August 12, 2026

BSE Limited	National Stock Exchange of India Limited

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 Earnings call transcript of Q1 FY2026-27

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the link for the transcript of Earnings Call for Q1 FY2026-27, conducted on Saturday August 08, 2026 and uploaded on the Company's website.

Particulars	Website link
Transcript	EarningsCallTranscript8Aug26.pdf

Kindly take the above information on record and acknowledge it.

Thanking You,

Yours faithfully,
For **Kaynes Technology India Limited**

ADDEPALLI SUDHASRI
Digitally signed by ADDEPALLI SUDHASRI
Date: 2026.08.12 16:37:35 +05'30'

Sudhasri Addepalli
Company Secretary & Compliance Officer
ICSI Membership No. ACS 79832

Enclosed:
- Transcript of the Earnings Call

"Kaynes Technology India Limited
Q1 FY27 Earnings Conference Call"
August 08, 2026

MANAGEMENT: **MRS. SAVITHA RAMESH – CHAIRPERSON – KAYNES TECHNOLOGY INDIA LIMITED**
MR. RAMESH KUNHIKANNAN – EXECUTIVE VICE CHAIRMAN – KAYNES TECHNOLOGY INDIA LIMITED
DR. MUTHUKUMAR NARAYANASWAMY – MANAGING DIRECTOR – KAYNES TECHNOLOGY INDIA LIMITED
MR. JAIRAM P SAMPATH – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER – KAYNES TECHNOLOGY INDIA LIMITED
MR. SUMIT VERMA – INVESTOR RELATIONSHIP – KAYNES TECHNOLOGY INDIA LIMITED
MUFG IR – INVESTOR RELATIONSHIP PARTNERS – KAYNES TECHNOLOGY INDIA LIMITED

MODERATOR: **MR. NIKHIL KANDOI – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Kaynes Technology India Limited Q1 FY27 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nikhil Kandoi from Axis Capital. Thank you, and over to you, sir.

Nikhil Kandoi: Thank you, Neerav. Good morning, everyone. On behalf of Axis Capital, I welcome you all to the Q1 FY27 earnings con-call of Kaynes Technology India Limited. Today, we have with us management represented by Mrs. Savitha Ramesh, Chairperson, Mr. Ramesh Kunhikannan, Executive Vice Chairman, Dr. Muthukumar Narayanaswamy, Managing Director, and Mr. Jairam P Sampath, Whole-Time Director and Chief Financial Officer.

Now, I'll hand over the floor to the management for the opening remarks, post which we'll open the floor for Q&A. Thank you, and over to you, sir.

Ramesh Kunhikannan: Good morning, Nikhil. Thank you, Nikhil. Good morning to everyone, and thank you for joining us. On behalf of Kaynes Technology team, I would like to welcome all of you to our Q1 FY27 earnings call.

Joining me today are Mrs. Savitha Ramesh, Chairperson of our Board; our Managing Director, Dr. Muthukumar Narayanaswamy; Mr. Jairam P Sampath, Whole-time Director and CFO; Mr. Sumit Verma from our Investor Relationships; and MUFG IR, our Investor Relation Partners.

Let me begin with a brief overview of our financial performance for Q1 FY27. Our total revenue stood at INR946 crores, reflecting an year-on-year growth of 40%, which is largely driven by EMS business. EBITDA for the quarter was INR147.6 crores, translating into an EBITDA margin of 15.6% and 31% year-on-year growth. We have a robust order book of around INR9,000 crores.

Before I go further into the numbers, I want to spend a few minutes on something more important than any single quarter's performance, and that is the confidence you have placed in Kaynes and our responsibility to earn it back quarter-after-quarter through consistent delivery.

Over the past quarters, our entire leadership team across strategy, finance, operations, and investor relations has worked with one shared priority, demonstrating our progress to investors, customers and partners through visible, measurable delivery rather than commentary. That focus comes directly from listening close to you.

Following our Quarter 4 and full year FY26, several of you raised fair and direct questions on the gap between our stated aspiration and delivered performance, on the pace of our working capital normalization, and on the clarity of our communication. We took that feedback seriously, and it has shaped exactly how we have operated this quarter.

Our two strategic growth engines, Kaynes Semicon and Kaynes Circuit, remain a key management focus. Like the rest of the industry, we saw some disruption this quarter from the escalation in the West Asia affecting equipment imports and component logistics globally, not specific to Kaynes. This led to minor timing slippage in our OSAT and PCB ramp-up schedule.

We have responded with the same playbook that served us through past disruptions: diversifying logistics routes, building strategic inventory on critical components, and working closely with equipment vendors on alternate schedules. Both Kaynes Semicon Unit 2 and Kaynes Circuit Chennai remain on the track to be operational by quarter 3 FY27, and we will continue to update you transparently on our progress every quarter.

Dr. Muthukumar will take you deeper into the business, our core EMS performance, and other businesses. He will also cover the new customer wins and recognitions this quarter, our leadership and sustainability initiatives, August Electronics integration and overseas expansion, progress on OSAT and PCB, including a new international partnership and a marquee automotive opportunity, and our entry into space technology. He will close, as I will too, on why balance sheet strength is non-negotiable as we scale.

