motilal oswal
Financial Services

4 August 2026
1QFY27 Results Update | Sector: Cables and Wires

KEI Industries

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	KEII IN
Equity Shares (m)	96
M.Cap.(INRb)/(USDb)	525.8 / 5.5
52-Week Range (INR)	5708 / 3711
1, 6, 12 Rel. Per (%)	3/29/42
12M Avg Val (INR M)	1533
Free float (%)	65.0

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	117.5	140.7	173.1
EBITDA	12.4	15.8	20.0
Adj. PAT	9.3	11.2	14.1
EBITDA Margin (%)	10.6	11.2	11.6
Cons. Adj. EPS (INR)	97.0	116.6	147.3
EPS Gr. (%)	33.1	20.3	26.3
BV/Sh. (INR)	697	808	949
Ratios			
Net D:E	(0.2)	(0.2)	(0.2)
RoE (%)	14.9	15.5	16.8
RoCE (%)	15.2	16.0	17.3
Payout (%)	4.6	5.1	4.1
Valuations			
P/E (x)	56.7	47.1	37.3
P/BV (x)	7.9	6.8	5.8
EV/EBITDA (x)	41.3	32.5	25.5
Div Yield (%)	0.1	0.1	0.1
FCF Yield (%)	(0.8)	(0.1)	0.4

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	35.0	35.0	35.0
DII	25.9	25.8	25.6
FII	27.3	27.3	26.6
Others	11.8	11.9	12.8

FII includes depository receipts

CMP: INR5,500 TP: INR6,630 (+21%) Buy

Earnings beat; margin expansion on track

Strong growth visibility backed by capacity expansion

- KEI Industries' (KEII) 1QFY27 revenue grew ~23% YoY to INR31.9b (in line). EBITDA increased ~53% YoY to INR4.0b (~7% above, driven by a higher-than-estimated margin in the C&W segment). OPM improved 2.5pp YoY to 12.4% (+1.1pp vs. our estimate). PAT grew ~40% YoY to INR2.7b (in line).
- Management remained confident of delivering 20%+ medium-term growth, backed by robust demand across domestic and export markets. The Sanand facility is ramping up steadily, with utilization improving sequentially. This is estimated to contribute ~INR15-20b revenue in FY27 and ~INR40b in FY28 (with utilization to reach ~70-75%). It also highlighted disciplined capital allocation with INR6.0-7.0b annual capex planned over the next 3-4 years, including the new Salarpur greenfield plant, to support future LV/MV cable expansion and long-term growth. It guided a sustainable OPM of ~11–12%, supported by operating leverage, favorable product mix, stronger retail mix, and better margin export orders.
- We largely maintain our earnings estimates for FY27/FY28. We value KEII at 45x FY28E EPS to arrive at our TP of INR6,630. **Reiterate BUY.**

C&W revenue up ~25% YoY; EBIT margin expands 2.8pp YoY to 13.6%

- KEII's revenue/EBITDA/Adj. PAT stood at INR31.9b/INR4.0b/INR2.7b (+23%/+53%/+40% YoY and -3%/+7%/+3% vs. our estimates) in 1QFY27. OPM expanded 2.5pp YoY to 12.4%. Depreciation/interest costs rose ~44%/22% YoY. Other income declined ~51% YoY for the quarter.
- Segmental highlights: a) **C&W** revenue was up ~25% YoY at INR30.9b, EBIT rose ~57% YoY to INR4.2b, and EBIT margin increased 2.8pp YoY to 13.6%; b) **EPC business** revenue increased ~32% YoY to INR1.3b, segment loss stood at INR51m vs. profit of INR79m/INR47m in 1QFY26/4QFY26; c) Stainless steel wires (SSW) revenue increased ~3% YoY to INR536m, EBIT increased ~16% YoY to INR49m, and EBIT margin improved 1.1pp YoY at 9.2%.
- Cash and bank balance (net of acceptances) stood at INR2.85b vs. INR5.92b as of Mar'26.

Key highlights from the management commentary

- Capacity utilization stood at ~72% in cables, ~61% in house wires, ~91% in stainless steel wires and ~45% in communication cables during 1QFY27. The pending order book stood at INR42.9b vs. INR35.9b as of Mar'26
- Operating margin in EHV cables is the highest at ~15% vs. ~10.5% for institutional LV/MV power cables, ~11% for retail sales, and 11%+ for exports.
- KEII incurred a capex of INR1.8b in 1QFY27, taking the cumulative capex for the Sanand project to INR17.2b as of the end of Jun'27. It plans to invest an additional INR3.0b in 9MFY27 for the Sanand project. Going forward, annual capex is projected at INR6.0b-7.0b over the next 3-4 years to aid future growth.

