

# KEI

Wires and Cables  
The power behind the power\*



Performance



Potential



Possibilities

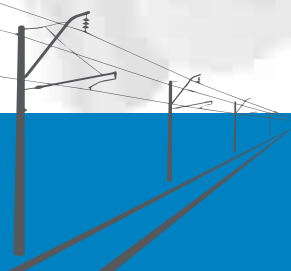
POWERING  
OUR WAY  
TO GREATER  
STRENGTH

Annual Report  
2015-16



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# Corporate Information

## BOARD OF DIRECTORS

Mr. Anil Gupta  
*Chairman-cum-Managing Director*

Mrs. Archana Gupta  
*Director*

Mr. Pawan Kumar Bholusaria  
*Director*

Mr. K.G. Somani  
*Director*

Mr. Vijay Bhushan  
*Director*

Mr. Vikram Bhartia  
*Director*

Mr. Rajeev Gupta  
*Executive Director (Finance) & CFO*

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kishore Kunal

## AUDITORS

M/s. Jagdish Chand & Co.,  
*Chartered Accountants,*  
New Delhi

## BANKERS

Dena Bank

Punjab National Bank

State Bank of India

State Bank of Hyderabad

Kotak Mahindra Bank Ltd

ICICI Bank Ltd

State Bank of Patiala

State Bank of Bikaner and Jaipur

Indian Overseas Bank

Corporation Bank

IDBI Bank Ltd

Bank of India

DCB Bank Ltd

The Lakshmi Vilas Bank Ltd

United Bank of India

Standard Chartered Bank

## SHARE TRANSFER AGENT

MAS Services Ltd.  
T-34, 2nd Floor  
Okhla Industrial Area, Phase - II  
New Delhi - 110 020

CIN: U74899DL1973PLC006950

Ph: +91-11-26387281/82/83

Fax: +91-11-26387384

Email: info@masserv.com

Website : [www.masserv.com](http://www.masserv.com)

## CORPORATE & REGISTERED OFFICE

D-90 Okhla Industrial Area  
Phase - I, New Delhi - 110 020

CIN: L74899DL1992PLC051527

Ph: +91-11-26818840/8642

Fax: +91-11-26811959/7225

Email: cs@kei-ind.com

Website: [www.kei-ind.com](http://www.kei-ind.com)

## KEY MANAGEMENT PERSONNEL

Mr. N.N. Suri  
*Executive Director (Corporate Strategy)*

Mr. Arvind Shrowty  
*Executive Director (EHV)*

Mr. Lalit Sharma  
*COO*

Mr. S.L. Kakkar  
*President*

Mr. P.K. Aggarwal  
*Sr. Vice President (Corporate)*

Mr. Manoj Kakkar  
*Sr. Vice President (Marketing)*

Mr. K.C. Sharma  
*Sr. Vice President (Operation)*

Mr. Manish Mantri  
*Sr. Vice President (EPC)*

Mr. Dilip Barnwal  
*Vice President (Operation-Silvassa)*

Mr. N.K. Bajaj  
*Vice President (Marketing-Wires & Flexibles)*

Mr. Naval Singh Yadav  
*Vice President (Technical)*

Mr. Pawan Kumar Jain  
*Vice President (EPC)*

Mr. Keshav K. Mitra  
*Sr. GM (Sales & Marketing)*

Mr. Deepak Manchanda  
*Sr. GM (Business Development)*

Mr. Alok Saha  
*Sr. GM (Marketing)*

Mr. M.V. Gananath  
*Sr. GM (Sales & Marketing)*

Mr. Anand Kishore  
*Sr. GM (HR & Admin.)*

Mr. Akshit Diviaj Gupta  
*GM (Business Development)*

Mr. S.N. Hashmi  
*GM (Commercial)*

Mr. Ajay Mehra  
*GM (Works-Bhiwadi)*

Mr. Umesh B. Kank  
*GM (Marketing)*

Mr. Adarsh Jain  
*GM (Finance)*

Mr. Ashok Kumar Mittal  
*GM (QA)*

Mr. Shashikant Sharma  
*GM (EPC)*

Mr. Gaurav Sahi  
*Head (Corporate Communication)*

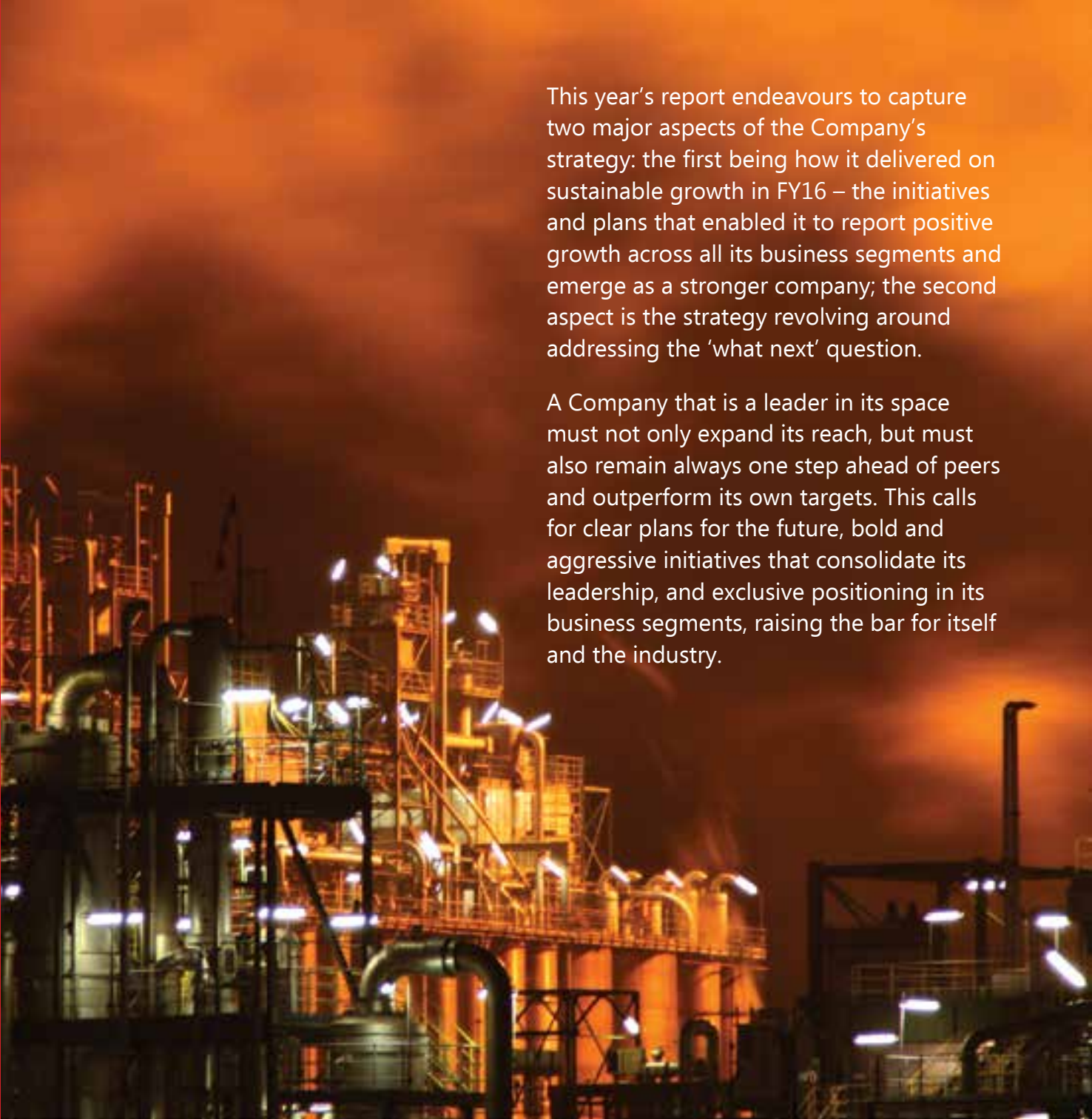
Mr. K.D. Tamhankar  
*GM (International Marketing)*

