

KEI INDUSTRIES LIMITED

Regd. Office: D-90, Okhla Industrial Area, Phase – 1, New Delhi – 110020

CIN: L74899DL1992PLC051527, Tel.: +91-11-26818840, 26818642

Fax: +91-11-26811959, 26817225 Website: www.kei-ind.com

Dear Members,

Pursuant to the provisions of Section 73, 76 and other applicable provisions of the Companies Act, 2013 (herein referred to as “the Act”), if any, read with rules made thereunder, your Company, KEI Industries Limited, has accepted deposits from the Public and Members of the Company. Further, pursuant to the applicable provisions of the Act, a circular in the Form DPT-1 needs to be circulated with all the Members of the Company, to invite/accept/renew/deposits from the members of the Company. Attached herewith is the Circular in the Form of advertisement for inviting Deposits for your perusal.

**For and on behalf of Board of Directors
M/s KEI Industries Limited**

Date : 10th May, 2017

Place: New Delhi

Sd/-
(Kishore Kunal)
Company Secretary

FORM DPT-1 CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

*[Pursuant to section 73 (2)(a) and section 76 and rule 4(1) and 4(2) of the Companies
(Acceptance of Deposits) Rules, 2014]*

1. GENERAL INFORMATION		
a.	Name of the Company	KEI INDUSTRIES LIMITED (CIN:L74899DL1992PLC051527)
	Address	D-90, Okhla Industrial Area, Phase-1, New Delhi-110020
	Website	www.kei-ind.com
	Contact details	Tel.: +91-11-26818840, 26818642 Fax: +91-11-26811959, 26817225
b.	Date of incorporation of the Company	31 st December, 1992
c.	Business carried on by the Company and its subsidiaries with the details of branches or units, if any	<p>The Company carries on the business of manufacturing of EHV / HT & LT Power, Control & Instrumentation Cables, House Wire, Winding Wire, Flexible Wire and Stainless Steel Wires and execution of Engineering Procurement and Construction Projects on turnkey Basis. The Company has its factory located:</p> <p>Unit-I: at SP-919, 920 & 922, RIICO Industrial Area, Phase - III, Bhiwadi, (Rajasthan) - 301 019</p> <p>Unit-II: at 99/2/7, Madhuban Industrial Estate, Rakholi, Silvassa (D & H)-396 240</p> <p>Unit-III: Plot No. A-280-284, RIICO Industrial Area, Chopanki, Dist. Alwar (Rajasthan) - 301 019.</p> <p>Name of Subsidiary: KEI Cables Australia Pty Ltd. Address : Tellam & Cassady, 141 Warry Street, Fortitude Valley, QLD, 4006 Nature of Business: Bid Contracts for Cable Supply and Turnkey Projects and EPC</p>