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Valuation and view

- KEII's 1QFY27 performance was above our estimates, driven by higher-than-estimated margins in C&W. We remain positive on KEII, supported by strong execution, industry tailwinds, and an improving margin profile. Management is confident of sustaining ~11–12% OPM (vs. the earlier threshold of ~10-11% over FY22-25). Additionally, the planned INR6.0-7.0b annual capex over the next 3-4 years, including the Salarpur greenfield expansion, positions it well to capture the structural growth opportunity in the C&W industry.
- We estimate KEII's total revenue CAGR at ~21% over FY26-28, led by ~23% growth in the C&W segment and ~7% growth in the SSW segment. However, the EPC revenue is estimated to decline ~8% annually. We project its EBITDA/PAT CAGR of ~27%/23% over FY26-28. We estimate OPM at ~11%/12% over FY27/FY28. The stock is trading at 47x/37x on FY27E/FY28E EPS. We value KEII at 45x FY28E EPS to arrive at our TP of INR6,630. **Reiterate BUY.**

Quarterly performance (INR m)

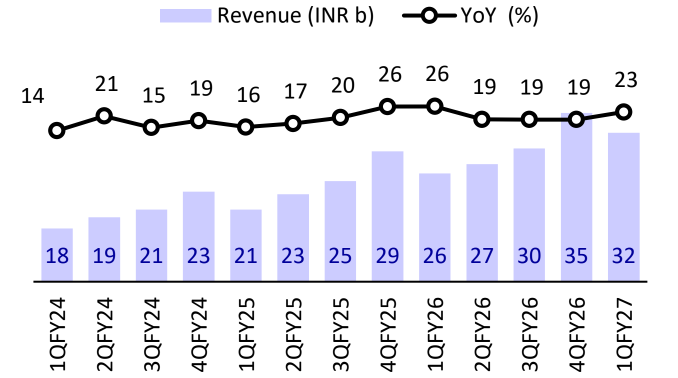
Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Sales	**25,903**	**27,263**	**29,547**	**34,764**	**31,853**	**33,550**	**35,434**	**39,892**	**1,17,478**	**1,40,730**	**32,714**	**(3)**
Change (%)	25.7	19.4	19.3	19.3	23.0	23.1	19.9	14.8	20.7	19.8	26.3	
Adj. EBITDA	**2,580**	**2,693**	**3,317**	**3,816**	**3,958**	**3,447**	**3,743**	**4,657**	**12,407**	**15,805**	**3,702**	**7**
Change (%)	20.3	19.8	32.5	26.7	53.4	28.0	12.8	22.0	25.2	27.4	43.5	
Adj. EBITDA margin (%)	10.0	9.9	11.2	11.0	12.4	10.3	10.6	11.7	10.6	11.2	11.3	**111**
Depreciation	199	202	226	285	286	308	314	349	912	1,256	288	(1)
Interest	145	142	166	188	177	194	220	290	641	881	200	(12)
Other Income	396	423	338	428	196	250	350	450	1,586	1,246	350	(44)
Extraordinary Items	-	-	(116)	-	-	-	-	-	(116)	-	-	
PBT	**2,632**	**2,773**	**3,263**	**3,772**	**3,692**	**3,195**	**3,559**	**4,468**	**12,439**	**14,914**	**3,564**	**4**
Tax	675	738	798	928	950	805	897	1,111	3,139	3,763	898	
Effective Tax Rate (%)	25.6	26.6	24.5	24.6	25.7	25.2	25.2	24.9	25.2	25.2	25.2	
Reported PAT	**1,957**	**2,035**	**2,349**	**2,843**	**2,741**	**2,390**	**2,662**	**3,357**	**9,184**	**11,150**	**2,666**	**3**
Change (%)	30.3	31.5	42.5	25.5	40.0	17.4	13.3	18.1	31.9	21.4	36.2	
Adj. PAT	**1,957**	**2,035**	**2,436**	**2,843**	**2,741**	**2,390**	**2,662**	**3,357**	**9,271**	**11,150**	**2,666**	**3**
Change (%)	30.3	31.5	47.8	25.5	40.0	17.4	9.3	18.1	33.1	20.3	36.2	