Mr. Kunal Gupta  
*GM (International Marketing)*

## WORKS OFFICE

- SP-919-920, 922  
RIICO Industrial Area,  
Phase-III, Bhiwadi,  
Dist. Alwar (Rajasthan) - 301 019.
- 99/2/7 Madhuban Industrial Estate,  
Village Rakholi,  
Silvassa (D&H) - 396 240.
- Plot No. A- 280-284,  
RIICO Industrial Area, Chopanki,  
Dist. Alwar (Rajasthan) - 301 019.





This year's report endeavours to capture two major aspects of the Company's strategy: the first being how it delivered on sustainable growth in FY16 – the initiatives and plans that enabled it to report positive growth across all its business segments and emerge as a stronger company; the second aspect is the strategy revolving around addressing the 'what next' question.

A Company that is a leader in its space must not only expand its reach, but must also remain always one step ahead of peers and outperform its own targets. This calls for clear plans for the future, bold and aggressive initiatives that consolidate its leadership, and exclusive positioning in its business segments, raising the bar for itself and the industry.

# KEI IS ON COURSE TO A BRIGHTER AND MORE POWERFUL TOMORROW.



## KEI is one such Company.

From powering its way to greater strength, as evident from its 15 per cent overall value growth, to accelerating the momentum in some of its business segments, as manifest in the robust double-digit growth numbers, KEI has established its presence, positioning and performance in a short period of time.

The Company has tapped opportunities in its business spaces to scale up and offer exclusivity through new products and solutions. (reference to 400 KV EHV and new EPC project for Banaras). It has put in place strong levers of growth that map and address tomorrow's prospects and also translate plans into solid actionable priorities.

Armed with a triple 'P' combination of performance (proven), potential (for further growth), and possibilities (that are huge in each of the segments of presence – retail, EHV, EPC, speciality cables, exports), KEI is on course to a brighter and more powerful tomorrow.

It is such a tomorrow that we want to share with all our stakeholders, who have brought us so far and who will support us as we venture into new horizons.



# KEI Industries Limited at a glance

KEI INDUSTRIES (KEI OR THE COMPANY) IS INDIA'S LEADING MANUFACTURER OF WIRE AND CABLE SOLUTIONS, SERVING CLIENTS ACROSS SECTORS AND AROUND THE WORLD.



'The Power behind the Power', KEI delivers an extensive range of cabling solutions that include manufacturing and marketing of Extra-High Voltage (EHV), Medium Voltage (MV) and Low Voltage (LV) power cables. With domain experience and expertise in the EHV cables segment, the Company has also successfully forayed into the next step of Engineering, Procurement and Construction (EPC) services for power transmission projects.

Continuous product innovation and high-performance solutions has enabled KEI to establish itself as the preferred supplier for a large number of clients in the private and public sectors. The Company serves the retail as well as the institutional segments, offering a one-stop shop for products and services. A strong presence both in domestic and international markets has further diversified and de-risked KEI's business model.

## Product Breadth

OUR EXTENSIVE OFFERINGS ENABLE US TO SERVE OUR CLIENTS WITH SOLUTIONS THAT MATCH THEIR EXACT REQUIREMENTS.

- Extra-High Voltage Cables up to 220 KV (400 KV under implementation)
- High & Medium Voltage Cables
- Low-Tension Cables
- Control & Instrumentation Cables
- Speciality Cables
- Rubber Cables
- Flexible & House Wires
- Submersible Cables
- PVC/Poly-Wrapped Winding Wires
- Stainless Steel Wires
- Engineering, Procurement and Construction

## Sectors Served

OUR DIVERSE RANGE OF END MARKETS AND INDUSTRIAL APPLICATIONS HELP TO INSULATE THE COMPANY FROM SEASONAL AND CYCLICAL DEMAND.

- Power
- Oil Refineries
- Railways
- Automobiles
- Cement
- Steel
- Fertilisers
- Textile
- Real Estate





## Manufacturing Prowess

### Strong foundation for the future



Our state-of-the-art manufacturing plants are the backbone of our performance. These plants, located at Bhiwadi, Chopanki (Rajasthan) and Silvassa (Dadra and Nagar Haveli), are equipped with flexible manufacturing systems that can respond quickly to the rapidly changing market and produce high quality products at cost-effective prices. To seize the growing opportunities in power, core infrastructure, industrial, building and construction segments across India, we have also expanded our capacities in line with the evolving market environment.

#### MANUFACTURING CAPACITIES

- 700 km of EHV cables
- 5,700 km of HT cables
- 76,700 km of LT cables, control cables, power cables, instrumentation cables, rubber cables
- 3,75,000 km of winding, flexibles & house wires
- 4,800 MT of stainless steel wire

## Research and Development

### Re-energising offerings, remaining connected



With the overarching objective of developing products that resonate with customers' requirements, KEI remains devoted to research and development. Our state-of-the-art R&D facility and laboratory, accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), sharpens our focus.

Consistently seeking to set higher quality benchmarks, we rigorously adopt best practices. Aligned to this, third-party inspection of the products, by an inspector appointed by the client, is done before supplies are despatched. With excellence in all offerings sine qua non for our customer commitment, we are continuously investing in upgrading our R&D capabilities.





## People Power

### Accelerators of our performance



People power – words that sum up our belief in our people, and in our potential. As a Company, we are respected for excellence in products, services and operations. And we firmly believe it is the quality of our workforce that helps us to deliver on this promise. In fact, their passion, persistence and professionalism have had a multiplier effect on our performance. Their commitment is a sustainable advantage, and is a principal reason why we are confident KEI will continue to seize the opportunities tomorrow. A leading, quality-focussed manufacturer, the most reliable, on-time supplier, and a partner of choice – we will continue to be this and more because of our people.

## Quality Certifications

### Right products, Right practices



Our products are tested as per international standards by: KEMA (Netherlands), FGH (Germany), TUV (Rheinland), SGS, IRS, ABS, CEIL, BRE (UK), LLOYDS REGISTER, BVQI, DNV, KVERNER POWERGAS, CPRI, SRIRAM TEST HOUSE, ERDA, IDEMI, EIL, PDIL and MECON.

Our quality standards are also certified as per ISO 9001:2000, ISO 9001:2008, OHSAS 18001:2007, OHSAS 14001:2004, ISO/IEC 17025:2005.

## RETAIL BUSINESS

# Growing in a growing market

THE MARKET FOR HOUSEHOLD WIRES AS WELL AS LT AND HT CABLES, WHICH TOGETHER COMPRISE THE RETAIL DIVISION FOR KEI, IS EXPANDING. AND MAKING THE MOST OF THESE ATTRACTIVE OPPORTUNITIES, KEI HAS DELIVERED YET ANOTHER YEAR OF IMPRESSIVE GROWTH IN THIS SEGMENT.

And while growing, we have never lost focus on what it takes to be the leader, placing the highest importance on product excellence. For the fourth consecutive year, KEI was awarded the Super brand status, a testimony to our consistent ability to deliver quality products.

TO PUT IT SIMPLY, WE ARE SWIFTLY GAINING MARKET SHARE IN A MARKET THAT CONTINUES TO GROW. IN FY 16, OUR RETAIL DIVISION GREW BY 13% TO ₹ 721 CRORE FROM ₹ 635 CRORE IN THE PREVIOUS YEAR.



## How we increased our retail business

Increasing the share of our retail business is an essential element of our growth strategy. Apart from exciting opportunities, this segment gets a further fillip due to low working capital requirements driven by faster realisations and low inventory of finished goods requisition.

During the year, we scaled higher levels of growth through intensifying activities under three broad verticals, as explained below:

### DRIVING DEALER/RETAILER CONNECT

- Introduced several performance-related schemes for incentivising dealers such as gold coin scheme, arranging international trips etc. on reaching pre-defined targets.
- Organised meet-and-greet session of dealers with cricket players from a premier domestic league team.
- Launched SMS scheme for retailers (Faydaka Partner) to authenticate the product.
- Facilitated dealer and channel financing, which has further improved cash flows from this segment.

### ENHANCING DISTRIBUTION NETWORK

- Followed a focussed policy of reaching out to more dealers across the country, especially in tier 1 and tier 2 cities.
- Added 98 dealers and distributors during the year, taking the distribution network strength to 926.

### BUILDING BRAND EQUITY

- Leveraged the reach of cricket to increase brand visibility. KEI was the lead arm sponsor of the Kings XI Punjab IPL cricket team, with the aim of on-ground activation through the medium of this vastly popular tournament.
- Associated with regional exhibitions held by reputable bodies such as The Confederation of Real Estate Developers Association of India (CREDAI).
- Participated in international award events in the Gulf and wider Middle East, South East Asia and Europe, increasing brand visibility.
- Organised electricians' meet on a pan-India basis to reinforce our brand strengths, as they are the vital links for taking KEI household wires to end-consumers.
- Sponsored events in collaboration with key bodies such as PHD Chambers of Commerce and the Confederation of Indian Industry (CII).
- Engaged with retail buyers through electronic and digital media.
- Revamped our website to provide a more engaging online browsing experience.
- Conducted Below-the-Line (BTL) activities to promote products in the mass market.

## CONNECTING TO SUSTAINABLE GROWTH

The external opportunities are immense. Rising urbanisation, government thrust on power, infrastructure and telecommunications, growing automobile industry, and expected revival of the real estate sector driven by higher national growth are positive long-term fundamentals.

As we focus on our strategy for growth, we will further enhance our competitive edge and continue to enhance our revenues from the retail business. Powered by our internal strengths, the target is to generate 50 per cent of our revenues from the retail business within the next 2-3 years. This means a sustainable and well-connected future.

**AS WE FOCUS ON OUR STRATEGY FOR GROWTH, WE WILL FURTHER ENHANCE OUR COMPETITIVE EDGE AND CONTINUE TO ENHANCE OUR REVENUES FROM THE RETAIL BUSINESS.**



**EHV POWER CABLES**

# Competencies that place us at a vantage point

**THE VISION IS CLEAR - TO MAKE THE MOST OF THE BURGEONING OPPORTUNITIES IN THE COVETED EHV CABLE SEGMENT BY ESTABLISHING UNMATCHED SUPREMACIES IN THIS DOMAIN.**

Always focussed on the emerging opportunities, KEI deciphered quickly that EHV cables would soon define the Indian cable industry, given the tremendous advantages of EHV cables over conventional overhead lines for sub-transmission and distribution of power. This inspired us to establish the right competencies to capitalise on this unfolding opportunity. We have obtained the pre-requisite approvals and prequalification norms for EHV cables (66 KV to 220 KV), allowing us to manufacture and sell 220 KV cables from our Chopanki unit.