		The Company has its Regional and Marketing offices in major cities inter alia at Mumbai, Kolkata, Chennai, Bengaluru, Pune, Baroda, Chandigarh etc and Overseas office at Dubai and Singapore.		
d.	Brief Particulars of the Management of the Company	The Company is managed by the Chairman-cum- Managing Director under the supervision, directions and control of the Board of Directors.		
e.	Name, addresses, DIN and occupations of the Directors			
	Name	Address	DIN	Occupation
1	Mr. Anil Gupta (Chairman-cum-Managing Director)	N-2, Kailash Colony, New Delhi-110048	00006422	Industrialist
2	Mrs. Archana Gupta (Non-Independent, Non-Executive)	N-2, Kailash Colony, New Delhi - 110048	00006459	Business
3	Mr. Akshit Diviaj Gupta (Director)	A-7, Puspanjali Farm, Bijwasan, South West, Delhi-110061	07814690	Business
4	Mr. Pawan Kumar Bholusaria (Independent, Non- Executive)	26/11, Shakti Nagar, New Delhi - 110007	00092492	Chartered Accountant
5	Mr. Kishan Gopal Somani (Independent, Non- Executive)	163, Tagore Park, New Delhi - 110009	00014648	Chartered Accountant
6	Mr. Vijay Bhushan (Independent, Non- Executive)	B-5, Swasthya Vihar, New Delhi - 110092	00002421	Business
7	Mr. Vikram Bhartia (Independent, Non- Executive)	271/2, Forest Lane, Neb Sarai, Extn, New Delhi - 110068	00013654	Business
8	Mr. Rajeev Gupta (Non-Independent, Executive)	D-269, Anand Vihar, Delhi- 110092	00128865	Service
f.	Management’s perception of risk factors	<p>KEI Industries Limited is reputed name in the Cables & Wires Industry and carrying on its business since 1968 (formerly known as “Krishna Electricals Industries”). The Company is Listed at BSE, NSE, CSE. The Company has adequate surplus for timely repayment of fixed deposits.</p> <p>The deposit being unsecured in nature, but the Company has proven track record in servicing the depositors till date, without any default either in repayment of deposit or payment of interest thereon. As per Section 73(2)(c) of the Companies Act, 2013, the Company has deposited 15% of the amount of deposits maturing during current and next following financial year in a separate deposit repayment reserve account maintained with a scheduled bank, which ensure a very less risk factor.</p> <p>However, due to any slowdown in demand, change in domestic or international economic conditions or government policies or occurrence of any force majeure, Company’s cash flows may get impacted.</p>		
g.	Details of default, including the amount involved, duration of default and present status, in repayment of			
i.	Statutory dues	NIL		
ii.	Debentures and interest thereon	N.A		
iii.	Loan from any bank or financial institution and interest thereon	NIL		

2. PARTICULARS OF THE DEPOSIT SCHEME			
a.	Date of passing of Board Resolution	10 th May, 2017	
b.	Date of passing of resolution in the general meeting authorizing the invitation of such deposits	19 th September, 2014	
c.	Type of deposits, i.e., whether secured or unsecured	Unsecured	
d.	Amount which the Company can raise by way of deposits as per the Act and the rules made thereunder	From Shareholders : ₹ 462.01 Millions From Others : ₹ 1,155.03 Millions	
	Aggregate of deposits actually held on the last day of the immediately preceding financial year	₹ 62.01 Millions (as on 31 st March, 2017)	
	Aggregate of deposits actually held as on date of issue of circular or advertisement	₹ 77.31 Millions (as on 10 th May, 2017)	
	Amount of deposit proposed to be raised	₹ 100.00 Millions	
	Amount of deposit repayable within the next twelve months	₹ 1.20 Millions (FY 2017-18)	
e.	Terms of raising of deposits: Duration, Rate of interest, Mode of payment and repayment		
SCHEME – I: FIXED DEPOSIT SCHEME			
	Duration	Rate of Interest (P.A)	Mode of Payment
	1 Year / 2 Years / 3 Years	9.00%	Cheque
f.	Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid		
	Date of opening of the Scheme	from the date of publishment of circular (DPT-1) in newspaper (after thirty days of filing of circular (DPT-1) with the Registrar of Companies).	
	Time period for which the circular or advertisement is valid	till 30 th September, 2018 or till the date of next Annual General Meeting of the Company to be held in FY 2017-18, whichever is earlier.	
g.	Reasons or objects of raising the deposits	For meeting short term / working capital requirement of the Company.	
h.	Credit rating obtained		
	Name of the Credit Rating Agency	a) ICRA Limited (ICRA) b) Credit Analysis & Research Ltd (CARE)	
	Rating Obtained	a) [ICRA] MA from ICRA b) CARE A-(FD) [Single A Minus (Fixed Deposit)] from CARE	
	Meaning of the rating obtained	Instrument with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.	
	Date on which rating was obtained	a) 8 th August, 2016 from ICRA b) 01 st August, 2016 from CARE	

