

June 23, 2026

KEI Industries Limited: Ratings Reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term/ Short Term - Fund-based/Non-fund based - Working Capital Facilities	3,310.00	3680.00	[ICRA]AA+ (Stable)/ [ICRA]A1+; Reaffirmed
Long Term/ Short Term - Unallocated Limits	500.00	130.00	[ICRA]AA+ (Stable)/ [ICRA]A1+; Reaffirmed
Commercial Papers	40.00	40.00	[ICRA]A1+; Reaffirmed
Total	3,850.00	3,850.00	

*Instrument details are provided in Annexure-II

Rationale

The reaffirmation of the ratings assigned to the bank lines and commercial paper program of KEI Industries Limited (KEI/the company) factors in the strong market share of the company supported by a diverse product profile and wide distribution network, along with growing scale of operations resulting from robust end user demand and recent capacity enhancements. The ratings also factor in the healthy credit metrics of the company, with company maintaining low reliance on external debt. The interest coverage ratio has remained healthy at 19.2x/17.8x in FY2026/FY2025 and TOL/TNW has remained comfortable at 0.34x/0.25x by end of FY2026/FY2025. ICRA notes that the company's products are witnessing robust demand from various end-user industries that are benefitting from government infrastructure development activities, including urban and rural electrification, solar power projects, tunneling and ventilation projects on highways as well as railway and metro rail projects. Additionally, private capex is currently at healthy levels across sectors such as renewable energy, data centres, steel, cement and real estate, including housing demand, under the GoI's initiative of 'Housing for All'. ICRA expects the company to maintain a healthy market share in the near to medium term and with the ongoing capacity expansions expected to support revenue growth in FY2027 and FY2028, which along with expected stable profitability, the overall credit profile and liquidity position will remain healthy going forward as well. Further, the ratings continue to favourably consider the company's presence spanning over five decades, its well-entrenched market position in the cables and wires industry, its wide customer base and geographical presence, besides its established relationships with a reputed clientele. KEI has well diversified revenue profile spread across ~2000 institutional customers and retail sales via a distribution network of around 2,100 dealers pan India. The operating margins are also expected to be maintained at around ~10-11%, translating into healthy cash generation.

The company has recently concluded commercialization of phase-1 of its capex at its new Sanand facility and expects to commission the Phase-2 by end of FY2027. The capex has been funded by the proceeds from the Qualified Institutional Placement (QIP) completed in CY2025. KEI's total debt (including LC acceptances, channel finance liabilities and lease liabilities) rose to Rs. 987 crores as on March 31, 2026 (PY: Rs. 463 crore) largely due to higher acceptances driven by increase in the scale of operations and expansion of the channel financing facility. The company maintains strong liquidity supported by healthy cash flow from operations and recent proceeds from the QIP. The free cash and liquid investments (including proceeds from the QIP earmarked for the capex) were Rs.1513 crore as on March 31, 2026.

However, the ratings remain constrained by the elevated competitive intensity in the cable and wires industry which has resulted in range bound operating margin for the company. The competitive intensity is expected to rise further with the entry of two large backward integrated conglomerates in the cables and wires business. The impact of the new entrants will remain a key monitorable for the company's ability to maintain its margins and market share. However, despite the commodity headwinds witnessed in the past, KEI's margins have remained protected on account of a company's strategy to maintain an inventory for 2.5-3 months for the B2B segment and passes on majority of the raw material price hikes to customers in the B2C segment within short span of time.

ICRA notes that on May 07, 2026, the Income Tax (IT) Department started a search operation at KEI Industries Limited's (KEI/the company) registered office, plant locations and other premises, which ended on May 12, 2026. While currently there have been no further orders from the IT department, ICRA will continue to monitor development on this front and take appropriate actions, while ascertaining the impact of any developments on the company's credit profile.

The stable outlook on the rating reflects ICRA's expectation that the robust demand for cables and wires coupled with the company's leadership position will support the company's cash flow from operations and keep the credit profile stable going forward.

Key rating drivers and their description

Credit strengths

Established relations with customers and increasing penetration with focus on retail segment and strong market share –

With over five decades of operations, the company has established strong relationships with reputed customers across sectors, such as various private and public distribution and transmission utilities, renewable power producers, large corporate groups, various EPC contractors, etc. While KEI's management forayed into the EPC segment as a forward integration initiative in past, it is now limiting its LT/HT EPC business to ~3-4% of revenues in light of elongated working capital cycle. However, EHV EPC segment will continue to remain a focused segment as cables supply component of the order value is significantly higher in EHV EPC vis-à-vis LT/HT EPC. Further, the management focus is towards increasing its market share in the better-margin and low-working capital-intensive retail segment, as well as exports, while growing its institutional business in line with the pace of industry growth.