Our strategic technical collaboration with Switzerland-based Brugg Kabel AG also puts us in a favourable position. A company with over 100 years of experience in serving the world market with high-voltage and maximum-voltage cables (up to a voltage category of 550 KV), Brugg Kabel shares with us sophisticated technology and provides the necessary support for design, process back-up services etc. to make deep inroads into the Indian cable market.



## Bigger opportunities, higher gains

### BIGGER OPPORTUNITIES, HIGHER GAINS

Our present gains, we believe, are only the beginning of more exciting outcomes. Going forward, EHV cables seem to be the only viable option – they can be used underground, and are being increasingly utilised in infrastructure projects, because of the serious right-of-way constraints for overhead cables. Underground lines do not interfere with existing infrastructure – physically or even aesthetically – and they minimise the transmission loss faced in the case of overhead cables. Moreover, driven by rapid urbanisation (As per report prepared by PwC and FICCI, it is expected that by 2025, 69 metropolitan cities in India will have 78 per cent of the urban population), power transmission and distribution will need to satisfy the vital criteria of being economically viable for extension across geographies and being able to support higher loads. On both these parameters, EHV cables score well. The planned development of 100 smart cities in India offers bright prospects for the demand of EHV cables. The government thrust on underground cabling in main cities is now percolating down even to the next level of cities and towns. In addition to the residential and commercial applications, EHV cables are also increasingly being used

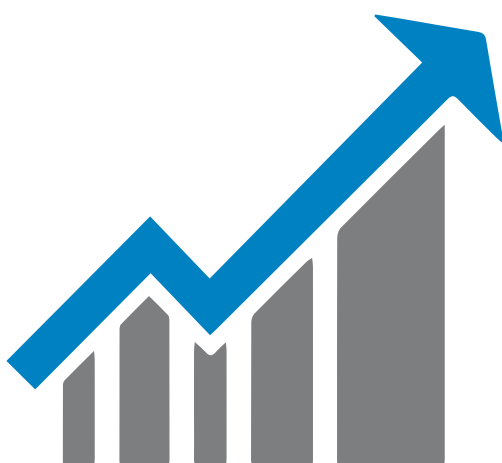
by institutional consumers such as steel, cement, fertiliser factories and oil refineries for their cost-effectiveness.

### ENHANCING COMPETENCIES

All in all, there is a strong case for the demand of EHV cables. And an even stronger case for KEI, as we are doubling our EHV capacity for 220 KV and going a step further, adding one more product line that can manufacture cables up to 400 KV. In fact, we are the first in the Indian industry to foray into the niche segment of 400 KV EHV cables. These are used for underground cabling in large cities with huge load requirements, and this move on our part acts as a strong lever of growth.

### COMPETITIVE FOOTING, FIRM FOOTHOLD

We are well-positioned to extend our advantage in the EHV segment. By moving early, enhancing competencies and expanding our offerings, we are increasingly able to give our customers a more comprehensive range of solutions for modern-day requirements. In doing so, we are poised to achieve growth that outperforms the rest of the market.



**OUR EARLY MOVER ADVANTAGE IS REWARDING US WELL. IN FY 16, THE EHV SEGMENT PERFORMED EXCEEDINGLY WELL, DELIVERING MORE THAN TWO TIMES INCREASE IN ORDERS EXECUTED TO THE TUNE OF ₹ 134 CRORE AS AGAINST ₹ 59 CRORE IN THE PREVIOUS FISCAL.**

## EPC SEGMENT

# Customising solutions, connecting to success

THROUGH OUR EPC (ENGINEERING, PROCUREMENT AND CONSTRUCTION) SEGMENT, WE MEET CLIENT NEEDS THROUGH CUSTOMISED SOLUTIONS. DELIVERING PROJECTS SUCCESSFULLY - SAFELY, ON TIME AND ON BUDGET - WE CONNECT TO THE NEXT LEVEL OF GROWTH.







Our strong competency in the EHV cables segment has enabled our strategic foray into the EPC segment. Execution of power transmission projects (of 66 KV to 400 KV sub-stations) on a turnkey basis, EPC of EHV and HV cable systems, electrical balance-of-plant for power plants and electrical industrial projects comprise the range of services offered under this umbrella. Executing complex projects by deploying sophisticated and specialised technology, coupled with the invaluable insights and expertise of our project teams, has helped us continuously derive high margins. Additionally, through in-house manufactured LT/ HV cables, we are able to drive greater cost-efficiencies as these cables comprise almost 20-25 per cent of an EPC project value.

### **STRONG ORDER BOOK, HIGH GROWTH VISIBILITY**

We are consistently being awarded reputable and large EPC contracts, an endorsement of our effective project execution capabilities. In a noteworthy development during the year, KEI bagged the prestigious order for strengthening of the sub-transmission and distribution network for the city of Banaras. The project has been awarded under the government's Integrated Power Development Scheme. Apart from this project, there are several orders in the pipeline. Better inventory management and higher margin growth in this business, while maintaining better cash flows, are the key benefits we enjoy by undertaking EPC contracts.

### **PROMISING OPPORTUNITIES FOR THE FUTURE**

The government's predominant focus on infrastructure development augurs well for EPC players. Thrust on rural electrification under the 'Deen Dayal Upadhyaya Gram Jyoti Yojana' scheme, with the aim of ensuring continuous power supply to rural India, and on strengthening of sub-

transmission and distribution networks in urban areas are also expected to offer encouraging prospects. Other EPC opportunities would also arise from performance improvement projects such as measures announced to reduce aggregate, technical and commercial (AT&C) losses. With these industry developments gaining momentum, we are confident that our reputation as a leading EPC player in power transmission and distribution positions us well to benefit from the projects that should follow. In the journey ahead, we foresee increase in our order inflow, higher capacity utilisation, and greater value delivered to our stakeholders.