Segmental performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Sales												
Cables (Power + Housing wires)	24,771	26,256	28,208	32,970	30,884	32,820	34,414	39,012	1,12,206	1,37,130	31,707	(3)
Stainless steel wires	521	539	545	561	536	566	577	611	2,165	2,290	563	(5)
EPC Business	994	1,014	1,374	2,233	1,308	1,064	1,443	1,350	5,614	5,165	1,044	25
Growth YoY (%)												
Cables (Power + Housing wires)	32.1	22.5	19.9	17.9	24.7	25.0	22.0	18.3	22.4	22.2	28.0	
Stainless steel wires	(3.0)	(10.6)	(1.1)	21.5	2.8	5.0	6.0	9.0	0.6	5.8	8.0	
EPC Business	(56.0)	(22.6)	81.1	(0.1)	31.6	5.0	5.0	(39.5)	(14.4)	(8.0)	5.0	
EBIT												
Cables (Power + Housing wires)	2,665	2,871	3,373	4,104	4,190	3,676	4,061	4,803	13,014	16,730	3,741	12
Stainless steel wires	42	44	35	50	49	40	40	45	172	174	42	16
EPC Business	79	51	17	47	(51)	32	58	65	194	103	73	(170)
EBIT Margin (%)												
Cables (Power + Housing wires)	10.8	10.9	12.0	12.4	13.6	11.2	11.8	12.3	11.6	12.2	11.8	177
Stainless steel wires	8.1	8.2	6.4	8.9	9.2	7.0	7.0	7.4	7.9	7.6	7.5	165
EPC Business	8.0	5.1	1.2	2.1	(3.9)	3.0	4.0	4.8	3.5	2.0	7.0	(1,093)