Moving fast in a more competitive world. Before I hand over, I want to spend a moment on something that sits above any single business line, that is speed. The world we operate in -- electronics, semiconductors and EVs, space technology, is moving faster than it has ever, and the competitive set we are up against in India and globally is moving with it.

Being right is no longer enough on its own; we have to be right and fast. That means shortening the distance between a strategic decision and its execution on the ground, and it means building the muscle across engineering, supply chain, and program management to execute with precision even as we move at pace. This is a discipline we are actively building into how Kaynes operates, not just something we aspire to.

The domains where scaling into semiconductor packaging, PCB manufacturing, space technology aren't just important to Kaynes. They have foundational to India's ambition in electronics and deep tech manufacturing, and being part of building that capability is something we take seriously.

That said, work this new comes a learning curve, and we won't pretend otherwise. What we can commit to is this, that we are learning quickly, converting those learnings into better execution the next time, and building the governance to make sure lessons learned in one part of the business don't have to be relearned in another. That combination moving fast, executing with precision, and learning faster than the curve demands is the standard we holding ourselves to.

With that, I would like to hand over the call to Dr. Muthukumar, our Managing Director, who will take you through our operational performance in greater details. Thank you. Over to you, Muthukumar.

N. Muthukumar: Thank you, Mr. Ramesh, and very good morning to everyone. Thank you all for taking the time to join us today. Mr. Ramesh explained about our revenue growth and EBITDA, how we have performed, and also what are the strategic initiatives. Achieving a 40% year-on-year growth in the Q1 and looking at the numbers, this has been specifically come with a reduction in the growth of about smart metering business when compared to Q1.

We have taken the feedback of various stakeholders, and looking at the current situation of our balance sheet constraint, we have taken a conscious decision of growing more in EMS business, which is our traditional and core business, and we have degrown in the smart metering business, not because we don't have capacity, not because we don't have business and orders, but we put our foot down saying that we need to make a collection first to make sure that we continue to supply.

The current situation in the places where we are doing the installation of meter, due to the natural calamity of flood, which has also impacted this, but keeping everything, our objective of bringing the balance sheet to a better shape, we degrew.

But our team, of the leadership team, the operating team did an excellent job of growing in the EMS business. Standalone our EMS business grown much, much higher than the 40% overall growth. There was a promising top-line growth, we agree, but as Mr. Ramesh said, we at Kaynes and our Board of Directors don't look at for a quarter-to-quarter, but for a long-term strategy.

But when the growth is good, we also see the impacts on margins due to cost escalation driven by global supply chain issues and the macro factors, such as rise in the energy and the crude prices, the commodity prices, and the forex movement, which in turn led to a rise in the commodity prices.

We expect this could take a couple of quarters for profitability to normalize and return to the levels as we had earlier committed to. Yes, Kaynes did good in the quarter of things, but this is due to the strategic initiative of understanding the market is going to go like this, the management team took a decision to pull forward and keep the materials ready.

There is a sharp increase that's happening in the entire supply chain, which is leading to lead time for supply to the extent of more than 6 to 8 months in some categories, and the management team has already taken initiative to ensure that enough materials in the pipeline is available with us to take care of the business commitments for the future quarters.

While one of the questions that have been asked by you is, are we growing in the smart -- in the EMS business? I have answered yes, even when we have degrown the smart meter business, we continue to grow on EMS business. I'll talk to you about smart meter business for a while before I go into the new customers. Turning into smart meter business specifically, growth here was flat to negative this quarter. This was compounded by an impact on installation due to the flood situation as I explained earlier.

In terms of working capital, even though the number of days has moved from 190 days for the quarter standalone, and if you look at the 12-month rolling, it is about 163 days, I wanted to emphasize that in terms of the EMS business, the team did a good job. If you look at the total sales of about INR942 crores, the revenue that has come from the EMS business is INR854 crores, that is including GST, and the team did a remarkable job of collecting INR847 crores, thereby ensuring that one of the highest collection for this in this quarter.

However, the sales in our GridCrest business, which is the metering business, is about INR240 crores, whereas our collections is INR88 crores, which is what made us to have take a decision to stop productions and supplies, which will have a reasonably a better cash flow.

Having said that, we have taken up at all levels in the GridCrest business, and though late, we have got about INR200 crores of money in the first week of July, which gives us the confidence that whatever the commitment that we have given to you as a leadership team, that by end of the financial year we'll turn the cash positive, we are pretty confident on that.

Though our inventory levels in terms of the working capital has gone up by about INR150 crores, as I said, this is a strategic decision that we took in the month of February, looking at the global market situation and the volatility. Just because our team has added upon the inventory there, we could able to successfully grow at 40% of plus as an overall, and EMS business alone about 48%. This has -- this inventory increase has helped us, and this will also take us to the next level.

We also talked to you earlier about some delayed delivery for a government product. I'm happy to say that that business also helped us to come to some normalcy, and about 30 to 40% of the business has been executed in the last quarter, which you can see the increased growth in the various segments which we'll talk about.