### **BUILDING CAPABILITIES, CREATING VALUE**

In the substation component of EPC projects, gas-insulated switchgear (GIS) are being preferred where space restrictions exist and are thus installed in compact building areas. Recognising the opportunities here, we are building capabilities by entering into joint ventures with GIS partners / companies. Our concerted efforts today, we are confident, will give a big impetus to our EPC fortunes tomorrow.

**PROVIDING CLIENTS A SINGLE POINT OF ACCOUNTABILITY AND EXCELLENT PROJECT MANAGEMENT, OUR EPC BUSINESS GAINED OUTSTANDING TRACTION DURING THE YEAR WITH REVENUES INCREASING TO ₹ 498 CRORE IN FY 16, A SURGE OF 58% OVER THE PREVIOUS FISCAL.**

## EXPORTS

# Connected to a world of opportunities

WE APPLY OUR UNIQUE INDUSTRY EXPERTISE TO OUR PRODUCTS TO CREATE BESPOKE SOLUTIONS FOR OUR CUSTOMERS AROUND THE WORLD.





With our products being exported to over 45 countries, KEI is a well-established and a trusted player in the international market. Even better, in our international markets, the demand for cables is gaining ground, thereby opening up a world of opportunities for us. Currently, 8 per cent of our revenues are derived from exports.

Our export business operates through Company representatives in Singapore, Korea, Nigeria, Kazakhstan, and Dubai. We are also doing business in Australia through agents. It is our strong presence in key countries across the world that allows us to get the necessary approvals to push sales. With a view to reinforcing customer relationships and expanding operations, we continued to participate in several international exhibitions during the year.

#### **BROADENING OUR GLOBAL PRESENCE**

Exports are a vital constituent of our business, providing significant opportunities to enhance our earnings. Faster realisation of working capital makes this a highly positive segment. We will continue to identify geographical markets that provide opportunities to expand our global presence. We also remain watchful about establishing new offices for deepening our market reach.

**FY 16 WAS A SIGNIFICANT YEAR FOR OUR EXPORT BUSINESS, AS EXPORTS GREW OVER 27% OVER FY 14-15. OUR FOCUS ON DELIVERY OF HIGH QUALITY PRODUCTS AND STRENGTHENING CUSTOMER RELATIONSHIPS IS YIELDING THE RIGHT RESULTS.**

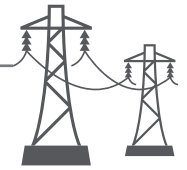




# Chairman's Communiqué



To understand better our performance and our potential, it would be worth reviewing the macro-economic conditions and our segments of operation.



### **Dear Stakeholders,**

It gives me great satisfaction to report that FY16 was a year of solid performance by your Company. As India invests in creating world-class infrastructure to help realise its growth potential, playing a vital role in this nation-building, we have recorded impressive growth in our key segments. Our firm focus on enhancing scale and reach has also enabled us to expand our market share, making amply visible the business advantages we have fostered over the years.

Yet, while growth has been impressive, we believe that this is the precursor of even stronger performance. With the incumbent government keen to pursue infrastructure reforms at an accelerated pace, the opportunities are exciting and immense. In this dynamic landscape, your Company, India's leading wires and cables manufacturer, is fully geared up to make the most of the unfolding developments.

To understand better our performance and our potential, it would be worth reviewing the macro-economic conditions and our segments of operation.

#### **Macro-economic review**

Amid persistent sluggishness in the global economy, India remained a bright star with an inspiring growth rate of 7.5 per cent. An environment of progressively improving economic fundamentals marked the year leading to this performance. Supported by benign commodity prices, retail inflation remained well within Reserve Bank of India's comfort zone. Fiscal deficit was also maintained at the targeted levels of 3.9 per cent, without having to compromise much on capital expenditure, thereby ensuring stability of the Indian rupee.

Continued emphasis on reforms, transparency in government through public auctions of natural resources and efforts to revive large stalled infrastructure projects were among other promising developments of the year. This has restored industry and consumer confidence; though undeniably, a lot more ground needs to be covered for a complete turnaround in sentiments.

#### **Financial and operational performance**

The improved macro environment had a significant bearing on our business; our products were used across a wide spectrum of sectors and by diverse consumer segments. While a positive macro environment aids the fortunes of most companies, only those well-prepared can make a quantum leap. KEI's decisive performance validates our preparedness. We were perfectly positioned to be the key beneficiary of industry opportunities, as evident from our total net sales in FY16 clocking ₹ 2,326 crore as against ₹ 2,031 crore in the previous year. Operating profit went up by 0.92% in the current year and PAT for the full year stood at ₹ 62 crore.

To fully appreciate our performance, it is important to understand that while on value terms, we have registered a 15 per cent growth, in volume terms, our growth is much higher at 27 per cent. The differential is because of reduction in selling price to pass on the benefits of reduced raw material costs to our customers.

#### **Rewarded for the right decisions in retail**

The investments made over the years in our retail segment have been vindicated by the outcome. Prioritising expanded distribution and dealer network and brand-building helped boost volume of retail sales by 25 per cent over the previous year. An array of initiatives was launched to strengthen relationships with distributors and dealers. Recognising that the retail segment has the potential to be a high revenue generator – the Company intends to report 50 per cent of its sales from retail over the next three years – our plan is to nurture the strong association with our channel partners and our target groups through aggressive branding and marketing.

The growth prospects in the retail segment are based on the government thrust on housing, easing of the home buying process through the recently passed real estate bill, and other regulatory measures unveiled in the Budget. These are expected to provide a tailwind to the real estate and housing sector; that in turn should propel the demand for house



wires in the coming years. Another reason for our faith in the retail business is the sustained government investments in power, telecommunications and urbanisation. In this upbeat scenario, we remain assured that our strong brand salience and wide distribution network will enable us to generate significant value.

#### **Institutional sales, a strong growth driver**

Our progress and performance in the EHV segment has been truly remarkable, with the segment witnessing a three-fold increase in orders executed. Even as the macro-economic revival played its part in opening up exciting opportunities, it is our internal strengths that helped us maximise the benefits. Meeting the pre-requisite approvals and prequalification norms for the manufacture of 220 KV EHV cables has given us a great competitive edge, helping us garner key institutional contracts. With government focus on creating smart cities, increasing preference for underground cabling as against overhead cabling across the country, the demand potential for EHV cables is robust. Aligning our capabilities to market requirements, we are adding a 400 KV EHV production line and doubling capacity for 200 KV EHV cables. We anticipate a wealth of opportunities from this strategic augmentation.