i.	Extent of deposit insurance,; Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc	The Ministry of Corporate Affairs vide Notification dated 29 th June, 2016 has permitted the Companies to accept deposits without deposit insurance contract till 31 st March, 2017 or till the availability of deposit insurance product, whichever is earlier through insertion of a proviso to rule 5 (1) of the Companies (Acceptance of Deposit) Rules, 2014. However the Company undertakes to provide the necessary insurance for deposits once the deposit insurance product made available in the market.		
j.	Short particulars of the charge created or to be created for securing such deposits, if any	N.A		
k.	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons	Directors and their Relatives have invested in the Deposit Scheme of the Company, however their interest is at par and rank pari passu with the interest of other Depositors of the Company.		
3. DETAILS OF ANY OUTSTANDING DEPOSITS				
a.	Amount Outstanding	NIL		
b.	Date of acceptance			
c.	Total amount accepted			
d.	Rate of Interest			
e.	Total number of depositors			
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved			
g.	Any waiver by the depositors, of interest accrued on deposits			
4. FINANCIAL POSITION OF THE COMPANY				
a.	Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement			
(₹ in Millions)				
Particulars		Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Profit/(Loss) Before Tax		1,337.73	953.44	528.80
Profit/(Loss) After Tax		986.35	622.02	342.50
b.	Dividends declared by the company in respect of the said three financial years; Interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid)			
Particulars		Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Dividend Proposed/Declared (₹ in Millions)		46.68	38.62	30.89
Interest coverage ratio		2.09	1.75	1.44
c.	A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement			
(₹ in Millions)				
LIABILITIES		As at 31.03.2017	As at 31.03.2016*	As at 31.03.2015
Shareholder's Fund				
Share Capital		155.59	154.47	154.47

(₹ in Millions)			
LIABILITIES	As at 31.03.2017	As at 31.03.2016*	As at 31.03.2015
Reserves and Surplus	4,578.96	3,511.77	2,884.03
Non Current Liabilities	2,119.11	2,283.95	1,476.28
Current Liabilities	11,256.10	8,679.09	8,902.59
TOTAL	18,109.76	14,629.28	13,417.37
ASSETS			
Non Current Assets:			
Fixed Assets	4,085.67	3,572.73	3,024.72
Non-Current Investment	31.12	31.12	31.36
Long Term Loans and Advances	47.65	222.21	48.59
Current Assets	13,945.32	10,803.22	10,312.70
TOTAL	18,109.76	14,629.28	13,417.37
d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement			
(₹ in Millions)			
	As at 31.03.2017	As at 31.03.2016*	As at 31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and Extraordinary items	1,337.73	953.44	528.80
Adjustments for :			
Depreciation	280.44	252.86	245.85
Dividend received	(0.04)	(0.08)	(0.03)
(Profit)/Loss on Investment	-	(0.04)	(0.77)
Financial Charges	1,229.25	1,269.74	1,203.98
Amortisation of Employee Compensation	56.08	38.79	-
Provision for leave encashment/ Gratuity	16.56	11.29	14.04
FCMITDA Written Off / (Back)	8.59	29.12	30.32
Fixed Assets written off	1.71	1.69	0.67
Profit/Loss on sale of Assets	0.36	(0.17)	1.51
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,930.68	2,556.64	2,024.37
Adjustments for :			
Trade & Other Receivables	(2,069.30)	(658.86)	(710.39)
Inventories	(764.56)	178.49	(371.79)
Trade & Other Payables	245.71	(28.50)	1,128.98
Cash Generated from operations	342.53	2,047.77	2,071.17
Direct Taxes paid	(304.22)	(196.11)	(92.43)
Cash flow before Extraordinary items	38.31	1,851.66	1,978.74
Net Cash from operating activities	38.31	1,851.66	1,978.74