Going forward, we'll also be providing you the rolling 12-month view of these metrics on receivables or payables or net working capital rather than the quarterly average, so that you all get a picture of the long-term growth. On the existing business, I also wanted to bring it to your notice that the receivable from our leading electric vehicle two-wheeler customer, where on most of your right the concern, has come down significantly to below the INR100 crores, thanks to the continuous efforts of management in working like a partnership with the customer to bring back the money that what we have.

Having talked about the balance sheet, as Mr. Ramesh, our Executive Vice Chairman, said, we strongly believe that P&L is very important, but balance sheet is going to be clean. So, going forward, we'll continue to spend and ensure that the team is work making a balance sheet much, much better than what we are doing now.

Moving into the new business, let me talk about the new business and logos that we added to our portfolio, along with an update of existing logos and their impact on our business going forward. We added one of the India's second largest two-wheeler electric vehicle manufacturer to our existing EV portfolio. The team did a remarkable job of completing the product development, testing in a record of about 8 months, and now we started serial supplies to them.

Along with this, we have onboarded global brands from Germany and France, one of the India's leading wireless communication companies, and a handful of other new logos together. Both our automotive team and non-automotive team are doing an excellent job of bringing more than in a quarter of about 90 days, and wherein we had working days of 75, we had more than 72 customers who have walked into our company, which talks about the customer confidence into our company.

I'm pleased to share that one of the biggest achievement this quarter was receiving an all-round performance award from our major customers, which includes Mahindra, and that too for a quality and overall commitment to development. We got a Best Award from Siemens, the Top Supplier Recognition Award, and of course, Development Partner Excellence Award, which gives them a confidence to tell how our customers believes in us. And of course, [Inaudible 0:17:09], the best delivery and development support.

We also wanted to highlight Kaynes' commitment to building our next generation leadership team. This quarter, we completed a full mapping of skills and capabilities for every individual across the organization, and we have begun a special training program to prepare a high-potential talent to the next level of challenging leadership role.

Kaynes is committed to sustainability, as all of you know. As a part of our Go Green initiative and to reduce the carbon footprint, we are actually working with the Government of Karnataka on a reserved land, which is about 20 kilometers our facility in Mysuru, to plant 10,000 trees across 20 hectares of land, contributing meaningfully towards the environment.

We also plan to increase our consumption of renewable energy as a power source for our facility to 3 gigawatt in solar, installation is in progress, leading to 23% reduction in energy intensity in last 2 years.

You all know that we acquired August Electronics in July of last year, and at this point of time, we have completed 1 year of a successful acquisition. As Mr. Vice Chairman said, this has given us a good inroads into the North American market, and our acquisition at this point of time shaping up very nicely, a good EBITDA margin business, and we are hopeful that growth will accelerate into our overseas business going forward, and also bringing in more of value additions to India, not just from our subsidiary, but also increasingly export-oriented business as well, with the key global players like Honeywell, Otis, Eaton, and many others.

Let me turn to the newer business, OSAT and PCB. I'm sure that everyone is looking at this. I want to specifically congratulate our subsidiary head for taking the commitment. Across all the level, the team is working extensively to make sure that our commitments are honored. The capex done in FY26 was INR473 crores for OSAT and INR324 crores for PCB.

Our current goal is to capex at about INR300 crores for OSAT and PCB, but as and when, as I said earlier, with the subsidies coming up, we'll be funding more, and as and when we have more customers, we have to do more. Cash is not a constraint here. We want to make sure that the modular investment to make sure that we have a checks and balances on our capex spending and revenue. We also received, happy to say that we also received the government subsidy to the tune of INR170 crores in OSAT business till July 26.

On OSAT specifically, our partnership between Mitsui and Kaynes Semicon is a major milestone of our subsidiary. I congratulate our team for entering into such a strong partnership, and that gives Kaynes Semicon the opportunity to access the significant market opportunity in Japan.

On the PCB front, we are seeing a strong traction and interest from the global players. We all know that the market when it become volatile, and when it becomes a supply chain lead time is more, PCB is one component where it is getting into the global shortage at this point of time. The suppliers are demanding that we need to pay advance, and it takes about 6 to 8 months even for order booking.

This is the time, I think Kaynes is entering into this, and our commercial production is set to start from the next quarter, and our team is doing the last-minute finishing of the capital, and we are on track as per our commitment. We are also happy to say that we have a recent engagement with one of the largest EV manufacturers globally in the automotive sector.

And the team had come to our plant, visited, and has given a very positive feedback, and the capabilities we are going to work with on the global standard. In fact, we are now very close to closing the deal, which once finalized would be a significant validation on the quality and scale of what we have built here.

As we said earlier, we continue to evaluate the opportunities of internal consumption versus external sales, which will be taken care of by the business mathematics. Let me also give you an update on our space technology initiatives. Our first 3U satellite is currently in the prototype development phase, and we expect it to be ready to launch in middle of next year, once the required regulatory testing is complete.

We're now awaiting a confirmed launch date from ISRO on the PSLV or GSLV vehicle. This is a meaningful milestone for us, not just launching one development satellite, but getting into establishing Kaynes' capability into the emerging satellite electronics domain and opens the door for broader participation in India's space technology ecosystem.