Last year, I mentioned in my message that we had created a clear edge in the EPC (Engineering, Procurement,

Construction) segment that would enable us to scale significant growth. The soundness of our conviction is proved by the outstanding results we have achieved – the EPC division logged a 58 per cent surge in revenues in FY16.

Infrastructure development, power generation, and setting up of transmission and distribution networks are accelerating. In this situation, we are confident that our competencies and success in EPC can reap great benefits, enabling us to deliver higher returns to stakeholders.

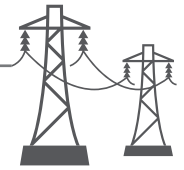
#### **Exports gaining traction**

Our global presence across more than 45 countries speaks of our expertise in providing quality products. During the year, exports grew at least 27 per cent over FY15. Going forward into FY17, we expect overseas demand to remain buoyant. With a well-established presence in several strategic overseas markets, a diversified product portfolio at competitive prices, and consistently effective customised solutions, we are in a strong position to fortify customer relationships and raise export revenues. This segment is marked by faster realisation of capital, which is why business growth here means immediate, higher and concrete returns.

#### **Powered by our people**

We firmly believe that our people are our greatest asset and their professionalism and talent drives our success.





## OUR GLOBAL PRESENCE ACROSS MORE THAN 45 COUNTRIES SPEAKS OF OUR EXPERTISE IN PROVIDING QUALITY PRODUCTS. DURING THE YEAR, EXPORTS GREW AT LEAST 27 PER CENT OVER FY 15.

People development is thus at the heart of the Company's agenda. In keeping with this approach, we have outlined and initiated several strategic training and development programmes and simultaneously embarked on productivity enhancement projects across plants and offices. We are seeing the result perceptibly – our capacity utilisation percentage has improved and volume production has increased without capacity addition. Our niche initiatives in the HR domain have resonated well with our people as reflected in the high retention statistics. Empowered by our people, we will continue to seek and adapt the best practices to ensure that they remain the fountainhead of our competitive advantage.

### Outlook

We finished FY16 on a high note, and now we are ready to significantly scale our growth in light of the attractive market opportunities.

Increased budgetary support for the power sector reflects the government's focussed agenda to improve the power sector. Government thrust on modernising transmission and distribution systems and on renewable energy also put the power sector in a favourable position. Further, the target of electricity for all by 2019 has set the ball rolling for

unprecedented progress in the power sector. These initiatives open up exciting opportunities for your Company.

Development of smart cities, modernisation in the railways, revival of the real estate sector, and acceleration in infrastructure creation are other factors that signal a robust demand for wires and cables and increased EPC spend. Great project execution skills and a strong product portfolio will empower us to extract more value from this environment compared to industry peers.

### On a parting note

As we move towards the most exciting time in our Company's history, we are grateful for the support of our stakeholders, including our vendors, customers, bankers, financial institutions, Central and State government bodies, dealers, business associates and employees. We aim to earn your continued trust every day. We look forward to sharing our successes with you as we realise this Company's great potential and achieve the goals we have set for ourselves.

Sincerely,

**Anil Gupta**

Chairman-cum-Managing Director

# Board of Directors



## MR. ANIL GUPTA

Chairman-cum-Managing Director

**Mr. Anil Gupta** is a recognised and an accomplished expert in the Indian cable and wire industry. He has been a firm believer of modern technology. His customer-centric approach blended with a futuristic vision has persistently ensured in offering cable & wire products of the highest quality. The brain behind some path-breaking innovations in the industry, Mr. Gupta is undoubtedly the inspiration as well as the guiding force behind KEI's vision to become the undisputed leader in its category and build a strong corporate identity. He became a part of the KEI group in 1979 as a partner in the erstwhile Krishna Electrical Industries. He soon rose to become its Chairman-cum-Managing Director. Mr. Gupta's dream of KEI scaling newer heights has seen the light of the day. With almost 35 years' of experience at the helm of KEI Group of Companies, Mr. Gupta has always been successful in executing company policies and encouraging his team to deliver nothing but the best.

As a dynamic leader, Mr. Gupta has initiated various policies on marketing, production, quality control and product development. His perseverance and pioneering ideas have played a crucial role in putting KEI on the path of success. His contribution to the Company is exceptional and unparalleled.



### MR. K.G. SOMANI

Non Executive &  
Independent Director

**Mr. K.G. Somani** is a fellow member of the Institute of Chartered Accountants of India. Mr. Somani is a practicing Chartered Accountant and is also the former president of The Institute of Chartered Accountants of India.

Mr. Somani has been on the Board of Directors of many other Private/Public companies.



### MR. PAWAN KUMAR BHOLUSARIA

Non Executive &  
Independent Director

**Mr. Pawan Kumar Bholusaria** is a fellow Member of The Institute of Chartered Accountants of India. Mr. Bholusaria is a practicing Chartered Accountant.



### MR. VIJAY BHUSHAN

Non Executive &  
Independent Director

**Mr. Vijay Bhushan** is an MBA from Delhi University and is a member of Delhi Stock Exchange. Mr. Bhushan is the former President of Delhi Stock Exchange and was also the Chairman of Federation of Indian Stock Exchanges representing 20 Stock Exchanges from 2002-2004. Mr. Bhushan is actively associated with the capital market since 1981.



### MR. VIKRAM BHARTIA

Non Executive &  
Independent Director

**Mr. Vikram Bhartia** is a B. Tech (Hons) from IIT Kharagpur and has 30 years' of experience in the Engineering Industry. Mr. Bhartia has been a member of CII and DFOF.



### MRS. ARCHANA GUPTA

Non Executive Director

**Mrs. Gupta** has played a pivotal role in transforming Stainless Steel Wires Division at KEI Industries Limited. Under Mrs. Gupta's apt management, KEI's Stainless Steel Wires vertical has rapidly grown and become one of the most trusted names in stainless steel wires industry in India. Mrs. Gupta is a protagonist in planning, organising and optimising resources for this division of KEI Industries Limited. Mrs. Gupta has been instrumental in the expansion of this division and in defining the functional ambit and footprint of KEI Group.



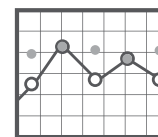
### MR. RAJEEV GUPTA

Executive Director (Finance) &  
CFO

**Mr. Rajeev Gupta** is B. Com (Hons.) and a Chartered Accountant. Mr. Gupta has about 23 years' experience in Corporate Finance and is presently heading the Finance & Accounts Department of KEI Industries Limited.



# Financial Highlights



## FIVE YEAR FINANCIALS

(₹ in crores)

PARTICULARS	2012	2013	2014	2015	2016
PAID-UP CAPITAL	13.39	14.05	14.75	15.45	15.45
CAPITAL EMPLOYED	420.37	441.75	455.57	498.84	613.51
SALES	1,852.95	1,812.28	1,753.47	2,170.92	2,498.02
LESS: EXCISE DUTY	130.65	153.93	134.56	139.97	172.44
NET SALES	1,722.30	1,658.35	1,618.91	2,030.95	2,325.58
PBDIT	151.70	172.87	154.32	197.87	247.60
PBIT	132.16	152.43	133.35	173.28	222.32
PBT	36.00	43.08	21.82	52.88	95.34
NET PROFIT	24.33	26.34	11.60	34.25	62.20

### PROFITABILITY RATIOS

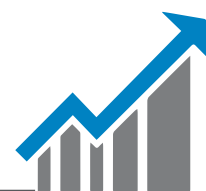
PBDIT	8.81	10.42	9.53	9.74	12.19
PBIT	7.67	9.19	8.24	8.53	10.95
PBT	2.09	2.60	1.35	2.60	4.69
NET PROFIT	1.41	1.59	0.72	1.69	3.06
ROCE (PAT / CAPITAL EMPLOYED)	5.79	5.96	2.55	6.87	10.14

### GROWTH RATIOS (PER CENT)

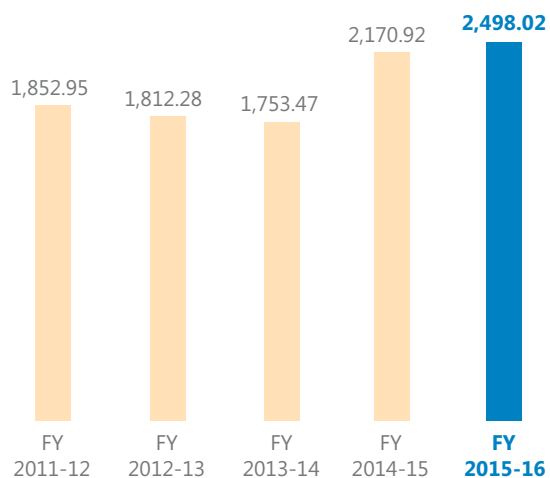
NET SALES	48.08	(3.71)	(2.38)	25.45	14.51
PBDIT	61.81	13.96	(10.73)	28.22	25.13
PBIT	71.32	15.34	(12.52)	29.94	28.30
PBT	102.02	19.67	(49.35)	142.35	80.30
NET PROFIT	130.40	8.26	(55.96)	195.26	81.61

### CAPITAL EMPLOYED

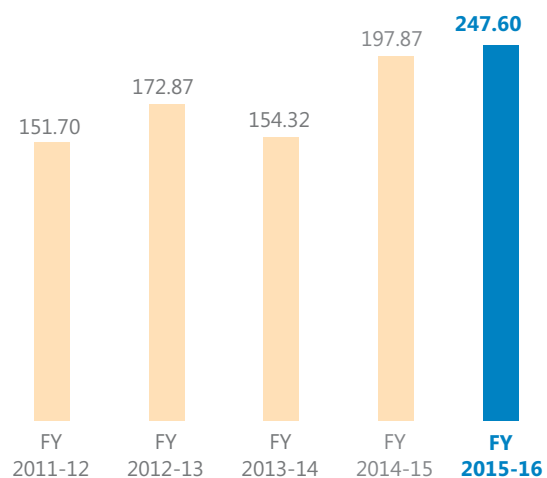
FIXED ASSETS	319.15	314.15	314.38	304.21	376.31
CURRENT ASSETS	871.68	859.92	926.04	1,034.39	1,107.59
LESS: CURRENT LIABILITIES	477.92	437.40	443.75	561.85	585.96
LESS: BANK BORROWING	290.20	284.36	325.07	254.37	248.19
LESS: DEFERRED TAX LIABILITY	2.34	10.56	16.03	23.54	36.24
CAPITAL EMPLOYED	420.37	441.75	455.57	498.84	613.51
NET WORTH	227.09	255.57	273.08	303.85	366.62



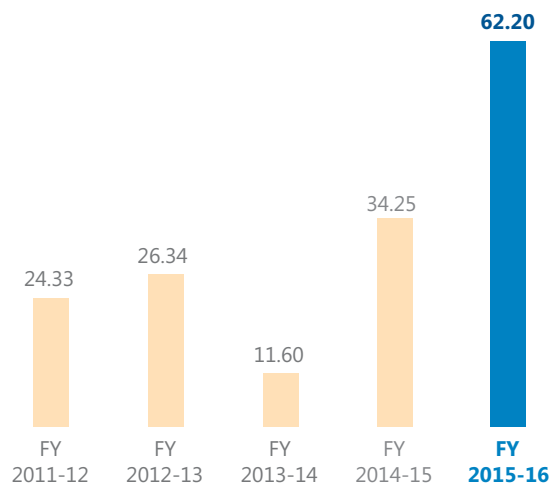
**SALES** (₹ in Crores)



**PBDIT** (₹ in Crores)



**PAT** (₹ in Crores)



# Directors' Report

## To The Members

Your Directors have pleasure in presenting their 24<sup>th</sup> Annual Report, together with the Audited Annual Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2016.