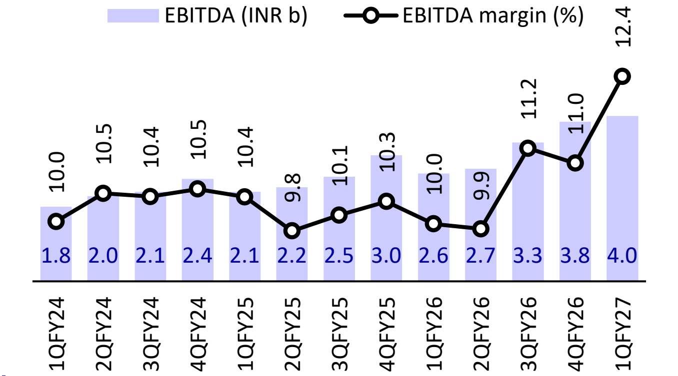
Story in charts

Exhibit 1: Total revenue grew ~23% YoY in 1QFY27



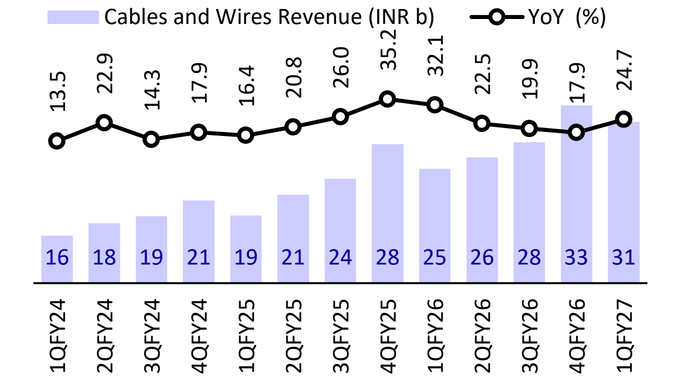
Source: MOFSL, Company

Exhibit 2: EBITDA grew ~53% YoY



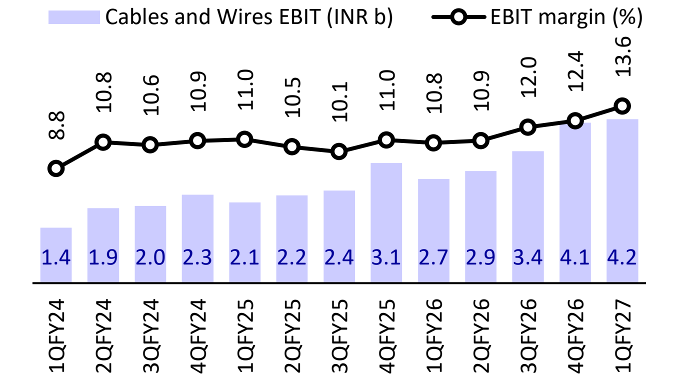
Source: MOFSL, Company

Exhibit 3: C&W revenue rose ~25% YoY



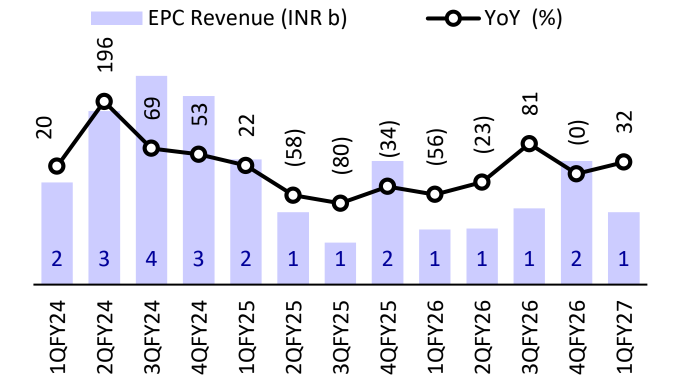
Source: MOFSL, Company

Exhibit 4: C&W EBIT margin improved 2.8pp YoY



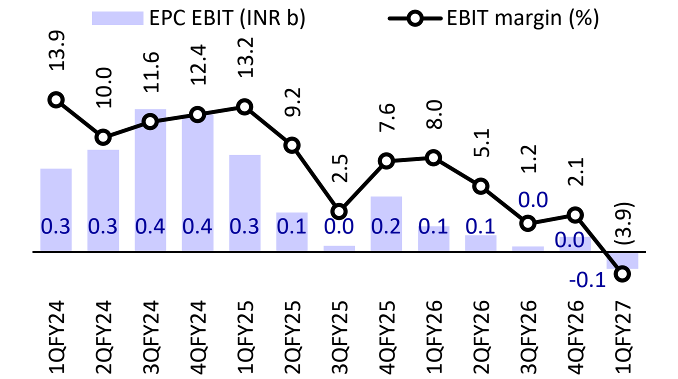
Source: MOFSL, Company

Exhibit 5: EPC revenue increased ~32% YoY



Source: MOFSL, Company

Exhibit 6: EPC EBIT dipped to negative in 1QFY27



Source: MOFSL, Company

CONFERENCE CALL

Key highlights from the management commentary

Demand and capacity utilization

- Capacity utilization stood at 72% in cables, 61% in house wires, 91% in stainless steel wires and 45% in communication cables during 1QFY27. The Sanand facility is gradually ramping up, with utilization expected to improve steadily over the coming months.
- Its existing capacities in the wires and flexible cable segments are sufficient to support growth over the next 2-3 years. Backed by healthy demand across both domestic and export markets, it remains confident of delivering 20%+ growth over the medium term.
- Optimistic on industry demand, driven by power transmission & distribution, data centres, renewable energy, electric vehicles, railways, urban infrastructure, manufacturing, housing and commercial real estate. It indicated robust demand across global export markets. It expects to continue outperforming industry growth, supported by strong market fundamentals and an expanding product portfolio.
- **Exports**: It focuses on diversifying its export portfolio across geographies. In the US, it is targeting oil & gas, data centres and power distribution projects; in Australia, it is focusing on renewables and industrial projects; in the Middle East, demand is driven by oil & gas refineries and upstream facilities, while in Africa, it is supplying power transmission & distribution utilities and refinery projects.

Pricing and margin

- The pricing is linked to fluctuations in copper prices rather than fixed percentage increases. Accordingly, changes in raw material costs are largely passed through to customers based on the prevailing commodity price formula.
- Expects operating leverage from higher utilization and incremental sales, along with a favourable product mix and better-margin export orders, to support profitability. It expects to sustain ~11%–12% operating margins going forward (vs. earlier threshold of ~10%-11%).
- The increase in retail sales contribution to ~59% (vs. ~51% earlier) has also aided profitability. It is not losing market share, but is instead prioritizing disciplined growth within its available capital.
- The improvement in margins is a combination of higher contribution from EHV cables, an increasing share of retail channel sales, and operating leverage, which reduced the fixed cost-to-sales ratio amid higher revenue.
- EHV cables generate operating margins of ~15%, compared with ~10.5% for institutional LV/MV power cables, ~11% for retail sales, and above 11% for exports.
- Increase in inventory is primarily attributable to the Sanand plant, where inventory across raw materials, work-in-progress and finished goods is being built up as part of the commissioning and ramp-up process.
- A temporary rise in finished goods inventory was also due to quarter-end export dispatches, where sales are reversed under accounting standards until the goods are delivered to customers. The metal price fluctuations are not the key driver of the higher inventory levels.