Alongside this, the request of ISRO, our subsidiary Crio Precision and Aerotech Technologies are entering into titanium gas bottle manufacturing to support their flight program, and DRDO has a similar requirement for gas bottle across several of their missile projects, which gives us the second anchor customer in this space from Day 1.

Before I close, our balance sheet remains priority in its own right, not just a byproduct of the growth. The discipline now across the organization will definitely bring us to the commitments what we have given.

Looking ahead, the key priorities what the organization set, I just want to reiterate: NPD and value-added product, a product-led solution that is rather than the service-led solution, and of course, the next strategic frontier for Kaynes and our operational excellence. Operational excellence, quality, and disciplined capital allocation remain the foundation we are building it on. I know last couple of quarters have tested the confidence, and our commitment to keep earning it back and consistent delivery, one quarter and quarter after quarter every time.

With this, I complete my initial remarks. I would like to thank you, Axis team, for hosting the earnings call and all of you for joining today. I'll now hand it back to the question-and-answer session, and thank you very much, and over to you, back.

Moderator: Thank you. We will now begin the question-and-answer session. First question is from the line of Renu Baid from IIFL Capital. Please go ahead.

Renu Baid: Yes, hi, good morning team. Couple of questions from my end. First is, while you did allude that the core EMS has done better than 40%, am I right if you mentioned somewhere in the call that EMS grew 48% during the quarter? So can you just clarify on that first element? What was the mix of the solar or metering business that we have?

N. Muthukumar: Yes, the overall EMS business growth is 40%, the metering is 28%, so the total growth is more than 48%.

Renu Baid: Got it. And while operating performance has been pretty strong given the increase in inventories as well as working capital, EBITDA margins have been much softer. So do we have any bridge in terms of arriving at what is the kind of EBITDA from the core EMS business, just to assign and see whether EMS business profitability below line is intact or is a significant drain out there?

And third question aligned to this is, while metering we have smart metering, we have consciously scaled it down because of working capital issues and concerns, but it's been almost 2 years and the net profitability expectations or returns from this business have been sub-optimal. So, any thought process does the management have to correct this strategic decision that we had taken 2 years back?

Any views in terms of opportunities to divest this business in future? Some of the utilities are looking to buy out the metering businesses, so what would be your thought process on this side to release both the working capital and management bandwidth from the smart metering direct B2C portfolio that we have here?

N. Muthukumar: I'll answer you one by one. I'll take the profit before tax or profit after tax for our comparison at this point of time. The other income that used to come to us earlier from our QIP fund, which is where the investment has come in, is dropped about 2.5 points on our PBT or PAT, that's one of the major reason. Other than that, if you look at, our depreciation has gone up with the various investments that's coming up where the revenue needs to come.

And look ahead in the next two quarters, I think this will start coming back when we are going to generate revenues from our Semicon and Circuits and, of course, some of the programs that we are running currently. For the second questions, what you asked specifically on the metering business, as we said, we have entered embarked in this journey of metering business, which has given a very good visibility on our ability to develop a product and launch it to the customer.

Today, though we are not able to make a better receivables on this, I want to reiterate amongst all the metering companies which are doing assembling, we continue to be the number one installation done across the country than any other competition. But that's not our objective. We wanted to make sure that we reach always the best. You are right, we have now centered and consolidating our operational performance in metering, which is core.

Of course, we understand the challenges which is alongside of installing the meter and getting it in over a long period of revenue. The management is seriously looking at options and opportunities available, like what whatever the methodology which you told, I don't want to commit at this point of time, but as we committed, in the February earnings call, you will hear more from us about our strategy to de-risk the receivables portion of the metering business.

Renu Baid: Sure. And lastly, what are the delivery timelines that you're looking in terms of final commissioning of the OSAT and PCB for the current financial year? Thank you.

N. Muthukumar: Our commitments, as indicated by Executive Vice Chairman during last year, we are going to have a commercial revenue booking from this year, from third quarter and fourth quarter, and we are committed to that. And the project is on track. I want to specifically put on record to thank to my team in both who are working day and night to make sure that this happened. Our customers' validation is over in both the — in the Semicon Logic, whereas OSAT validation is starting now, but we are very, very confident that we'll be doing this. Thank you.

Ramesh Kunhikannan: Added to what Dr. Muthukumar told, our OSAT, all the trials and validation is getting over now. We will start the commercial billings. And as far as PCB is concerned, our entire capacity is been requested by one large player, a global player. So, their trials are going on in our factory as on today, as we speak. They have also approved and given us a vendor code for that.

Renu Baid: Super. Thank you and best wishes team.

Moderator: Thank you very much. Next question is from the line of Siddhartha Bera from Nomura. Please go ahead.

Siddhartha Bera: Yes, hi. Thanks for the opportunity. Sir, first question is on the quarter's, would you be able to share the cash flow from operations for this quarter, if it is available? And second is, how much will be the smart meter revenues in the current quarter which we have booked? Apart from that, sir, I mean in terms of new order wins, if you can share some more color.

We did get about INR1,500 crores of new orders, if you can share some color about which are the key customers there and key order wins quantum which we have got in the current year, current quarter?