(₹ in Millions)			
	As at 31.03.2017	As at 31.03.2016*	As at 31.03.2015
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets and other capital expenditure	(623.58)	(976.67)	(167.97)
Sale of Fixed Assets	6.51	1.29	1.37
Sale of Investment	-	0.28	0.77
Purchase of Investment (₹ 5,164)**	-	(0.00)**	(0.44)
Dividend Received	0.04	0.08	0.03
Net Cash from investing activities	(617.03)	(975.02)	(166.24)
(C) CASH FLOW FROM FINANCIAL ACTIVITIES			
Long term borrowings (Banks)	(348.07)	(426.97)	(336.98)
Long term borrowings (Others)	(190.00)	875.35	484.65
Finance lease liabilities (Net)	5.87	13.58	9.51
Inter corporate & other deposits (Net of repayments)	270.14	40.97	(44.09)
Working capital facilities from banks	2,408.95	(61.85)	(706.99)
Issue of Equity Share Capital	19.60	-	4.75
Financial Charges	(1,229.25)	(1,269.74)	(1,203.98)
Dividend paid	(38.62)	(30.89)	(15.45)
Tax on Dividend	(7.86)	(6.29)	(2.62)
Net Cash from Financing Activities	890.76	(865.84)	(1,811.20)
Net Change In Cash And Cash Equivalents (A+B+C)	312.04	10.80	1.30
Cash & Cash Equivalents as at 1st April (Opening Balance)	57.67	46.87	45.57
Cash & Cash Equivalents as at 31st March (Closing Balance)	369.71	57.67	46.87
*Previous Years figures have been regrouped and rearranged whenever necessary			
e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company.	<p>There is no change in the accounting policies. However, there has been following changes in Accounting Standard and estimates with respect to contracts:</p> <p>(a) The Board of Directors of the company has recommended a dividend of ₹ 0. 60/- per equity share on the Equity shares of face value of ₹ 2/- each. The dividend, if declared at the ensuing Annual General Meeting, will result in cash outflow of ₹ 46.68 Millions.</p> <p>During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 – ‘Contingencies and Events Occurring after the Balance Sheet date’ (AS 4). However, as per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/declared after the balance sheet date.</p> <p>Consequently, no provision has been made in respect of the aforesaid dividend by the Board of Directors for the year ended March 31, 2017. Had the Company continued the creation of provision for proposed dividend, as at the balance sheet date, its balance in Surplus would have been lower by ₹ 56.18 Millions and Short Term provision would have been higher by ₹ 56.18 Millions (including dividend distribution tax of ₹ 9.50 Millions).</p>		

	(b) Upto March 31, 2016, in respect of contracts wherein the minimum progress of 25% has not been achieved, the Company was not recognising profit on those contracts. During the quarter, the Company has changed this estimate to 10% instead of 25% keeping in view experience of Company in executing the contracts and nature of contracts. This has resulted in increase in Profit before Tax by ₹ 3.82 Millions and increase in Revenue by ₹ 3.82 Millions for the year and quarter ended on March 31, 2017.
5.	A DECLARATION BY THE DIRECTORS THAT
a.	the Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;
b.	the board of directors have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that the Company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
c.	the Company has complied with the provisions of the Act and the rules made thereunder;
d.	the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
e.	the deposits accepted by the company before the commencement of the Act have been repaid in full on or before 31.03.2015;
f.	in case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty;
g.	the deposits shall be used only for the purposes indicated in the circular or circular in the form of advertisement;
h.	the deposits accepted by the Company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the Company.

Sd/-
(Anil Gupta)
 Chairman-cum-Managing Director
 DIN : 00006422
 Add : N-2, Kailash Colony,
 New Delhi-110048

Sd/-
(Archana Gupta)
 Director
 DIN : 00006459
 Add : N-2, Kailash Colony,
 New Delhi-110048

Sd/-
(Akshit Diviaj Gupta)
 Director
 DIN : 07814690
 Add : A-7, Puspanjali Farm, Bijwasan,
 South West, Delhi-110061

Sd/-
(Vijay Bhushan)
 Director
 DIN : 00002421
 Add : B - 5, Swasthya Vihar,
 Delhi- 110092

Sd/-
(Pawan Kumar Bholusaria)
 Director
 DIN : 00092492
 Add : 26/11 Shakti Nagar,
 New Delhi-110007

Sd/-
(Vikram Bhartia)
 Director
 DIN : 00013654
 Add : 271/2, Forest Lane, Neb Sarai Extn.
 New Delhi-110068

Sd/-
(Rajeev Gupta)
 Executive Director (Finance) & CFO
 DIN : 00128865
 Add : D-269, Anand Vihar
 Delhi-110092

Place: New Delhi
Date: 10th May, 2017

