kotak neo

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

KEI Industries (KEII)

Current Market Price	Fair Value (FV)
Rs.5631	Rs.4200

Date: 19 June 2026

Previous Rating: - NA **Current Rating: SELL** **Change: NA**

Ratings Rationale

- KEI is a leading W&C player in India, operating across the full voltage spectrum (wires to EHV).
- A diversified portfolio/client base, expanding export presence, strong brand recall and consistent execution track record with steady profitability are its key differentiators.
- We expect KEI's growth in cables to remain robust led by LT/HT cables and scale-up in EHV.
- We believe that the near-term outlook could be challenging on account of rise in competitive intensity and likely moderation in industry volumes.
- We forecast revenue/EBITDA/EPS CAGR of ~18%/19%/17%.
- KEI's return ratios are inferior to Polycab due to lower margins and higher NWC cycle.
- Key risks: Slowdown in industry growth, rising competition from new entrants.

(EHV: Extra High Voltage; CAGR: Compound Annual growth Rate; FCF: Free Cash Flow; W&C: Wires & Cable; LT: Low Tension; HT: High Tension: EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; EPS: Earnings Per Share; NWC: Net Working Capital; DCF: Discounted Cash Flow)

Valuation

We initiate coverage with a SELL rating and DCF-based FV of Rs4,200

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto/Auto Ancillary, Building Material
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Analyst
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 6434

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Gaurav Bhandari
Research Analyst
bhandari.gaurav@kotak.com
+91 22 6218 6440

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotakneo.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg,