IND A-/Stable / IND A1
10	NA	Proposed Fund-based working capital limits	2118	WD

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Contact

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process