

# Kaynes Technology

14 May 2026

**Operator:** Ladies and gentlemen, good day and welcome to the Kaynes Technology India Limited Q4 and full year FY26 earnings conference call, hosted by Axis Capital Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Nikhil Kondoï from Axis Capital. Thank you and over to you, sir.

**Nikhil Kondoï – Axis Capital:** Thank you, Sapna. Good morning, everyone. On behalf of Axis Capital, I would like to welcome you all to the Q4 and full year FY26 earnings call of Kaynes Technology India Limited. We have with us management today, represented by Mrs. Savitha Ramesh, Chairperson; Mr. Ramesh Kunhikannan, Executive Vice Chairman; and Mr. Muttukumar Narayanaswamy, Managing Director. Participants are requested to note that Mr. Jairam Sampath, Whole-time Director and Chief Financial Officer, would not be available for the call due to health concerns. Now, I will hand over the floor to the management for the opening remarks, post which we will open the floor for Q&A. Thank you and over to you, sir.

**Management:** Good morning, everyone. On behalf of the Kaynes Technology team, I would like to welcome everyone to the earnings call for Q4 FY26. Mrs. Savitha Ramesh, Chairperson of our board; our Managing Director, Dr. Muttukumar Narayanaswamy; Mr. Sumit Verma from our investor relations team; and MEF IR, our investor relations partners, are with us today.

Let me begin with a brief overview of our financial performance for the consolidated FY26 period. Our total revenue stood at 3,626.4 crores, reflecting a year-on-year growth of 33.2%. Our EBITDA for FY26 was 5,741 million, registering a growth of 39.8% over the same period last year. This translates into an EBITDA margin of 15.8% for FY26. Profit after tax came in at 3,639 million, representing a PAT margin of 10% for the year FY26.

I am also pleased to share that during FY26, our gross profit crossed 10,000 million in total. This achievement reflects not only the scale and maturity that the unit has attained over the years but also strong customer confidence, execution capability, and manufacturing depth that Kaynes has built over time.

This quarter and the full year reflect a period of consolidation as we continue to strengthen execution capability and prepare the company for the next phase of growth. Over the last few quarters, our focus has remained on driving consistent improvement in top-line growth while maintaining healthy bottom-line margins. That said, our near-term top-line performance reached market expectations primarily due to—

**Operator:** Sorry to interrupt, sir. The audio is breaking.

**Management:** Our performance did not fully meet market expectations primarily due to geopolitical disruptions, especially the West Asian conflict, which led to last-minute customer deferment, supply chain delays, and project timing shifts. Similar to the earlier Russia-Ukraine situation, these events create temporary uncertainty in execution timelines even though the underlying demand environment remains strong. Since our revenues are closely linked to customer project readiness

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and approval cycles, some revenue recognition has shifted despite the orders remaining valid and executable.

While these factors have had a temporary impact on near-term revenue timing, our strategic direction, customer engagement, and long-term growth roadmap remain firmly aligned, and Kaynes has continued to demonstrate resilience and execution strength through this period. The company has not seen a structural deterioration in demand, order book quality, or customer relevance. Our order book remains healthy, diversified, and non-cancellable in nature, and we continue to see strong engagement across multiple strategic sectors.

Over the last few years, Kaynes has grown rapidly and in a relatively short period of time. That growth has created significant expectations from investors, customers, partners, and suppliers. We respect those expectations. We are conscious that when a company scales at the pace we have scaled, execution has to mature equally fast. That journey of institutional strengthening is underway and we remain fully committed to improving consistency, predictability, and delivery against the confidence placed in us.

There has been some top management restructuring and role realignment in this phase. Such transitions naturally take some time to settle, particularly in an organization that is expanding across multiple technologies, manufacturing, and strategic platforms simultaneously. However, these changes are intended to sharpen accountability, deepen execution ownership, and build a resilient operating architecture for the next phase of scale. The organization is adapting quickly and the leadership team is fully aligned to match market expectations.

In core EMS as well, our diversification strategy continues to hold strong. Growth is increasingly broad-based across automotive, EV, industrial, aerospace, and railway-related segments with lower dependence on any single business line. This diversified vertical mix gives us confidence that near-term volatility in one area will not define the long-term trajectory of the company.

