KEC International Limited

December 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	3,000.00	CARE A+; Stable	Reaffirmed
Long-term / Short-term bank facilities	16,800.00 (Enhanced from 15,500.00)	CARE A+; Stable / CARE A1+	Reaffirmed
Non-convertible debentures	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of KEC International Limited (KEC) continues to derive strength from its well-established business profile and experienced management under the RPG Group, one of India's leading conglomerates with diversified interests across infrastructure, IT, tyres, and energy. The group's strong reputation, financial flexibility, and market capitalisation provide strength. Ratings considers geographically and segmentally diversified order book of ₹39,325 crore as on September 30, 2025 (1.8x of FY25 revenue), providing adequate revenue visibility for 18–24 months. Order inflows rebounded sharply in FY25 (refers to April 01 to March 31) to ₹24,689 crore (up 36% y-o-y), led by strong traction in transmission and distribution (T&D) and SAE Towers, and year till date FY26 inflows of ₹16,050 crore indicate sustained momentum. Orders are well-diversified across segments—T&D (~67%), civil (25%), railways (7%), and others—while international projects are backed by reputed multilateral agencies, mitigating geopolitical risk to an extent. CARE Ratings Limited (CareEdge Ratings) notes that despite temporary KEC's exclusion from Power Grid Corporation of India Limited (PGCIL; rated CARE AAA; Stable) tenders for nine months starting November 18, 2025, impact on operations is expected to be minimal given PGCIL's limited contribution to new inflows and benefit of geographic and segmental diversification. While KEC cannot bid for PGCIL tenders, it will continue to secure projects from other private developers apart from international T&D projects. Favourable sector outlook and strong pipeline for T&D projects also augurs well for KEC in the medium term.

KEC reported healthy growth in scale of operations with consolidated revenue of ₹21,854 crore in FY25 (up ~10% y-o-y), driven by strong execution in T&D and cables. Profitability improved to 7.70% in FY25 (FY24: 6.82%) aided by operational efficiencies and higher margin in T&D and SAE Towers, though overall margins remain moderate due to weaker performance in non-T&D segments, especially in Railways and Civil Segment. Margins are expected to improve to 8.0–8.50% in FY26 with a higher share of T&D in revenue. Ratings also take cognisance of augmentation of net worth base with successful completion of qualified institutional placement (QIP) of ₹850 crore in FY25.

However, ratings remain constrained by sustained high working capital intensity, with gross current asset (GCA) days at 330 in FY25, driven by slow recovery of receivables from railways, urban transportation, and water projects. This has led to high indebtedness and moderate debt coverage indicators. Going forward, rationalisation of GCA days and consequent debt rationalisation remain key rating monitorable.

The rating assigned to instrument of ₹500.00 crore earlier are now withdrawn at the company's request as the instrument was not placed.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significantly improvement in gross current asset days and improvement in profitability leading to total outside liabilities to tangible net worth (TOL/TNW) of less than 3x and interest coverage of 3x on a sustained basis.

Negative factors

- Continued stretch on GCA days leading to deterioration in debt coverage indicators.
- Decline in consolidated PBILDT margins below 7.5% on a sustained basis.
- Decline in scale of operations due to slow order intake or execution hurdles.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Consolidated
In its analysis, CareEdge Ratings has considered consolidated business and financial risk profile of KEC and its subsidiaries, as entities are linked through a parent-subsidiary relationship and collectively have management, business and financial linkages. Entities consolidated are listed under Annexure-6.

Outlook: Stable
The Stable outlook assigned to KEC reflects that the company's total operating income (TOI) and profitability will be well-supported by execution of existing order book and expected improvement in working capital intensity. KEC is also expected to be benefited being part of the RPG group.

Detailed description of key rating drivers:

Key strengths

Well-established business and experienced management
KEC was incorporated in 1945 and became part of the RPG Group in early 1980s. The company is majorly involved in engineering, procurement, and construction (EPC) work for power T&D systems and is one of the largest players in India in this segment. The company also increased its presence in civil construction, railway projects, manufacturing cables for power, telecom, and Oil & Gas Pipeline business.

Established in 1979 by Dr RP Goenka, the RPG group is one of India's leading business conglomerates managing over 15 companies, having diverse business interests in infrastructure, tyre, information technology, pharmaceuticals, energy products and plantations. KEC benefits from the group's strong reputation, access to capital market and financial flexibility derived with strong market capitalisation with nil pledge of shares by promoters.

Presently, the group is spearheaded by Harsh V Goenka, Chairman of KEC. KEC's overall operations are managed by Vimal Kejriwal (Managing Director and CEO of KEC).