N. Muthukumar: We normally don't share the revenue segment-wise and vertical, because metering business and EMS business, which most of you are asking specifically, we wanted to share this with you so that to give a better clarity. Our overall revenue for this year -- this quarter is about INR946 crores, on which our sales, this is INR946 crores is without GST, and our sales is about INR90 crores, INR210 crores in metering business, and rest all is in the EMS business. That is the split between the EMS. That's why we said our EMS business core growth has gone more than that.

Having said that, I will go to your next two question of who are the new logos that we have added up? I already spoke to you, we normally don't share the customers. One of the largest two-wheeler EV manufacturers, we have been working with them for last 1 year, and our protos have been finished off, and serial production has started now. The global players, as I've already told you, last quarter we said our aerospace business is not picking up because of the global situation, but very, very happy to say that this quarter we have come back very strongly, and the customers' PPAP and all is going on.

In fact, segment-wise, even though we don't specifically, the aerospace business and all is one which we have grown substantially up. Every segment, be it railways, be it automotive, be it aerospace, defense, every segment after segment we have grown. For your exact point on the growth percentages, in a stand-alone EMS business, which it includes other than metering business if you take it, and of course, other than foreign entities also, because our acquisition of the August Electronics was done only in July, so last year first quarter it was not there.

So as a stand-alone EMS business if you see, our growth is 53%, from INR480 crores of last year to this year of INR639 crores stand-alone EMS business. My overseas entities if you take, from INR24 crores last year to INR102 crores, which has grown at 327%, there is a new acquisition that happened. At the metering business, last year first quarter our sales was INR231 crores, and this year it is INR204 crores, which means a minus 12% growth. That takes us to 40% overall. Hope I have answered your questions.

Siddhartha Bera: Yes sir. Thanks a lot for this. And would it be possible to share the cash flow from operations by the end of first quarter?

N. Muthukumar: At the end of first quarter, I think we -- as we said, our inventory has gone up by INR177 crores, we have added up, and receivables we were short by INR68 crores, taking it to about a total of about INR259 crores of a negative cash flow, okay? Having said that, the first quarter is very, very challenging quarter in terms of our businesses for most of the Indian entities. I just wanted to bring it to your comparison that Q1 of last year, our negative cash flow was to the level of INR379 crores.

The team did a remarkable challenges in doing this. Except for the inventory, I think the receivables, the negative was only INR90 crores, mainly because of metering. And in terms of EMS business, the team has done an extremely good job. Inventory is a strategic division. So we have improved on our commitments whatever we have told, and we will ensure that going forward, our commitments of last quarter to deliver the [inaudible 0:34:13] will happen.

Siddhartha Bera: Got it, sir. Thanks a lot. And in OSAT and PCB put together, what has been the total investment till now? And for this year, how much investments are we planning to do?

N. Muthukumar: As I said, at this point of time, the total capital that we have spent between these two entities we did about…

Ramesh Kunhikannan: it's around INR1,250 crores

N. Muthukumar: Both put together.

Ramesh Kunhikannan: Yes.

N. Muthukumar: Both put together is INR1,200 crores, maybe about INR700 crores in OSAT and INR500 crores in our PCB.

Ramesh Kunhikannan: And we have in transit around INR250 crores of items which are yet to come.

Moderator: Next question is from the line of Santhosh Seshadri from Avendus Spark. Please go ahead.

Santhosh Seshadri: Yes, hi, good morning. Thanks for taking up my questions. So my first question is on the smart metering business. So how do you think about this business internally? Do you see this as an extension of this EMS business or do you think that's a completely different ballgame?

And also in the past, you have spoken about the shift from service model to a product model. Can you shed some light on how this shift is tracking? Are you on track to move towards the product-based model?

And also as a follow-up on that, let's say 1 year down the line, would we continue to see this smart metering business included in the consolidated results or is there any possibility or plans to move a portion of this business or maybe a full part of this business outside the balance sheet either through diversification or any other means?

N. Muthukumar: Thank you very much for asking. You have given us all clues on how to do that. I'll tell you sir, the metering business we acquired about 2 years before. And prior to that, we were a supplier to that company as a PCB assembly. So this has given us, Kaynes, a very substantial confidence of getting into a product company and working on it.

The metering business per se has two sets of business; one is manufacturing of meter, and second is installation of the meter and doing the services for over a period of 8 years to the government. Kaynes is always very strong in its forte of manufacturing. And when we are talking about the revenue of EMS, 60% of the revenue or 65% of the revenue comes from the EMS business. So we still consider this helping our EMS business to grow than we are at the metering business.

Having said that, our forte of getting into the customer, installing this meter and providing the software solutions to them is a new area that we ventured, and we have been doing reasonably good for a company which taken into this initiative 1 year before. If you look at Kaynes as a very distinct and advantage of the company, which has got manufacturing of meter, a capability to install meter, and have a software integration capability, which makes us as one of the preferred supplier or preferred manufacturer, both put together, preferred service providers from the electricity board agencies.