I am pleased by the trajectory of our two new growth engines in OSAT. Unit 1 is fully operational and Unit 2 will be in commercialization by Q2 FY26. These businesses strengthen Kaynes further by deepening backward integration, adding technology depth, and expanding our presence in high-value manufacturing. In OSAT, the order outlook for both the current year and the medium term remains strong with revenue visibility of over 25,000 million over the next 5 years. Similarly, in PCB, we continue to see a robust and confirmed demand pipeline for the next 5 years, with several customers already indicating requirements for additional capacity expansion.

One important point that deserves acknowledgment is that certain areas where market expectations moved ahead of actual delivery were driven not only by execution pacing but also by the broader operational complexities associated with managing the core EMS business amid global uncertainties, while simultaneously scaling new strategic platforms such as OSAT and PCB.

Going forward, our focus remains clear: improving execution in EMS, moving towards product-driven revenues, ramping up PCB and OSAT with discipline, and delivering growth with stronger top-line and bottom-line expansion and capital efficiencies. We value the trust placed in us and recognize that credibility is built through consistent delivery. With that, I would like to hand over the call to Dr. Muttukumar, Managing Director of Kaynes. Over to you, Muttukumar.

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**Management:** Thank you, Mr. Ramesh. Good morning, ladies and gentlemen, and thank you for taking the time to join us today. It is a privilege to address all of you as we continue our journey of building Kaynes into a globally recognized technology-driven manufacturing enterprise. Under the leadership and vision of our Executive Vice Chairman, Mr. Ramesh Kunhikannan, Kaynes has built a strong foundation of customer trust, execution excellence, and sustainable growth.

Over the last few quarters, the company has continued to deliver strong financial and operational performance supported by a healthy order book, increasing customer engagement, and a growing presence across all high-value sectors. For Q4 FY26, our total revenue stood at 12,426 million, reflecting a year-on-year growth of 26% for this quarter, and overall for the year we have grown at 33%. Operational EBITDA for Q4 FY26 came to 1,937 million, translating into an EBITDA margin of 15.6%, reflecting our continued operational resilience and scale expansion. Profit after tax for the quarter stood at 912 million.

Our debt-equity ratio stood at approximately 0.2 in FY26, reflecting a prudent and disciplined capital structure even during a phase of significant expansion. At the same time, our earnings per share basic has grown from 30 in FY24 to 54.9 in FY26, reflecting the company's consistent growth trajectory and long-term value creation for all our stakeholders.

Our working capital days stood at around 122 days in FY26, primarily reflecting the business model requirements of the smart meter segment, which has a different working capital cycle compared to the core EMS business. On a like-for-like basis, we would like to bring to your attention that the core EMS business has demonstrated a significant improvement in efficiency as committed earlier, with working capital days reducing from 83 days in FY24 to 53 days in FY26. We remain focused on further strengthening operational efficiencies, improving project execution cycles, and optimizing working capital as we continue to scale the business.

One of the defining milestones in this journey has been the inauguration of the OSAT facility at Sanand by our Honorable Prime Minister Shri Narendra Modi. This is not only a matter of pride for Kaynes but also a strong validation of our company's growing role in India's semiconductor and electronic manufacturing ecosystem. What Kaynes has achieved in a relatively short span of time reflects the strength of our vision, execution capability, and the commitment of our teams across the organization.

As we enter the next phase of our evolution, our focus will continue to be on strengthening the foundation and scaling the organization with greater speed, agility, innovation, and operational excellence. Kaynes today stands at a very important inflection point. The industry is evolving rapidly, customer expectations are more demanding, and the global manufacturing landscape is increasingly shifting towards high-value, technology-intensive solutions.

The environment of our aspiration is not only to grow in scale but also to significantly enhance the quality and value of our business. One of our key strategic priorities in the next few years will be to accelerate the transition from a traditional EMS-led organization to a differentiated ESGMS and product-driven enterprise.

The critical pillar for this transformation will be strengthening our new product development capabilities. We believe that innovation-led manufacturing will define the future of the industry, and

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our goal is to steadily increase the contribution of NPI-led and value-added solutions to nearly 30% of total revenue in the coming years.

To achieve this, we are investing in our engineering capabilities, customer co-development models, digital infrastructure, R&D infrastructure, and an integrated product realization platform that allows us to engage in the early phases of customer product development. This will not only improve the margins of the company but also increase customer confidence and position Kaynes as a strategic technology partner and an original design manufacturing company rather than just a manufacturing service provider.

