

December 05, 2025

BSE Limited

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

National Stock Exchange of India Limited

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

Scrip Code: 543664

Scrip Symbol: KAYNES

Dear Sir/Madam,

Subject: Clarification on summary of report published by Kotak Institutional Equities dated 03rd December 2025.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Clarification on certain points highlighted in a published report by **Kotak Institutional Equities** dated 03rd December 2025.

At the outset, we would like to emphasize that we respect all forms of independent market analysis and research. Such external perspectives help deepen understanding, broaden dialogue, and play an important role in shaping informed investor decisions. We also believe it is our responsibility to provide clear, factual information so that the investor community can evaluate the Company with confidence.

We have attached the responses for the summary of the observations.

The above-mentioned information will also be available on website of the Company www.kaynestechology.co.in.

We request to kindly take this intimation on record.

Thanking You,

Yours faithfully,

For **Kaynes Technology India Limited**

Anuj Mehtha

Company Secretary and Compliance Officer
ICSI membership no: FCS 13802

KAYNES TECHNOLOGY INDIA LIMITED

CIN: L29128KA2008PLC045825

website: www.kaynestechology.co.in email ID: kaynestechnics@kaynestechology.net

H.O & Registered office: 23-25, Belagola, Food Industrial Estate Metagalli PO, Mysore 570016 India

Telephone No: +91 8212582595

Response to summary of the observations published by Kotak Institutional Equities dated 03rd December 2025.

Summary of Observations from Kotak	Management Response
1. Goodwill recognition/reserve adjustments in acquisitions ambiguous	As per Ind AS 103- Business Combinations, previously unrecognised Intangible Assets can be recognised as a part of acquisition accounting. Since a major part of the consideration for this acquisition is for a contract that Iskraemeco has entered into, Customer Contracts can be recognised as an Intangible Asset and amortized over the term of the contract. The Intangible assets recognized was netted off with the goodwill. Considering the unique nature of these Intangible Assets, Goodwill and other Intangible Assets are evaluated annually
2. Contingent Liabilities increased to Rs. 520 Cr (18% of the Networth)	Major additions during the year are: Performance Bank Guarantee for Iskraemeco Projects - Rs.96.8 Cr and corporate guarantee issued to subsidiary companies Rs. 132.5 Cr (Kaynes Electronics Rs. 122.5 Cr + Iskraemeco Rs. 70 Cr). These were necessitated due to funding requirements at Iskraemeco subsequent to the acquisition.
3. Purchases of Rs 1.8 bn from Kaynes Electronics Manufacturing in FY2025, which are not reflected in Kaynes Electronics Manufacturing's related-party disclosures	These related party transactions were eliminated in the consolidated financial statements as per Indian Accounting Standards. However, they were inadvertently not disclosed in the standalone financial statements. This has since been rectified and has been noted for future compliance. This transaction was part of the overall financial statement in both the entities.
4. Year-end payables of Rs 3.2 bn to Kaynes Technology and Rs1.8 bn to Kaynes Electronics Manufacturing and receivables of Rs1.9 bn from Kaynes Technology; notably, these too are not reflected in the related-party disclosures of Kaynes Technology and Kaynes Electronics Manufacturing	These related party transactions were eliminated in the consolidated financial statements as per Indian Accounting Standards. However, they were inadvertently not disclosed in the standalone financial statements. This has since been rectified and has been noted for future compliance. This transaction was part of the overall financial statement in both the entities.
5. Average borrowing cost in FY 2025 was a whopping 17.7 %	While calculating the interest cost on average borrowings we need to consider Bill discounting. The interest cost will work out to 10% including bill discounting. Please note that with similar observation the average borrowing cost would be 25.3% for FY 2024 against 17.7% of FY 2025.
6. Kaynes Capitalized Rs. 1.8 Bn (6.5% of revenue) as additions in Technical Know How including designs and prototypes in FY 2025	Intangible Assets recognized of Rs. 115 Cr on account of Large Customer contracts and Rs. 26 Cr development cost (related to Iskrameco acquisition) and Intangible assets generated as part of Inhouse R&D activities Rs. 39 Cr.