Because the way in which we are able to integrate and install because we have a metering manufacturing, software, everything is available at one shot, these are the distinct advantage. Yes, but the business model is a little long because there is a part of capex model and opex model, which is impacting the receivables. So our strategy to do this is, how do we consolidate the revenue? We are still making the revenue of 60% to 68% on this because of our EMS business.

So like what you said, we have plans of various business model of divesting this other portion of its service provider separately, and making sure that the receivables from that is not impacting directly into our balance sheet. But having said that, this is not a simple thing that we need to do. We are working on this model. As we committed, we come back by our February month on our strategy to see how we're going to manage this business. But we are pretty confident that we will be able to do the turnaround by end of this year in terms of receivables from the metering business.

Santhosh Seshadri: Understood. Thank you, sir. And just one more question on...

Ramesh Kunhikannan: And you can also understand the management commitment to this by, we have enough order book available in this metering business. We could have done more revenue, honestly speaking. But just to make sure that the discipline of the balance sheet, we have controlled our revenue growth in this area, it's very, very challenging times, but we want to be doing that and taking the decision.

Santhosh Seshadri: And on the part of question where you mentioned that, you know, how is the shift from service model to supply model, how is that tracking?

Ramesh Kunhikannan: We have done all the pre-requirement, study, everything. We are working with some partnership with many people, but nothing concrete as yet happened. You will hear in the coming quarters, may not be in the next quarter, the next quarter, third quarter, we will have some clear idea on it.

Santosh Seshadri: Thank you, sir. And just more question...

Moderator: Sorry to interrupt, Santosh, kindly come back for a follow-up, please.

Santosh Seshadri: Yes.

Moderator: Thank you. Next question is from the line of Achal Lohade from Nuvama. Please go ahead.

Achal Lohade: Yes. Morning, sir. Thank you for the opportunity. My first question is, if you could help us with the absolute figures of the receivables, trade payables, and the inventories as of June? I'm just giving a like-to-like number, what it was in March 2026, so if you could give a similar number.

The receivable was INR1,528 crores in fourth quarter. So if you could help us with the absolute figure, and did I hear it right, you said the OCF was negative INR248 crores? Have I understood right for 1Q FY27?

N. Muthukumar: Yes, you're right. First quarter.

Achal Lohade: Okay. And if you could help us with the absolute figures of inventory, receivables, and payables, sir?

N. Muthukumar: Okay. I think in terms of receivables, I'll start with this. We started this quarter with about INR1,765 crores in total, including current and non-current assets, and that has gone to INR1,925 crores.

Though our receivables in EMS, we started with INR606 crores and ended up with INR613 crores, which means we did almost all the collections including the GST amount. In metering business alone, it went up from INR1,158 to INR1,311. I think that is what took the decision to reduce the top line in the business.

Achal Lohade: Got it. Secondly, with respect to the revenue growth, you know, in the previous calls, you kind of indicated that 30%-35% kind of a growth, given what we have done, given the strategy we are playing with. What is the revenue growth we should kind of pencil in for FY27? And how do you see the scale up for OSAT and PCB for FY27 and 2028? Those are my 2 questions. Thank you.

N. Muthukumar: Sir, revenue growth, we have committed the 2x of the market growth. The first quarter the market has grown at 17% and we have grown at more than 45% in our -- 48% in our EMS business. So we don't want to give an absolute number because there is so much of volatility in the market.

The availability of material in this quarter and next quarter is going to have a huge impact into this business. So we don't want to commit on the top-line number, but whatever the market growth is there, because of the strategic initiatives of keeping the inventory, keeping the manufacturing flexible, and having a very committed people, we are quite confident of achieving the twice the market growth.

So this is what the commitment that we are giving, and we are working towards this. As far as OSAT and PCB is concerned, we already told from third quarter the revenue starts in both the business, and we have committed a full year revenue of totally INR500 crores between both, INR450 to INR500 crores, which is what we are targeting at this point in time, we are on the target.

Moderator: Thank you. Achal, request to come back for a follow-up. Next question is from the line of Praveen Sahay from PL Capital. Please go ahead.

Praveen Sahay: Thank you for opportunity. My question is related to the components. As you also touched upon and given some detail in the presentation, the prices for a components has been raised on the average of a 30%-35%, even the lead time has increased.

So can you give us some color on overall your business, how much of this cost inflation has already been captured in the Q1, and in the coming year, how much we will see the impact of a that? And is there any margin compression we are expected to see out of this?

N. Muthukumar: I'll touch the base, but I think I would request Ramesh sir to talk about it because he has huge experience in this business. Split this into 2, PCB and other components. Other components, as you rightly said, the prices is going up by 30%-35%, and PCB is the one which is -- it's a challenging today because even order booking has gone with an advance payment.

That's the level that industry is going on and there is a huge shortage that is coming in. Like how chips has controlled the manufacturing about 3-4 years before, it looks like PCB is going to have an control on this. Having said that, the first quarter, if you look at foreign exchange itself purely, there's been an impact of about more -- when compared to the last year to this year is about 3.3% of our import level, what we are doing on the EBITDA impact.

But as I said, because of the strategic initiatives that has been taken to build up the inventory, the impact was very minimal, and we also have a very good system of a back-to-back working with customers in most of the instances that is getting added up. However, the other cost escalation like consumables, price of availability of labor and cost of labor, cost of electricity, the company continues to improve on our efficiencies, innovative ways of working, continuous improvements and kaizen, thereby reducing the cost.