At the same time, operational excellence will remain at the core of our execution philosophy. As we scale, consistency in quality, delivery, productivity, and reliability becomes even more critical. Our focus will therefore be on building a deeply process-driven organization powered by enterprise-wide digital systems, automation, and data-driven decision making.

Quality, in particular, will be a defining theme for us going forward. We all know that quality is no longer a differentiator; it is a basic expectation. What differentiates companies now is the ability to deliver superior quality consistently at competitive costs, reliability, and intelligence. With artificial intelligence emerging, we are introducing AI in various processes to ensure we stay ahead of the market. At Kaynes, we are committed to building a culture where quality is embedded into every process, every product, and every decision across the organization.

We are also driving company initiatives with total productivity maintenance, advanced quality systems, and Industry 4.0 integration. Two of our plants have already completed the kickoff and are moving into the next phase of implementation. These initiatives across the organization are not just about improving manufacturing metrics; they are about creating a culture of ownership, discipline, continuous improvement, and customer-centricity across all our facilities.

As the manufacturing ecosystem becomes more competitive globally, automation and digital transformation will become essential enablers for long-term competitiveness. Our focus will therefore continue to be on improving productivity, reducing process variability, strengthening supply chain integration, and enhancing execution.

Another important strength of Kaynes is the quality and diversity of experience we continue to bring to our leadership and governing structure. Our board today brings together expertise across technology, finance, law, engineering, manufacturing, automotive, electronics, and strategic operations.

Leaders such as Mr. S.G. Murali, who brings deep financial leadership experience including his tenure as Group CFO at TVS Motor Company, and Mr. Koshy Alexander, who has extensive experience in finance and public sector electronics including serving as Director of Finance at Bharat Electronics Limited, bring significant strategic and operational depth to the organization. Ms. Poornima Ranganath, with extensive legal and governance experience, guides our principles in people development and our legal framework.

Dr. M. Annadurai, with his deep experience from India's space and technology missions, is joining our board, which will strengthen our ability to reach the next levels of technological upgrading. Mr.

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Rajesh Mittal, with strong expertise in engineering and automotive operations, is also joining our board. I am sure he will strengthen our supply chain capabilities and help us penetrate deeper into automotive operations. Their guidance, along with the addition of strong leadership in various functions, will help Kaynes continue its journey toward becoming a stronger design-led, technology-focused box-build solution company.

Most importantly, none of this is possible without our people. At Kaynes, we strongly believe that people define the strength and future of the organization. We will continue to invest in leadership development, capability building, and creating opportunities for our team to innovate, grow, and lead. At the same time, we are consciously building a strong pipeline of future leaders who can carry forward the values, culture, and long-term vision of the organization as we continue to scale in the Viksit Bharat era.

Our focus remains very clear: customer focus, innovation, quality, and people. These four pillars continue to guide the Kaynes journey as we build a world-class manufacturing organization that will be the new benchmark for the industry. With the commitment of our teams, the trust of our customers, and the strength of our strategic direction, I am confident that Kaynes will continue to play a defining role in shaping the future of Indian manufacturing on the global stage.

With this, I complete my initial remarks and would like to thank Axis Capital for hosting this earnings call. I would also like to thank all the participants for joining us today. I will hand it over to the Axis Capital team and look forward to answering your queries. Once again, thank you very much for taking the time to join this call. Over to you, Axis Capital team.

**Operator:** Shall we open the floor for the question and answer session, sir?

**Management:** Yes, please.

**Operator:** Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star then one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. As a reminder, you may press star and one to ask a question. We will take the first question from the line of Viral Shah from Enam Holdings. Please go ahead.

**Viral Shah – Enam Holdings:** Yes, thank you for the opportunity, sir. My first question is on guidance. At the start of the year, we had guided that we were looking to close the year with revenues of 4,500 crores, which was subsequently toned down to 4,000 crores, and we ended the year with close to 3,626 crores of revenue. How should we as investors look at this guidance and what is the sanctity of the guidance we are providing? There is a very vast variance between what was expected versus what was delivered.

**Management:** Thank you very much for asking this question. We fully understand and appreciate your point. We targeted aggressive top-line growth this year based on the order book, and we anticipated that the electrification of vehicles and the government projects we were working on would proceed at a fast pace.