Sanand plant progress

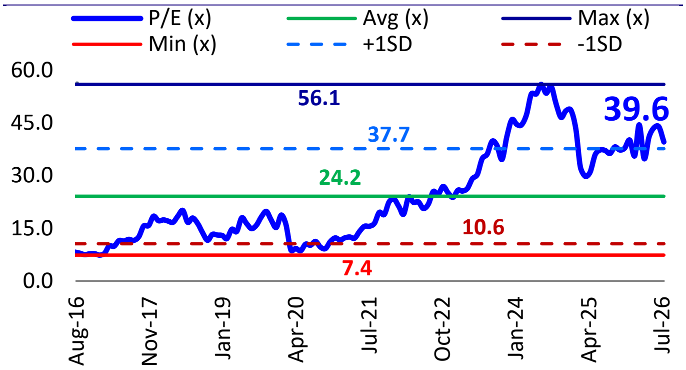
- It expects the Sanand facility to contribute INR15b-20b of revenue in FY27E.
- The Sanand plant is ramping up gradually due to initial challenges related to manpower, machine stabilization, and operational efficiencies. It expects production and utilization to improve progressively on a month-on-month basis.

- It has already invested INR17b in the Sanand facility and plans to spend an additional INR30b. It reiterated its long-term expectation that the facility has the potential to generate INR60b of annual revenue once fully ramped up.
- Under Phase-I of the Sanand project, low-voltage (LV) and medium-voltage (MV) power cables have been completed. The electron beam cable facility became operational in 2QFY27, while the extra-high-voltage (EHV) cable project, including the construction of a 152-metre vertical curing tower, is on track for commissioning by Mar’27.
- With the full Sanand project expected to be operational by FY28, it expects the facility to achieve 70%–75% capacity utilization next year, implying a revenue potential of INR40b.
- Of the facility's long-term INR60b revenue potential, it expects INR13b to come from EHV cables, with the balance contributed by LV/MV power cables and electron beam cables.
- It plans to invest an additional INR1b–2b in balancing equipment after full commissioning, which is expected to increase the plant's revenue potential by INR10b.

Capex and capacity expansion

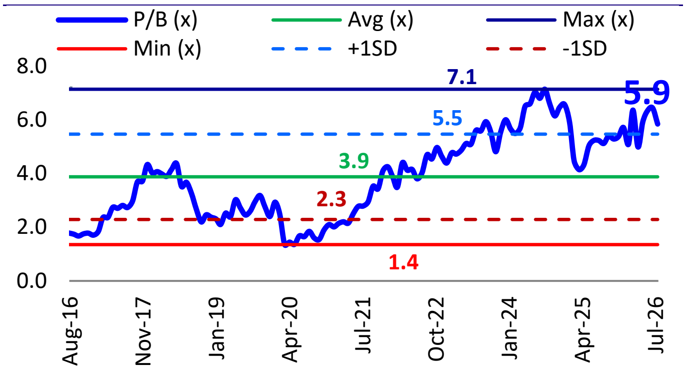
- It incurred capex of INR1.8b in 1QFY27, taking cumulative capex for the Sanand project to INR17.2b as of Jun’27-end. It plans to invest an additional INR3b in 9MFY27. Expects annual capex of INR6b-7b over the next 3-4 years to support future growth.
- The board has approved an INR7b greenfield plant at Salarpur, which is expected to be commissioned over the next two years. The project forms part of the company's ongoing capacity expansion roadmap.
- Of the planned FY27 capex, INR3b will be spent on completing the Sanand project, while INR3b–3.5b will be deployed towards the Salarpur facility. The balance investment in Salarpur will be incurred in FY28, alongside investments for another expansion project, likely at Vadodara or an existing manufacturing location.
- The planned INR7b annual capex will primarily be directed towards expanding low-and medium-voltage (LV/MV) cable capacity. Any future expansion in extra-high-voltage (EHV) cables will be undertaken at the Sanand facility by adding production lines as demand scales up.
- The company’s gross debt stood at INR2.0b vs. INR1.9b as of Mar’26. Cash & bank balance (incl. unutilized QIP proceeds of INR3.0b) stood at INR10.5b vs. INR15.1b as of Mar’26. Net cash balance (ex-acceptances) stood at INR2.9b vs. INR5.9b in Mar’26.