Diversified order book position
KEC's order book position stood at ₹39,325 crore as on September 30, 2025, which is 1.8x of FY25 TOI and provides adequate revenue visibility for the next 18-24 months. This apart, the company had L1 orders of over ₹5,000 crore. Post slender moderation in orders inflow in FY24, it rebounded sharply in FY25 to ₹24,689 crore (up 36% y-o-y), led by T&D and SAE Towers, while civil moderated due to slower private capex. YTD-FY26 inflows of ₹16,050 crore indicate continued momentum, supported by uptick in Civil and sustained international T&D demand. KEC has presence in domestic and international markets with 64% orders in India and the balance spread across countries, Saudi Arabia, the US, the UAE, and Bangladesh, among others.

Given KEC's strong presence in the T&D segment, orders from the segment (including towers) constitute ~67% of its order book. The balance work is spread across civil construction (25%), railway projects (7%) and cables/smart infra/oil & gas/others (8%). Due to high working capital intensity and milestone-based payment mechanism, the company had been gradually reducing its exposure to railway segment and water projects. In the international market, majority contracts are backed by presence of reputed multilateral funding agencies, which mitigates geo-political risk to an extent. CareEdge Ratings expects order inflows to remain healthy in FY26, driven by international T&D traction and favourable outlook of T&D sector.

CareEdge Ratings notes that KEC has been excluded from bidding for PGCIL tenders for nine months starting November 18, 2025. The restriction does not affect the PGCIL's ongoing projects (15% of the order book) or receivables. While KEC cannot bid for PGCIL tenders, it will continue to secure projects from other private developers apart from international T&D projects.

Wider geographical reach with diversified revenue
The company has established its footprint in over 70 countries through subsidiaries and joint ventures (JV) with major reach in countries, such as the Middle East, Africa, America, and Southeast Asia. Revenue contribution from T&D segment increased in the last two years from 53% in FY24 to 65% in H1FY26 (refers to April 01 to September 30). This is primary due to increased order inflow from T&D segment domestically and internationally. Due to higher working capital intensity in non T&D segment, especially in Railways and Water Projects, the share of Non-T&D Segment dropped from 47% in FY24 to 35% in H1FY26. In FY25, the non-T&D segment revenue contribution was distributed among Civil works (20%), railways (9%), Cables (8%), Oil & Gas (2%) and others (4%).

Healthy growth in scale of operation despite moderate profitability
KEC has demonstrated steady growth in scale of operations, reporting consolidated revenue of ₹21,854 crore in FY25, a ~10% y-o-y increase over FY24, primarily driven by strong execution in the T&D segment and healthy performance in cables. T&D revenue grew 28% in FY25 and now accounts for 59% of total revenue, underscoring the company's strategic focus on large domestic and international tenders, particularly in the Middle East. Civil segment growth remained muted due to delays in water projects, while Transportation and Oil & Gas segments contracted owing to lower order intake.

In H1FY26, revenue rose 15% y-o-y, led by T&D (+38%) and cables (+13%), even as Civil declined by 14%. With improved order inflows in Civil in YTD-FY26 and strong traction in international T&D markets, revenue growth is expected to remain healthy in the medium term, supported by a diversified business mix and improving execution capabilities.

On the profitability front, PBILDT margin improved to 7.70% in FY25 from 6.82% in FY24, aided by completion of legacy projects and improved performance in SAE Towers. T&D margins and SAE towers strengthened to double-digit margins, reflecting operational efficiencies. However, overall margins remained moderate due to weaker performance in non-T&D businesses—especially in Railways and Civil. Despite these constraints, CareEdge Ratings expects profitability to improve further, with FY26 margins projected in the range of 8.00–8.50%, driven by a higher share of T&D and SAE Towers in the revenue mix.

Key weaknesses

Sustained high working capital intensity
KEC continues to exhibit elevated working capital requirements, with GCA days moderating marginally to 330 days in FY25 from 318 days in FY24. This is considering lower-than-envisaged recovery from slow moving receivables particularly in receivables from urban transportation debtors, railway debtors, Water Projects, Afghanistan, Tamil Nadu TRANSCO, and debtors pertaining to escalations, change of scope and contractual disputes. There is high component of unbilled revenue due to projects under execution from Civil segment and projects of milestone-based billing. Significant portion of outstanding receivables (including unbilled revenue) as on March 31, 2025, pertains to the railway segment, where there has been slow traction of recovery. Working capital intensity continues to remain high in H1FY26. KEC expects recoveries from such debtors and other realisations by March 2026, which would be crucial for the envisaged reduction in GCA. Rationalisation of GCA days will be key credit rating monitorable.

Moderate debt coverage indicators despite improvement in capital structure
KEC has raised ₹850 crore through QIP in September 2024, which led to improvement in TOL/TNW from 4.27x as on March 31, 2024 to 3.51x as on March 31, 2025. KEC derives financial flexibility from market capitalisation of ~₹19,000 crore as on December 05, 2025, with 50.1% stake of promoters as on September 30, 2025. Entire promoters' shareholding is free from all encumbrances. However, adjusted gross debt remained almost stable at ₹6,330 crore as on March 31, 2025, despite heightened working capital intensity. High working capital intensity and moderate profitability has increased reliance on working capital borrowing and led to moderate debt coverage indicators and leverage, though improved from FY24 levels. This was reflected from interest coverage of 2.01x and adjusted gross debt (excluding interest free mobilization advances)/PBILDT of 3.76x in FY25. Going forward, rationalisation of stretched current asset days and consequent improvement in the leverage is key rating monitorable.