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Giving guidance of 4,500 crores represents almost 55% growth over the previous year. In the third quarter, I think we toned it down to about 4,000 crores because of a few delays. One of our largest electric vehicle OEM manufacturers dropped their revenue requirements by about 90%, and we were a single supplier for them, which impacted our numbers.

However, we were quite confident in the last quarter regarding two government orders where the products had been developed and testing had been approved. But those projects were delayed. These two factors impacted us. While we delivered 33% growth in revenue and 39% growth in the bottom line, we sincerely understand that we could not meet the guidance we provided.

While we are strengthening our execution capability, manufacturing agility, and delivery timelines, there are certain cases beyond our control where customer pull-in and project drives dictate our numbers. This is one reason why we chose this time to say that we will be outgrowing the market and doubling the market growth rate so our penetration will be higher. I hope that answers your question, but we are fully aware of the implications.

**Viral Shah – Enam Holdings:** Sir, I appreciate the answer, but 75 days into the quarter, we would be aware of how the quarter build-up is looking, yet management comes on television and holds onto the guidance. Additionally, apart from the P&L side, the guidance was that we would be just marginally negative on the OCF side. Both of these guidance points being held 75 days into the quarter is concerning when the actual reported numbers are way off. How do you look at that?

**Management:** I think the intent behind committing those numbers in the last quarter was based on product samples that had been approved; we went ahead and started—

**Management:** Sorry for the interruption. Can you hear me well?

**Viral Shah – Enam Holdings:** Yes, sir.

**Management:** We had received indications of an LOI from the customer and started ordering materials. In fact, we had even started pre-manufacturing activities, which gave us confidence that we would be able to deliver. More than 50% of those manufacturing activities were already in the pipeline.

As I mentioned, it is not a denied order; it is a delayed order. We sincerely apologize that this occurred, but please trust that it was beyond our control. Going forward, we will take this input when committing to future numbers. We are committing to growth based on what the market can pull in.

One reason we will be better positioned going forward, as our Executive Vice Chairman mentioned, is that we are reducing our dependency on any single vertical. We are expanding into many other verticals so that the impact of one business does not have an overall negative effect. We will definitely keep this in mind to ensure we are better prepared to mitigate these risks in the future.

**Management:** In our type of business, we also depend on customers inspecting and accepting the products. I hope you appreciate that.

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**Viral Shah – Enam Holdings:** Fair enough regarding the P&L. But the OCF being 600 crores negative is a bigger disappointment, especially when you guided that it would be neutral or only slightly negative. Why have we not been able to turn that around?

**Management:** That is a fair question. Regarding the operating cash flow, there might have been a slight misunderstanding. As a standalone EMS business, I want to bring to your notice that our cash flow was 250 crores positive compared to 65 crores last year.

However, as a consolidated entity, 65% of our revenue currently comes from the EMS business where we are cash flow positive. The metering business, which has a specific model, just completed its first full year with us, and we are still maturing into it. This business model was an acquisition for Kaynes to transition us toward being a product-based company rather than just an EMS assembly company.

Prior to acquiring the metering company, we were already supplying them as an EMS provider. The entire revenue is not new to us; almost 50% of the revenue was already part of our long-term EMS supply. However, we performed a unique acquisition where we not only manufacture the meter but also install it and provide the software and maintenance. We are the only company with this unique combination, and that is why Kaynes committed to this acquisition—to gain insights into product development and launch new products like water and gas meters, which are in the pipeline.

Having said that, we should have anticipated these delays. There were significant government delays, and payment is based on installation. With various state governments releasing tenders to supply and install meters in residential homes, there were delays.

I would request you to appreciate that as a standalone Kaynes EMS business, our networking capital has improved from 64 days to 54 days. However, the total consolidated number has gone up because of the metering business. 65% of our revenue comes from EMS where receivables are only 20%. Whereas in the metering segment, receivables are significantly higher.

We have worked out a strategy as a management team to mitigate this. We are working with various organizations to address this business model. Rest assured, we will be able to bring this back to a level of reduction. The inflection point has been reached, and we will move into reduction and return to positive results in that entity within three quarters. On the EMS business, we have demonstrated our ability to manage networking capital efficiently by working with both suppliers and customers.