The market is quite challenging. Looking forward, it is going to put a pressure on the bottom line in the coming quarter, because there is a huge impact that is happening. One is availability, second is the price. With that, I would request Mr. Ramesh sir to give more insight into this.

Ramesh Kunhikannan: See, this component industry is gone back to COVID times. Having said that, our company has done the deep diving, and we have decided to increase our inventory so that our customers' lines don't stop. In the past, we have done this, and we are very confident of overcoming this.

Though our pricing are all pass-on, we may not get it immediately in that quarter, in the coming quarter, because it is normally adjusted quarter-on-quarter. So that is the update I wanted to give you all. As he said, PCB business, the PCB prices have gone up 3 times. When it comes to components, availability has become a big problem. Prices are also going up, but those prices are going up in the range of around 10%-12% only. But availability has become a big problem.

Praveen Sahay: So, ultimately, we will going to see our gross margin compression because of that, because there is a Q-o-Q, I understand there is a pass-through mechanism, but there is a shortage of a material as well. So, do you expect in the coming 9 months we will see the gross margin compression because of that?

Ramesh Kunhikannan: Yes, its a difficult year. This year is a difficult year, but I don't think for us whatever we have planned, we will try and meet the requirement. But it is not going to be an easy year. It is going to be a tough year.

Moderator: Thank you. Praveen, I'll request to come back for a follow-up. Next question is from the line of Inderjeet Agarwal from CLSA India. Please go ahead.

Inderjeet Agarwal: Hi, I have two questions. First, if you can give the console capex guidance for FY27 and FY28?

N. Muthukumar: Sir, we have communicated and we are standing by that. We said we will be funding for this capex for this year is about INR300 crores for OSAT, INR300 crores for PCB, and about INR250 crores for EMS business. We are on track for that. The first quarter spent is about INR90 plus INR90, INR180 plus INR50, INR230 crores, all put together.

But we also said that, fund is not a problem, and as and when we get the newer business, the modular capacity expansions will go on. So, and also as and when the subsidies coming, it will keep flowing into the system. This is just to keep a tight control on the cash flows. So we are on track of whatever we have committed during the start of the year and we'll be working towards that.

Inderjeet Agarwal: Sure. And my second question is again on the PCB business. While prices have increased, we have seen globally PCB margins have corrected because input costs have increased a lot more, CCL and other commodities. So, you mentioned that you have contracted your entire response to with an overseas customer. So what are the pricing or margin contracts over there? So what kind of ROCs or margins are you comfortable to generate from that?

N. Muthukumar: I'll leave it to Ramesh sir to answer.

Ramesh Kunhikannan: See, this is too early to talk about these things. However, I don't agree that margins in PCB companies have come down. Because as we catch up with the team, the last quarter, that is a second quarter of their financial year, they are all done fairly well. And this PCB crisis is going on for last 3-4 months. But it is too early for me to give any clear direction on this. The top lines will go up, bottom lines will get affected is what RBI and everybody is projecting. With that, I want to stop here.

Moderator: Thank you. Next question is from the line of Sonali Salgaonkar from Jefferies India. Please go ahead.

Sonali Salgaonkar: Sir, thank you for the opportunity. Sir, I have three questions. Firstly, you did mention about the receivable days. Similarly, can you please let us know the figures for inventory, payables, and the debt on the balance sheet? The second question is on the tax rate. It's quite high this quarter at about 35%, correct me if I'm wrong. So for the full year, should we expect it to normalize or stay higher than last year?

And thirdly, on the OSAT and PCB, while I understand that you cannot name the customer, but just a broader idea that whenever the project commissions, you mentioned that some the timelines are being followed up, so where do you expect the off-take to go, to domestic customers or to international customers? Thank you.

N. Muthukumar: In terms of the inventory, again, it's about 96 days earlier. On the first quarter end, we have gone up to about 105 days. As I told you, this is a strategic initiative we taken in February to import more material and keep it in our system. And we actually anticipated little more to go, but because our revenues have been good in the regular segments, it has come down a little. can you just repeat your second question?

Sonali Salgaonkar: So, with the first question, I also did ask about the debt on the balance sheet. The second question was about the tax rate.

N. Muthukumar: If you look at the tax rate, the effective tax rate for the company is around 22% and odd. And our total debt is, I think Senthil can you just tell

Senthil: Okay. effective tax rate is around 23%, and at the consolidated level, it is at 35%. And the walk for this is like amortizations whatever we are doing for the intangibles, so that is around 3%, and the others whatever like Semicon and Circuits, whatever the intercompany interest whatever we are charging off that is getting capitalized, that is around 5%, and the other loss-making entities are contributing to around 4%. So this is majorly the impact of the contributors to the impact of the higher effective tax rate.

Sonali Salgaonkar: The debt on the balance sheet, sir?

Senthil: I'll come back to you.

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N. Muthukumar: Any other question that you have, Saloni?

Saloni Salgoakar: No, I think so on the debt part we don't have the number right now, is it?

