

December 30, 2011

Shri Anil Gupta

Chairman & Managing Director

KEI Industries Limited

D-90, Okhla Industrial Area, Phase-I,

New Delhi-110020

Dear Sir,

Corporate Governance Rating – Annual Surveillance

This has reference to annual surveillance of the rating of the Corporate Governance practices of KEI Industries Limited.

2. Our Rating Committee has reaffirmed the rating of '**CARE CGR 3**' (**Three**) to the Corporate Governance practices of your company. In CARE's opinion, the company has adopted corporate governance practices which would provide its stakeholders **adequate** level of comfort on the degree of corporate governance. CARE's CGR rating is however not a certificate on statutory compliance and is not a recommendation to buy or sell securities issued by the entity.
3. Our symbols and definitions for Corporate Governance Ratings are given in the **Annexure**. The rationale for the rating will be communicated to you separately.
4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/ withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.

6. CARE ratings are not recommendations to buy, sell, or hold any security.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,
Yours faithfully,



(Kapil Sachdeva)
AGM



(Shilpi Ambwani)
Dy. Manager

Encl: A/a

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/ instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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RATING SYMBOLS & DEFINITIONS

CARE's Rating Scale for Corporate Governance Rating (CGR)

CARE CGR 1: In CARE's opinion, the company has adopted corporate governance practices which would provide its stakeholders **highest** comfort on the degree of corporate governance. CARE's CGR rating is however not a certificate on statutory compliance and is not a recommendation to buy or sell securities issued by the entity.

CARE CGR 2: In CARE's opinion, the company has adopted corporate governance practices which would provide its stakeholders **high** level of comfort on the degree of corporate governance. CARE's CGR rating is however not a certificate on statutory compliance and is not a recommendation to buy or sell securities issued by the entity.

CARE CGR 3: In CARE's opinion, the company has adopted corporate governance practices which would provide its stakeholders **adequate** level of comfort on the degree of corporate governance. CARE's CGR rating is however not a certificate on statutory compliance and is not a recommendation to buy or sell securities issued by the entity.

CARE CGR 4: In CARE's opinion, the company has adopted corporate governance practices which would provide its stakeholders **moderate** level of comfort on the degree of corporate governance. CARE's CGR rating is however not a certificate on statutory compliance and is not a recommendation to buy or sell securities issued by the entity.

CARE CGR 5: In CARE's opinion, the company has adopted corporate governance practices which would provide its stakeholders **inadequate** level of comfort on the degree of corporate governance. CARE's CGR rating is however not a certificate on statutory compliance and is not a recommendation to buy or sell securities issued by the entity.

CARE CGR 6: In CARE's opinion, the company has adopted corporate governance practices which would provide its stakeholders **poor** level of comfort on the degree of corporate governance. CARE's CGR rating is however not a certificate on statutory compliance and is not a recommendation to buy or sell securities issued by the entity.