The numbers show that from an opening receivables of 379 crores in the EMS business at the start of the year, we ended with 399 crores. Although we grew the EMS business by 30%, our receivables increased by only 20 crores, which clearly shows how efficiently we managed that business. Trust us that in the years to come, we will manage the metering business and demonstrate our ability to handle product development, which is our future.

This strategic shift at Kaynes from an EMS provider to a product provider requires managing working capital and cash flows efficiently. We were clear that our main EMS business would be cash flow positive this year, whereas the consolidated company might not be. We have honored what we said regarding the EMS business. From 65 crores last year, we migrated to a positive cash flow of

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over 250 crores, which is a significant improvement in a year marked by uncertainties, supply chain disruptions, and customer timing shifts. Our customers and suppliers have supported Kaynes' initiative in moving forward.

**Operator:** Thank you. We will take the next question from the line of Nithin Arora from Avendus Mutual Fund. Please go ahead.

**Nithin Arora – Avendus Mutual Fund:** Since you are not giving guidance for the same business where you articulated a customer-driven model and said demand is very good, what is stopping you from giving guidance? Do you see further deterioration in working capital that will erode revenue growth? We are confused and would like some light on the direction of revenue and working capital improvement, as it hasn't happened so far.

**Management:** Thank you for giving us the opportunity to explain our position. It is not that we are not giving guidance for revenue. We are simply not providing exact revenue numbers. The GDP growth in India is around 8%, and the EMS space where we operate is expected to grow by 16–18% this year. We say we will outgrow the market, penetrate every segment, and double the market's growth rate. That is our commitment.

We do not want to provide a specific number because market conditions are volatile. For example, the December projection for the automotive industry was mid-double-digit growth, whereas the latest prediction is single-digit or low double-digit growth, which impacts product off-take. We are mitigating this by moving into defense and space in full swing, but we want to be cautious. Our capacity and capabilities are available. We are committing to 2x the market growth rate, and we will report every quarter on how the market grew versus how we grew. Kaynes will continue to focus on efficiency and meeting customer demands. We apologize if not giving an exact number is confusing, but we want to be a solution provider rather than apologizing for missing a specific target due to external uncertainties.

Regarding working capital, the standalone EMS business will continue to be cash positive and we expect to improve it by about 8 to 10 days in the coming years. Regarding the metering business, receivables went from 521 crores to 1,300 crores. We are directing our execution team to install units in every area to reverse this trend. We have a clear roadmap to bring this back on track within three quarters.

The metering business model is completely different from EMS. The positive side is getting into new technology and high-margin products. We will reverse the trend this quarter, and you will see proof quarter after quarter. Within three quarters, we have a clear strategy to address the cash flow issues in the metering business. This working capital management will not impact our growth trajectory or execution capability. Our order book remains strong at 9,000 crores plus. Where we previously launched products in 12 to 18 months, our ability to launch a full product has improved to 9 months due to new technology and teams. You will see more product launches in the electric vehicle space soon.

We are also committing that 30% of our revenue in the coming years will come from new products, leveraging our technological excellence and improved product standardization to manage working capital and expand margins. We are not avoiding guidance; we are stating that we will better our

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growth this year and next year without attaching a specific number to it.

**Nithin Arora – Avendus Mutual Fund:** I do not necessarily need a number. My question was what will suddenly change to take your 600 crore negative cash flow to break even? The business remains the same, and even if Iskraemeco moves out—and I think you have two more quarters—the rest of the business is not negative working capital. What will address that 600 crores?

**Management:** By the end of the third quarter, we expect 70–80% of that figure to come down, and we aim to be positive by year-end. We have a clear quarter-on-quarter strategy. Approximately 45 days have already passed in this quarter, and the team is putting the plan into action. We spent significant time on this because we were focused on the product and did not fully anticipate the delays in execution, erection, and commissioning at the site level.

**Operator:** Thank you. We will take the next question from the line of Renu Baid–Pugalia from IIFL Capital. Please go ahead.

**Renu Baid–Pugalia – IIFL Capital:** Good morning, team. A few questions. First, can you quantify the share of metering-related revenue in consolidated revenues for FY26 versus FY25, and how does growth look excluding the metering portfolio? Second, how are we scaling up new applications in power supplies and EVs within the industrial business? Third, could you share updates on the rail portfolio regarding Kavach solutions, and do you see headwinds in government off-take?