Liquidity: Adequate

Liquidity remains adequate with low debt repayment obligation and sufficient cash accruals generated to adequately cover the fixed debt repayment liabilities. Average utilisation of working capital limits (Fund-based + Non-fund-based limits) was ~87% for 12-months ended August 30, 2025. KEC has enhanced its consortium working capital limits by ₹1,300 crore to meet needs for growing scale of operations amid high working capital intensity. KEC also utilised its fund-based and non-fund-based limits outside consortium limits, which exposes it to roll over risk. KEC had free cash balance of ~₹573 crore and ₹413 as on March 31, 2025, and September 30, 2025, respectively.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: KEC is exposed to environmental risks emanating from disruption of economic resources, while construction activities are under progress. Presence in the industrial segment may result in environmental pollution and ecological dislocation, requiring requisite regulatory approvals. KEC's business profile also has social impact with large labour force involvement, and hence, associated occupational risk. Risk factors are mitigated by presence of well-established ESG framework by the company governed by independent board of directors, which encompasses sustainable procurement, occupational health and safety, energy consumption, and carbon emission, among others.

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Withdrawal Policy](#)
[Construction Sector](#)
[Infrastructure Sector Ratings](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

KEC is part of the RPG group. The company is a global EPC major in power T&D systems. It has also diversified in railway infrastructure, manufacturing cables (for power, telecom, solar and railways), civil construction with a focus on construction of industrial plants, warehouses, residential and commercial complexes, smart infrastructure, and renewable sector (solar) projects. The company's operations are well-diversified across the globe with its eight manufacturing facilities spread across India (5) and one each in the UAE, Brazil and Mexico. The company has one of the largest globally operated tower manufacturing capacities of 4,08,200 MTPA, Railway structures manufacturing capacity of 38,000 MTPA, 12,000 MTPA telecom tower manufacturing capacity and solar structures manufacturing capacity of 10,000 MTPA. Apart from this, KEC has capacity of 94,360 MTPA for manufacturing of cable and conductors.

Brief Consolidated Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	19,920	21,854	11,114
PBILDT*	1,359	1,683	888
PAT	347	571	285
Overall gearing (times)	2.11	1.59	NA
Interest coverage (times)	1.71	2.01	2.07

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non Convertible Debentures	Proposed	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit		-	-	-	3000.00	CARE A+; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	16800.00	CARE A+; Stable / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-BG/LC	LT/ST	16800.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (19-Sep-24)	1)CARE AA-; Negative / CARE A1+ (03-Jan-24) 2)CARE AA-; Stable / CARE A1+ (06-Apr-23)	1)CARE AA-; Stable / CARE A1+ (15-Mar-23) 2)CARE AA-; Stable / CARE A1+ (10-Aug-22)
2	Fund-based - LT-Cash Credit	LT	3000.00	CARE A+; Stable	-	1)CARE A+; Stable (19-Sep-24)	1)CARE AA-; Negative (03-Jan-24) 2)CARE AA-; Stable (06-Apr-23)	1)CARE AA-; Stable (15-Mar-23) 2)CARE AA-; Stable (10-Aug-22)
3	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE A+; Stable (19-Sep-24)	-	-

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	RPG Transmission Nigeria Limited	Full	100% Subsidiary
2	KEC Towers LLC	Full	100% Subsidiary
3	KEC Investment Holdings, Mauritius	Full	100% Subsidiary
4	KEC International (Malaysia) SDN BHD	Full	100% Subsidiary
5	KEC Power India Private Limited	Full	100% Subsidiary
6	KEC Spur Infrastructure Private Limited	Full	100% Subsidiary
7	KEC Asian Cables Limited	Full	100% Subsidiary
8	SAE Towers Holdings LLC	Full	100% Subsidiary
9	SAE Towers Brazil Subsidiary Company LLC	Full	100% Subsidiary
10	SAE Towers Mexico Subsidiary Holding Company LLC	Full	100% Subsidiary
11	SAE Towers Mexico S de RL de CV	Full	100% Subsidiary
12	SAE Towers Brazil Torres de Transmission Ltda	Full	100% Subsidiary
13	SAE Prestadora de Servicios Mexico, S de RL de CV	Full	100% Subsidiary
14	SAE Towers Ltd	Full	100% Subsidiary
15	SAE Towers Construcao Ltda (formerly known as SAE Engenharia E Construcao Ltda)	Full	100% Subsidiary
16	KEC Engineering & Construction Services, S de RL de CV	Full	100% Subsidiary
17	KEC EPC LLC	Full	100% Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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