Diversified product mix and extensive distribution network –

Over the years, KEI has developed capabilities to manufacture a wide range of cables (low tension, high tension and extra high voltage) along with house wires, stainless steel wires, instrumentation and control cables. Cables contributed ~62% of the total sales in FY2026, followed by ~33% from house wires, ~3% from the EPC segment (excluding cable) and the balance 2% from stainless steel wires. The growth prospects remain healthy in each of these segments, while the company has taken a strategic decision to scale down the EPC business. KEI has been expanding its distribution network by adding dealers to capture retail sales, which contributed ~54% to the total sales in FY2026 (PY: ~52%). As on March 31, 2026, the total dealer base stood at around 2,125 (PY: 2,082 dealers). Moreover, the company is currently focusing on further increasing its retail presence, as dealer sales provide the twin benefits of better margins and relatively low working capital cycle. In line with the same, KEI plans to further increase its employee and dealer base, going forward. Its retail network is spread across India with 39% of the revenues contributed by north, followed by 27% from west, 17% from south and the balance 17% from east, in FY2026.

Apart from dealer sales, ~28% of the total sales were through domestic institutional clients (including EHV segment), while exports comprised ~15% of the total sales in FY2026. Within institutional sales, the EPC segment (excluding cable sale) contributed ~3% of the total sales in FY2026, providing a diversification to the sales channels. Going forward, the contribution from retail sales is expected to remain at ~50-55% over FY2027-FY2029, while EPC's contribution in the revenue mix is likely to be modest, largely driven by EHV EPC revenues.

Improving scale with healthy demand prospects –

KEI's operating income (OI) has been on an uptrend and grew by 21% YoY in FY2026 to Rs. 11,748 crore on the back of increasing demand in the wires and cables, and regular capacity expansions, over the past few years. KEI has been focusing on improving both its retail and institutional sales, in line with which the company has increased its workforce and distribution network in addition to capacity enhancement. The growth momentum is expected to continue in the near to medium term supported by volume growth from the recently commissioned Sanand Phase-1 and higher realisations particularly in FY2027. Further in FY2028, growth is to be supported by continued benefit of Sanand phase-1 and commissioning of the Phase-2 (EHV) cables along with organic growth from current operations.

Healthy leverage and coverage metrics - KEI's total debt (including channel finance with recourse, acceptances and lease liabilities) increased to Rs. 987 crore as on March 31, 2026 from Rs. 463 crore as on March 31, 2025, and KEI remained net

debt free, with no term loans outstanding. Company had total cash and fixed deposits of Rs. Rs. 1,513 crore as on March 31, 2026 (including Rs. 467 crore of unutilised QIP proceeds earmarked largely for Sanand capex phase -II).

Gearing (including LC acceptance) increased from 0.08x in FY2025 to 0.15x in FY2026 due to increase in LC acceptances, while the net worth position remained healthy backed by healthy accretion and recent fund raise under the QIP. TOL/TNW remains comfortable at 0.34x as on FY2026 end, although slightly higher than 0.25x at the end of FY2025. Higher interest cost was partially offset with higher OPBIDTA levels leading to healthy coverage indicators as well, 19.2x in FY2026 as against 17.8x in FY2025. Total debt/OPBIDA stood at 0.80 times in FY2026 (PY: 0.47 times), interest coverage at 19.2 times (PY: 17.8 times).

ICRA expects the leverage and coverage indicators to remain healthy over the medium term in absence of debt funded capex, and healthy internal accruals.

Credit challenges

Elevated competitive intensity in the industry - The cable industry is inherently competitive with the presence of multiple large established players such as Havells India Limited, Polycab India Limited, Finolex Cables Limited, V Guard Industries Limited, RR Kabel Limited, etc., in addition to some competition from the unorganised sector. This limits KEI's pricing power, to an extent, especially in the retail segment, which is expected to drive its revenue growth over the medium term. Large corporate groups like Adani and Birla had announced entry into C&W sector along with capex plans. Both of these groups manufacture copper/aluminum, and entry into C&W market marks forward integration efforts for them. Existing players like Polycab, Havells, Finolex also continue to add capacities. While the competitive intensity remains high, it will take some time for the new entrants to compete with larger players, as plants will have to be set up, then customer approvals/certifications are to be obtained, and then dealer network is to be established. KEI continues to hold its market position and margins despite the competition. However, in the near to medium term, the competitive intensity and its impact on performance will remain a key monitorable.

Limited pricing flexibility leading to rangebound operating margins - The company's OPM remained range-bound within 9-11% over the last decade on account of intense competition in the cables industry and focus on healthy turnover growth. In FY2026, while KEI's OPM remained stable at 10.5% (~10.2%-10.5% during FY2024-FY2026), the margins remained protected as majority of the raw material price hikes were passed on to customers. The growing proportion of retail sales and increasing scale benefits also protected the margins. The company naturally hedges the input price risk by virtue of holding an inventory of ~2.5-3 months for the institutional segment against ~3 months of pending orders which supports its margins. Prices for retail sales through dealer network are also revised every 15 days. Moreover, KEI's net margins remained stable at 7.8% in FY2026 (7.2% in FY2025 and FY2024). Further, with KEI's larger focus on the high-margin retail segment, the overall operating profit margin is likely to sustain at ~10.0-11.0%.

Liquidity position: Strong

The company's liquidity is robust with Rs. 1513 crore of cash and bank balance as on March 31, 2026 out of which around Rs. 467 crore is earmarked for the phase-2 of Sanand plant. Further, it has average cushion in drawing power of over Rs. ~1,700 crore over FY2026 (though sanctioned cash credit limits are Rs. 600 crore which remained largely unutilised) and company utilizes bill discounting facility. The Sanand Phase-2 capex will be funded by the QIP proceeds and remaining capex by the internal accruals. The cash flow from operations and the current cash balances will remain more than adequate to fund the capex requirements. The company does not have any long term debt and thus no term debt repayments.

Rating sensitivities

Positive factors – Sustained improvement in the scale of operations along with improvement in the operating margins, leading to healthy cash flow generation, which coupled with reduction in the working capital intensity leads to sustained improvement in the credit metrics can lead to rating upgrade.

Negative factors – Moderation in operating margins, or elongation in working capital cycle leading to pressure on return and/or credit metrics can lead to rating revision.

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 switchboard 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 company's manufacturing facilities are at Bhiwadi, Chopanki, Pathredi, Silvassa and Chinchpada. KEI is setting up a plant in Sanand (Gujrat), Phase 1 of Sanand plant has been started in December 25 however phase –II will start in Q4 2026-27, apart from brownfield capex being undertaken regularly at existing plants. In addition, it is involved in EPC work for electrification, including laying cables, setting up transformers, separating feeders and last mile connection.

Key financial indicators (audited)

KEI Standalone	FY2025	FY2026
Operating income	9736	11748
PAT	696	918
OPBDIT/OI	10.2%	10.5%
PAT/OI	7.2%	7.8%
Total outside liabilities/Tangible net worth (times)	0.3	0.3
Total debt/OPBDIT (times)	0.5	0.8
Interest coverage (times)	17.8	19.2

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current ratings (FY2027)				Chronology of rating history for the past 3 years					
		Amount Rated (Rs Crore)	FY2027			FY2026		FY2025		FY2024	
			June 23, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based/Non-fund based - Working Capital Facilities	Long-Term/Short-Term	3680.00	[ICRA]AA+ (Stable)/[ICRA]A1+	May 18, 2026	[ICRA]AA+ (Stable)/[ICRA]A1+	Jun 26, 2025	[ICRA]AA+ (Stable)/[ICRA]A1+	-	-	-	-
						Feb 05, 2026	[ICRA]AA+ (Stable)/[ICRA]A1+	-	-	-	-
Unallocated Limits	Long-Term/Short-Term	130.00	[ICRA]AA+ (Stable)/[ICRA]A1+	May 18, 2026	[ICRA]AA+ (Stable)/[ICRA]A1+	Jun 26, 2025	[ICRA]AA+ (Stable)/[ICRA]A1+	-	-	Aug 31, 2023	[ICRA]AA (Stable)/[ICRA]A1+
						Feb 05, 2026	[ICRA]AA+ (Stable)/[ICRA]A1+	-	-	-	-
Commercial Papers	Short-Term	40.00	[ICRA]A1+	May 18, 2026	[ICRA]A1+	Jun 26, 2025	[ICRA]A1+	Aug 23, 2024	[ICRA]A1+	Aug 31, 2023	[ICRA]A1+
						Feb 05, 2026	[ICRA]A1+	-	-	-	-
Term Loan	Long-Term	-	-	-	-	-	-	Aug 23, 2024	[ICRA]AA (Positive)	-	-
		-	-	-	-	-	-	-	-	-	-
Fund Based -Working Capital Facilities	Long-Term	-	-	-	-	-	-	Aug 23, 2024	[ICRA]AA (Positive)	Aug 31, 2023	[ICRA]AA (Stable)
		-	-	-	-	-	-	-	-	-	-
Fixed deposit	Long-Term	-	-	-	-	-	-	Aug 23, 2024	[ICRA]AA (Positive); Withdrawn	Aug 31, 2023	[ICRA]AA (Stable)
		-	-	-	-	-	-	-	-	-	-
Non-Fund Based - Working Capital Facilities	Short-Term	-	-	-	-	-	-	Aug 23, 2024	[ICRA]A1+	Aug 31, 2023	[ICRA]A1+
		-	-	-	-	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI

4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term/ Short Term - Fund-based/Non-fund based - Working Capital Facilities	Simple

Long Term/ Short Term – Unallocated Limits	Not Applicable
Commercial Papers	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 are available on ICRA's website: [Click Here](#)

Annexure II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term/ Short Term - Fund-based/Non-fund based -Working Capital Facilities	NA	NA	NA	3680.00	[ICRA]AA+ (Stable)/ [ICRA]A1+
NA	Long Term/ Short Term - Unallocated Limits	NA	NA	NA	130.00	[ICRA]AA+ (Stable)/ [ICRA]A1+
NA	Commercial Papers*	NA	NA	NA	40.00	[ICRA]A1+

Source: Company; *Unplaced

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis – Not Applicable

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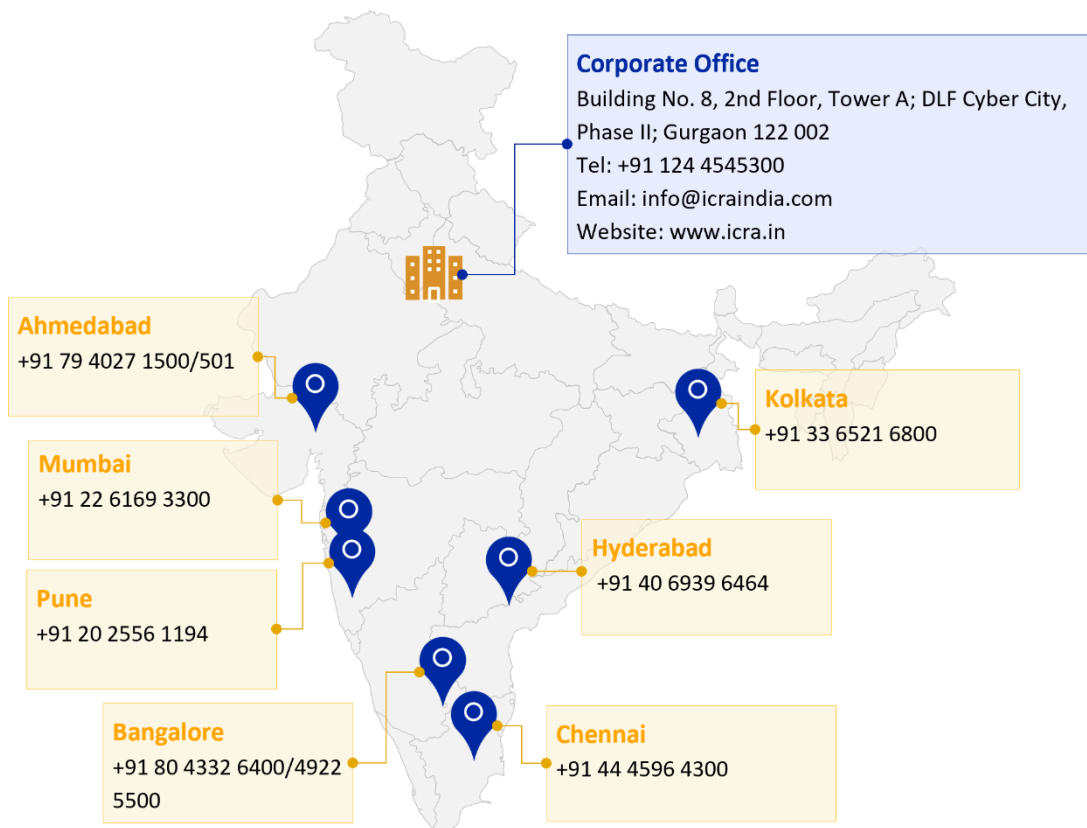
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