June 02, 2022

KEI Industries Limited: Migration of the rating outstanding on the medium-term rating scale to the long-term rating scale

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Term Loan	39.36	39.36	[ICRA]AA- (Stable); Outstanding
Fund Based – Working Capital facilities	600.00	600.00	[ICRA]AA- (Stable); Outstanding
Non-fund based – Working Capital facilities	2410.00	2410.00	[ICRA]A1+; Outstanding
Unallocated bank limits	350.64	350.64	[ICRA]AA-(Stable)/[ICRA]A1+; Outstanding
Total Bank	**3400.00**	**3400.00**	
Commercial Paper	40.00	40.00	[ICRA]A1+; Outstanding
Fixed Deposit	50.00	50.00	[ICRA]AA- (Stable); Migrated from MAA- (Stable)

**Instrument details are provided in Annexure-1*

Rationale

In compliance with the circular [SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/594] issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent circular (SEBI/HO/MIRSD/MIRSD_CRADT /P/CIR/2022/43) of April 1, 2022, for standardising the rating scales used by credit rating agencies, ICRA has discontinued the medium-term rating scale which was being used to assign ratings to the fixed deposit programmes of entities.

Accordingly, ICRA has migrated the rating currently outstanding for the fixed deposits programme of ICICI Bank Limited (IBL) from the medium-term rating scale to the long-term rating scale. The medium-term rating scale of ICRA was a 14-point scale, while the long-term rating scale is a 20-point scale. The migration of the rating has resulted in a change in the rating symbol; however, this is to be construed only as a recalibration of the rating from one scale to another and not as a reflection of a change in the credit risk of the fixed deposit programme.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities and key financial indicators: Click here

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation/Standalone	Standalone

About the company

KEI Industries Limited (KEI) was incorporated in 1968, as a partnership firm, under the name Krishna Electrical Industries and started with manufacturing switch board cables. It was converted into a public limited company in 1992 and was listed on the stock exchanges in 1995. The company is involved in manufacturing low tension, high tension and extra high voltage cables, along with control and instrumentation and speciality cables, house wires and stainless-steel wires. The manufacturing facilities of the company are located in Bhiwadi, Chopanki, Pathredi, Silvassa and Chinchpada. In addition, it is involved in EPC work for electrification including cables laying, setting up of transformers, separating feeder and last mile connection.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
					Jun 2, 2022	Sep 21, 2021	Sep 07, 2020	Mar 19, 2020	Jul 19, 2019
1	Fixed Deposit	Long Term	50.0		[ICRA]AA- (Stable)	MAA- (Stable)	MA+ (Stable)	MA+ (Stable)	MA+ (Stable)
2	Commercial Paper	Short Term	40.0		[ICRA]A1+	[ICRA]A1+	[ICRA]A1	[ICRA]A1	[ICRA]A1
3	Fund Based – Term Loan	Long Term	39.36	36.11*	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]A+ (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)
4	Fund Based – Working Capital facilities	Long Term	600.00		[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]A+ (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)
5	Non-fund based – Working Capital facilities	Short Term	2410.00		[ICRA]A1+	[ICRA]A1+	[ICRA]A1	[ICRA]A1	[ICRA]A1
6	Unallocated bank limits	Long term/ Short term	350.64		[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]A+ (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1

*As on June 30, 2021,

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund Based – Term Loan	Simple
Fund Based – Working Capital	Simple
Non fund based	Very Simple
Unallocated limits	Not Applicable
Commercial Paper	Very Simple
Fixed Deposit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Fund Based – Term Loan	Oct 2017-Aug 2019	4.20%-7.25%	Dec 2022-Sep 2022	39.36	[ICRA]AA- (Stable)
-	Fund Based – Working Capital facilities	-	-	-	600.00	[ICRA]AA- (Stable)
-	Non-fund based – Working Capital facilities	-	-	-	2410.00	[ICRA]A1+
-	Unallocated bank limits	-	-	-	350.64	[ICRA]AA-(Stable)/[ICRA]A1+
Yet to be placed	Commercial Paper	-	-	-	40.00	[ICRA]A1+
-	Fixed Deposit	-	-	-	50.00	[ICRA]AA- (Stable)

Please click here to view details of lender-wise facilities rated by ICRA

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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