Exhibit 7: One-year forward P/E chart



Source: MOFSL, Company

Exhibit 8: One-year forward P/B chart



Source: MOFSL, Company

Financials and valuations (Consolidated)

Income Statement								(INR M)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Net Sales	**41,815**	**57,270**	**69,082**	**81,041**	**97,359**	**1,17,478**	**1,40,730**	**1,73,099**
Change (%)	(14.4)	37.0	20.6	17.3	20.1	20.7	19.8	23.0
EBITDA	**4,605**	**5,887**	**7,020**	**8,375**	**9,910**	**12,407**	**15,805**	**20,046**
% of Net Sales	11.0	10.3	10.2	10.3	10.2	10.6	11.2	11.6
Depreciation	578	555	571	614	701	912	1,256	1,608
Interest	573	404	347	439	556	641	881	947
Other Income	201	146	318	490	718	1,586	1,246	1,343
PBT	**3,655**	**5,075**	**6,420**	**7,813**	**9,370**	**12,439**	**14,914**	**18,834**
Tax	921	1,315	1,647	2,002	2,406	3,139	3,763	4,753
Rate (%)	25.2	25.9	25.7	25.6	25.7	25.2	25.2	25.2
Extra-ordinary Inc.(net)	-	-	-	2	-	(116)	-	-
Reported PAT	**2,734**	**3,760**	**4,773**	**5,813**	**6,964**	**9,184**	**11,150**	**14,081**
Change (%)	5.7	37.5	26.9	21.8	19.8	31.9	21.4	26.3
Adjusted PAT	**2,734**	**3,760**	**4,773**	**5,811**	**6,964**	**9,271**	**11,150**	**14,081**
Change (%)	5.7	37.5	26.9	21.7	19.9	33.1	20.3	26.3

Balance Sheet								(INR M)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	180	180	180	180	191	191	191	191
Reserves	17,597	21,175	25,711	31,302	57,666	66,458	77,035	90,543
Net Worth	**17,776**	**21,355**	**25,892**	**31,483**	**57,858**	**66,649**	**77,226**	**90,734**
Loans	2,850	3,314	1,353	1,342	1,783	1,862	1,562	1,162
Deferred Tax Liability	296	294	266	273	304	255	255	255
Capital Employed	**20,922**	**24,963**	**27,511**	**33,098**	**59,945**	**68,767**	**79,044**	**92,151**
Gross Fixed Assets	6,631	7,733	8,668	11,312	14,240	22,085	30,254	36,730
Less: Depreciation	1,869	2,424	2,995	3,608	4,310	5,221	6,477	8,085
Net Fixed Assets	**4,761**	**5,309**	**5,673**	**7,703**	**9,931**	**16,864**	**23,776**	**28,646**
Capital WIP	71	165	146	1,224	3,855	10,023	7,500	6,500
Investments	9	20	13	16	17	17	17	17
Curr. Assets	**25,295**	**29,776**	**31,870**	**37,636**	**58,543**	**62,656**	**70,487**	**84,955**
Inventory	7,682	10,794	11,023	13,427	17,303	24,008	25,061	30,826
Debtors	13,496	13,955	13,878	15,179	17,972	18,417	25,447	31,300
Cash & Bank Balance	2,212	3,600	5,372	7,004	19,153	15,126	14,166	15,679
Loans & Advances	220	16	24	27	27	25	29	36
Other Current Assets	1,685	1,410	1,573	2,000	4,088	5,080	5,783	7,114
Current Liab. & Prov.	**9,214**	**10,307**	**10,191**	**13,482**	**12,401**	**20,793**	**22,736**	**27,966**
Creditors	7,414	7,626	7,482	10,079	7,792	13,346	15,987	19,665
Other Liabilities	1,658	2,538	2,469	3,106	4,223	6,963	6,169	7,588
Provisions	142	143	240	296	387	484	580	713
Net Current Assets	**16,081**	**19,469**	**21,679**	**24,155**	**46,142**	**41,863**	**47,750**	**56,989**
Application of Funds	**20,922**	**24,963**	**27,511**	**33,098**	**59,945**	**68,767**	**79,044**	**92,151**