**Management:** Thank you. The metering business contribution to our total revenue is around 25%. However, please remember that we were already supplying components and PCBs for this business; about 60% of that revenue was already our core EMS business, to which we added box-build, software, and O&M services.

Regarding the second question, we are launching products for the EV segment, which grew by 28% this year despite a 90% drop in production from one of our largest two-wheeler customers. Had that remained stable, our penetration would have been much higher. This segment continues to grow, and we are moving from supplying only PCBs to full assemblies and products. I will now hand it over to our Executive Vice Chairman to discuss the railway business.

**Management:** Regarding the rail business, our Kavach product has received initial approvals and trial orders. We are in the execution stage and have completed surveys. We expect to complete all approvals in the first half of this year and secure a large portion of orders in the second half. Execution-wise, we will have a large opening order book, with portions completed sequentially. I expect the rail business to grow by 20–25% this year with margins north of 30%.

**Operator:** Thank you. We will take the next question from the line of Amber Singhania from Nippon India AMC. Please go ahead.

**Amber Singhania – Nippon India AMC:** Could you share details about your metering subsidiary: the revenue for the full year, EBITDA, and the total receivables?

**Management:** Regarding the metering subsidiary, out of the total 3,626.4 crores, the metering revenue was 971 crores.

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**Amber Singhania – Nippon India AMC:** And how much is the receivables for this?

**Management:** Receivables for the metering business are approximately 1,365 crores. During the first two quarters of this year, we could not execute installations quickly. While meters were supplied, installation was delayed, particularly in rural towns. Our pickup started in the last quarter as installations ramped up. It will take one or two more quarters to complete. The availability of people at specific locations was a concern, but we have built the necessary pipeline of teams and equipment.

**Amber Singhania – Nippon India AMC:** In the last call, you mentioned metering receivables were around 1,100 crores and you were supposed to receive 250 crores via securitization. Now the number has gone up. Was any securitization done? And what led to this increase in receivables at year-end?

**Management:** We have started securitization with one bank, and they have started accepting the first lot where installation is complete. The bank requires the first month of billing and realization. We have sanctions in place but have only discounted about 40 crores so far.

**Amber Singhania – Nippon India AMC:** This seems to be the same commentary as last quarter; there has been no progress in this quarter.

**Management:** Apart from the 40 crores discounted, the bank disperses money once installation reports are finalized. Our key challenge is the installation speed, which we are working on with public sector enterprises, DISCOMs, and end customers. We understand the concern regarding why revenue and receivables increased, and it is primarily due to the installation lag.

**Amber Singhania – Nippon India AMC:** Are we going to continue executing this business with this level of working capital? What concrete steps give you confidence you can reduce it?

**Management:** We have already agreed that we will not take future orders under this specific model. We will only take meter supply orders for project teams who handle the entire execution. For those, it will be our EMS component model only.

We have about 35 lakh meters currently in the order book being executed. While working capital is a concern, this has provided a strategic advantage in terms of product development and software capabilities that standard EMS businesses do not have. This also comes with better margins. As we migrate from a service provider to a product company, our brand name strengthens.

We will provide quarterly progress updates on this. Last year, the metering segment added more than 50% to our growth. We have now created the ecosystem to install meters at various locations. Working with public sector enterprises takes more time than with Tier-1 OEMs, but we are confident. We will be cautious about taking such large installation-heavy orders in the future, preferring to supply to SPV companies that handle the erection and commissioning.

**Operator:** Thank you. We will take the next question from the line of Dhaval Somaiya from Axis Mutual Fund. Please go ahead.

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**Dhaval Somaiya – Axis Mutual Fund:** Good morning. How many meters are pending from that 35 lakh meter order? And if the smart meter business did 971 crores, that implies another 740 crores from other subsidiaries. What is the breakup of that?

**Management:** We will take another 2 to 3 months to complete the pending meters from this order. There is a contract clause for an extension of another 3.5 to 4 lakh meters that may come. We are confident we will finish this in three quarters.

Regarding other subsidiaries, KEMPL is strictly an EMS business. In total EMS revenue, which was 2,655 crores, we started the year with 379 crores of receivables and ended with 399 crores. This is despite the revenue growth, showing prudent management. Besides KEMPL, our two foreign entities in North America and Canada contribute about 300 crores in revenue as EMS companies.