N. Muthukumar: We have the number. The debt-to-equity ratio is good at about 0.3% at this point of time. The exact number I'm not able to tell, around INR800 crores total, but I think the team is picking it up. We are very well in control. Even for the approved loan for our long-term capital in Semicon and Circuit, we have not taken at this point of time. They're going through the internal funding, you all know.

Moderator: Thank you, Saloni. Next question is from the line of Aditya Bhartia from Investec India. Please go ahead.

Aditya Bhartia: Since I didn't hear it properly, what was the debt date number that you spoke about, around INR800 crores? .

N. Muthukumar: Yes, approximately It's around that number. We can give you the exact numbers soon. You can go to the next question.

Aditya Bhartia: Okay. on the cash flow from operation side, we are speaking about roughly INR260 crores of negative CFO. I guess there would have been around INR100 crores, INR150-odd crores of capex this particular quarter, including the new businesses, is that correct?

N. Muthukumar: INR160 crores is the capex for this quarter. INR180 crores, sorry.

Aditya Bhartia: INR180 crores. So, sir, the net debt number appears to have increased much higher than what it should be. We're just kind of wondering how the reconciliation can happen.

N. Muthukumar: We have given, I when I say operating cash flow, it's INR235 crores.

Aditya Bhartia: Sorry, sir?

N. Muthukumar: I said only operating cash flow, consolidated cash flow at that. My cash profit is about INR158 crores. My inventory gone up by INR156 crores. My receivables have gone up by INR90 crores, and others about INR145 crores. Tax at INR26 crores. My fixed assets is INR360 crores, the investment is INR317 crores, and of course, financing is INR263 crores. Those are the numbers for the in the consolidated cash flow bridge. What I said INR259 crores is at the net cash used in the operating activities.

Aditya Bhartia: Understood. Understood, sir. And on the issues that we're kind of highlighting around availability and cost side, does that mean that we should be anticipating lower margins at least in the next few quarters? And how does the pass-through exactly happen? Because my understanding was that at least in the PCB business, it is more almost like an immediate pass-through, and none of the other PCB companies also spoke about this challenge, and that's why I'm kind of wondering how should we think about this mechanic.

N. Muthukumar: Like what the Chairman said, I wanted to reiterate the point. It's a challenging time. We need to make sure that we have the balance between sitting this off and also grow, and service the customer. If we are not going to service the customer, and if they are going to fail, it's going to impact us also. So, we are working very, very closely with the customer.

We have strategic top customers wherein we have an understanding with them on an agreement like this on how we can move forward because a delayed decision making will have an impact on the business continuity, and also we don't want the customer line to stop. So, we have got an agreement with various customers on where all we can go up, to what level we can go, and the decision can be taken at our level, and also where the customers also have been talking to us frequently and ensuring that the decisions are given fast.

So our aspirations and our working is towards not to have any impact on the bottom line, but having said that, there'll be some timing delay between this which will have an impact. But one thing that we can assure you is, yes, we will be definitely faster than our peers in the industry, and we'll ensure that the minimum impact is to us.

Ramesh Kunhikannan: One another point. It is a global problem, the entire industry is aware of it. This has been going on for last 3-4 months. So I'm also surprised if nobody have addressed this.

Moderator: Thank you, Aditya. Next question is from the line of Praveen Sahay from PL Capital. Please go ahead.

Praveen Sahay: Yes, thank you for follow-up. One question is related to your order book. Can you give a indicative numbers, how has been the sector-wise or the segment-wise your order book right now?

N. Muthukumar: Normally, we don't give sector-wise or segment-wise, but as of now, we have a very good order book. In the first quarter, our team has added more into the order book than what we have opened up or what we have delivered. So, very strong order book of more than about INR8,900 crores is in the system, and things are shaping up much faster.

In spite of the global situation on the commodity availability, on the other side with the price escalation going on, the customer off-take at this point of time is pretty good. If you see the growth what is happening in both in the domestic and also global, in spite of the inflation that is happening across the world, be it North America or in India or in Europe, if you see, the demand has not softened at this point of time and it's still growing strong.

So, this gives an thing that things are going to settle soon and then it is going to be in a positive trajectory at this point of time. We don't see anybody saying that we are going to cut down, including the public sector enterprises or the government.

Praveen Sahay: Okay, thank you, sir. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, in the interest of time, that will be the last question. I now hand the conference over to the management for closing comments.

N. Muthukumar: Once again, dear investors, thank you very much for your time and confidence to us. We try to answer most of the questions what you have asked for to your satisfaction, but reach out to us in case you need any concerns. For few of the questions where specific questions is asked, our investor relation team member Sumit will reach out to you with details, and we really appreciate your support and continued commitments onto the Kaynes, and your support is what making us to grow faster and at the same time, sustainable growth.

Thanks to you, thanks to my leadership team, thanks to my operating team who have been staying strong during these difficult times and making our company from good to great. Over to Mr. Ramesh sir for final closure.

Ramesh Kunhikannan: Thank you to one and all having interest in our company. We are continued with our commitment and the days to come are challenging but you will see good results. Thank you.

Moderator: Thank you very much. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.