Financials and valuations (Consolidated)

Ratios

Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Basic (INR)								
Adjusted EPS	**30.4**	**41.7**	**52.9**	**64.4**	**72.9**	**97.0**	**116.6**	**147.3**
Growth (%)	5.3	37.2	26.8	21.7	13.2	33.1	20.3	26.3
Cash EPS	36.9	47.9	59.3	71.2	80.2	106.5	129.8	164.1
Book Value	197.8	237.0	287.1	348.9	605.5	697.2	807.8	949.1
DPS	2.0	2.5	3.0	3.5	3.6	3.8	5.0	5.0
Payout (incl. Div. Tax.)	6.6	6.0	5.7	4.8	6.0	4.6	5.1	4.1
Valuation (x)								
P/Sales	11.8	8.7	7.2	6.1	5.4	4.5	3.7	3.0
P/E	180.7	131.8	103.9	85.4	75.4	56.7	47.1	37.3
Cash P/E	149.2	114.8	92.8	77.2	68.5	51.6	42.4	33.5
EV/EBITDA	107.4	84.1	70.1	58.6	51.3	41.3	32.5	25.5
EV/Sales	11.8	8.6	7.1	6.1	5.2	4.4	3.6	3.0
Price/Book Value	27.8	23.2	19.2	15.8	9.1	7.9	6.8	5.8
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Profitability Ratios (%)								
RoE	16.6	19.2	20.2	20.3	15.6	14.9	15.5	16.8
RoCE	16.0	17.7	19.2	20.3	15.9	15.2	16.0	17.3
RoIC	17.2	19.7	22.1	24.0	20.5	18.2	18.4	19.5
Turnover Ratios								
Debtors (Days)	118	89	73	68	67	57	66	66
Inventory (Days)	67	69	58	60	65	75	65	65
Creditors. (Days)	65	49	40	45	29	41	41	41
Asset Turnover (x)	2.0	2.3	2.5	2.4	1.6	1.7	1.8	1.9
Leverage Ratio								
Net Debt/Equity (x)	0.0	(0.0)	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)

Cash Flow Statement **(INR M)**

Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
PBT before EO Items	**3,654**	**5,075**	**6,420**	**7,811**	**9,370**	**12,323**	**14,914**	**18,834**
Add : Depreciation	578	555	571	614	701	912	1,256	1,608
Interest	554	404	347	439	556	641	881	947
Less : Direct Taxes Paid	903	1,247	1,776	2,045	2,261	2,688	3,763	4,753
(Inc)/Dec in WC	2,420	2,505	349	689	8,227	2,424	6,849	7,725
Others	76	4	(74)	(24)	(461)	(365)	(1,246)	(1,343)
CF from Operations	**1,539**	**2,286**	**5,139**	**6,105**	**(322)**	**8,400**	**5,193**	**7,569**
(Inc)/Dec in FA	(240)	(597)	(979)	(4,005)	(6,977)	(12,536)	(5,645)	(5,477)
Free Cash Flow	**1,299**	**1,688**	**4,160**	**2,100**	**(7,299)**	**(4,136)**	**(452)**	**2,092**
(Pur)/Sale of Investments	952	(8)	(547)	265	(8,329)	7,956	-	-
Others	51	23	158	214	298	1,070	1,246	1,343
CF from Investments	**763**	**(583)**	**(1,368)**	**(3,526)**	**(15,007)**	**(3,510)**	**(4,400)**	**(4,134)**
(Inc)/Dec in Net Worth	79	56	20	11	20,011	11	-	-
(Inc)/Dec in Debt	(714)	666	(1,961)	(9)	441	79	(300)	(400)
Less : Interest Paid	471	404	347	439	556	641	881	947
Dividend Paid	180	224	271	281	418	430	574	574
Others	-	(408)	-	(225)	(292)	-	-	-
CF from Fin. Activity	**(1,286)**	**(314)**	**(2,559)**	**(942)**	**19,185**	**(982)**	**(1,755)**	**(1,921)**
Inc/Dec of Cash	**1,016**	**1,389**	**1,211**	**1,637**	**3,856**	**3,908**	**(961)**	**1,513**
Add: Beginning Balance+FD	1,196	2,211	4,160	5,368	15,297	11,219	15,127	14,166
Closing Balance	**2,212**	**3,600**	**5,372**	**7,004**	**19,153**	**15,127**	**14,166**	**15,679**

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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