**Dhaval Somaiya – Axis Mutual Fund:** Understood.

**Management:** Thank you for the opportunity to clarify. The metering business model is different from EMS and stresses working capital, but it builds our capability in project commissioning and software, which helps beyond this specific contract.

**Operator:** Thank you. We will take the next question from the line of Jigarkumar Shah from HSBC Mutual Fund. Please go ahead.

**Jigarkumar Shah – HSBC Mutual Fund:** Communication regarding the smart meter business has been inconsistent over the last few quarters. You previously stated metering would be 800 crores but it came in at 1,000 crores. You said you would not take AMISP business and that receivables not yet due—currently 250 crores—would come down, yet they have increased. What is the situation for FY27 regarding the AMISP model and incremental current assets not yet due?

**Management:** When we saw an opportunity to secure business when there were delays in the automotive segment, we took it, which is why the number reached 971 crores. For next year, that absolute revenue might remain similar, but almost 50% of the business will be in the old supply-only model. As mentioned, we must finish current contracts, and there is a clause where the government may ask for more supply.

We will provide a transparent update in the next call. We are also working on strategies to mitigate the non-current assets and realize at least 50% of that immediately. This is our top priority. We have improved EMS working capital and will do the same here.

**Jigarkumar Shah – HSBC Mutual Fund:** Regarding receivables, how much is long-term versus short-term?

**Management:** About 250 crores is in non-current assets, and the rest is current. Our ability to execute installations is the key. We are working across six zones and have ramped up shifts from 6:00 AM to midnight to speed up the process. We are traditionally a manufacturing company, and we are learning how much longer it takes to perform house-to-house installations compared to factory work.

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**Operator:** Thank you. We will take the next question from the line of Sumant Kumar from Motilal Oswal. Please go ahead.

**Sumant Kumar – Motilal Oswal:** In the balance sheet, intangible assets increased from 238 in FY25 to 536 in FY26. What was the reason for this 300 crore increase?

**Management:** We completed two acquisitions: Iskraemeco and August Electronics. The intangible assets capitalized from these acquisitions amount to 320 crores based on current accounting standards and the order books we acquired. We amortized these in the last quarter, which added about 32 crores to our depreciation and amortization. This is why PAT for the last quarter was impacted. Going forward, we will perform this amortization every quarter.

**Operator:** Thank you. We will take the next question from the line of Samit Senna from Macquarie. Please go ahead.

**Samit Senna – Macquarie:** You mentioned 2x market growth for EMS on television. When does that start, and does it include OSAT and PCB?

**Management:** We have launched three new products where SOP has already started. We will continue to penetrate customers. When the automotive business is growing at 30%, share of business is the key driver, and we are expanding our share. Aerospace and Railways are also core growth areas. When we say 2x growth, we mean doubling the growth rate of the market, which is expected to be 15–16% in our space.

Regarding OSAT and PCB, these are strategic products. We are evaluating how much to consume internally versus selling externally. For products where we provide the full design and solution, we may use our own components for a technological and competitive advantage. At the same time, we have a pipeline of external customers. At year-end, the integration will either expand our top line or our margins depending on those strategic calls.

**Operator:** Thank you. We will take the last question from the line of Archal Lohari from Nuwama Institutional Equities. Please go ahead.

**Archal Lohari – Nuwama Institutional Equities:** Extending the previous question, regarding production value, the earlier guidance was 1,000 crores for OSAT and 500 crores for PCB. Does that stay intact?

**Management:** We have not provided that as formal guidance as this is our first year. However, we expect to do a PCB revenue of around 300–400 crores and OSAT of around 250–300 crores. The mix of internal consumption and external sales is a strategy being worked out. OSAT will initially be focused on the export market.

**Operator:** Thank you very much. Ladies and gentlemen, that was the last question. I now hand the conference back to management for closing comments.

**Management:** Thank you, ladies and gentlemen. We appreciate the opportunity to explain our initiatives and address your concerns. We hope we have answered most of your queries. Please reach out to our investor relations if you have further questions. We also welcome you to visit our

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# Kaynes Technology

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plants. Seeing is believing. Thank you for supporting us in this growth journey.

**Management:** Thank you very much. I will be meeting some of you at conferences shortly. Please reach out for any clarifications. We will be happy to clarify all points. Thank you.

**Operator:** Thank you members of the management. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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