## FINANCIAL SUMMARY

The Company's financial performance for the year ended March 31, 2016 along with previous year's figures are summarized below:

(₹ in Millions)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
<b>Revenue from Operations (Gross) and Other Income</b>	<b>25,261.97</b>	21,744.73	<b>25,033.63</b>	21,733.05
Profit before Finance Costs, Depreciation and Amortisation Expenses and Tax Expenses	2,483.35	1,960.86	2,476.04	1,952.54
Less: Finance Cost	1,271.56	1,212.33	1,269.74	1,203.98
Less: Depreciation and Amortisation Expenses	253.30	245.85	252.86	245.85
<b>Profit before Exceptional Items and Tax</b>	<b>958.49</b>	502.71	<b>953.44</b>	502.71
Add: Exceptional Item-Keyman Insurance on Maturity	0.00	26.09	0.00	26.09
Profit before Tax	<b>958.49</b>	528.80	<b>953.44</b>	528.80
Tax Expenses				
-Current Tax (*Net of MAT Credit Entitlement)	205.91*	111.33	204.34*	111.33
-Deferred tax	127.08	75.01	127.08	75.01
Short/(Excess) Provision-Earlier Years (*Rs 3,739)	0.00*	(0.04)	0.00*	(0.04)
<b>Profit for the Year</b>	<b>625.50</b>	342.50	<b>622.02</b>	342.50
Add: Balance brought forward from last year's account	2,128.56	1,823.24	2,128.56	1,823.24
<b>Amount available for Appropriations</b>	<b>2,754.06</b>	2,165.74	<b>2,750.58</b>	2,165.74
<b>Appropriations:</b>				
Proposed Dividend on Equity Shares	38.62	30.89	38.62	30.89
Dividend Distribution Tax on Proposed Dividend	7.86	6.29	7.86	6.29



## **REVIEW OF BUSINESS OPERATIONS ON STANDALONE BASIS**

During the year, your Company's turnover increased to ₹ 24,980.15 millions as against ₹ 21,709.22 millions in FY 2014-15 showing a strong growth of 15.07%. During the year under review, turnover from Cables stood at ₹ 15,203.48 millions as compared to ₹ 14,079.82 millions in FY 2014-15, showing a growth of 7.98% and Stainless Steel Wire Products contributed a turnover of ₹ 1,003.76 millions as compared to ₹ 1,133.31 millions in FY 2014-15. Winding Wires, Flexible & House Wires contributed a turnover of ₹ 4,058.23 millions as compared to ₹ 3,365.81 millions in FY 2014-15, showing a growth of 20.57% and Income from Turnkey Projects also had a great contribution in the total turnover of the Company showing a growth of 52.01 % i.e. from ₹ 2,983.62 millions in FY 2014-15 to ₹ 4,535.37 millions in FY 2015-16. During the year under review, Profit before Tax stood at ₹ 953.44 millions as compared to ₹ 528.80 millions in the preceding year and Net Profit stood at ₹ 622.02 millions as compared to ₹ 342.50 millions in the preceding year.

## **SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

During the year, Company has incorporated a wholly owned subsidiary in Australia under the name "KEI Cables Australia Pty Ltd" (w.e.f. 14.12.2015). Further, Company has one Joint Venture under the name of Joint Venture of M/s KEI Industries Ltd. New Delhi & M/s Brugg Kabel AG, Switzerland (JV). This JV is a jointly controlled entity within the meaning of Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures". This JV is in form of an Association of Persons (AOP) and the Company is having 100% share in Profit/Loss in this AOP. No share capital is invested in the Joint Venture by the respective members of JV.

Further, a separate report on the performance and financial position of the subsidiary and joint venture is included in the consolidated financial statements pursuant to Section 129 (3) of the Companies Act, 2013 in AOC-1 and is annexed to financial statements in the Annual Report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements are in accordance with the Companies Act, 2013, relevant Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard-21 on Consolidated Financial Statements (AS-21) and form part of the Annual Report.

## **RESERVES**

During the year, the Board of Directors of your Company has decided not to transfer any amount to the reserves and decided to retain all the profits under surplus account.

## **DIVIDEND & APPROPRIATIONS**

Your Directors are pleased to recommend a dividend of ₹ 0.50/- per equity share (i.e. @ 25%) on the Equity Shares of face value of ₹ 2/- each for the Financial Year ended March 31, 2016, subject to the approval of shareholders at the ensuing Annual General Meeting which would result in appropriation of ₹ 46.48 millions (including Corporate Dividend Tax of ₹ 7.86 millions) out of profits of the Company. The dividend if approved by the members at the forthcoming Annual General Meeting, will be paid to:

- Those equity shareholders whose names will appear in the register of members on September 06, 2016 and
- In respect of shares held in dematerialized form, to those shareholders whose names will be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners on cut-off date i.e. August 30, 2016.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of financial year to which this financial statements relates and the date of this Report.

## **CHANGE IN NATURE OF BUSINESS**

During the year under review, there was no change in the nature of business of the Company.

## **RATING BY EXTERNAL RATING AGENCIES**

### **(A) BANK FACILITIES RATING BY ICRA:**

ICRA Limited has assigned [ICRA] A- (pronounced ICRA A minus) rating to the Long Term Bank Facilities availed by the Company vide its letter dated 08 July, 2016. This rating is applicable to facilities having tenure of more than one year. Facilities / Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such facilities / instruments carry low credit risk.

Further, ICRA Limited has assigned [ICRA] A2+ (pronounced ICRA A two plus) rating to the Short Term Bank Facilities availed by the Company vide its letter dated 08 July, 2016. This rating is applicable to facilities having tenure up to one year. Facilities / Instruments with this rating are considered to have strong degree of safety regarding timely payment / servicing of financial obligations. Such facilities / instruments carry low credit risk.

**(B) CORPORATE GOVERNANCE RATING BY CARE:**

Credit Analysis & Research Limited (CARE) has re-affirmed its rating "CARE CGR-3" to the Corporate Governance practices of the Company vide its letter dated 07 April, 2016.

The Corporate Governance rating of KEI Industries Limited (KEI) continues to reflect the overall compliance by the Company with statutory requirements, satisfactory Board composition and performance monitoring by the management, clearly identifiable ownership pattern with well-defined organization structure, adequate Management Information System (MIS) within the Company and prudent disclosures to shareholders. The rating also factors in the scope for improvement in the level of strategic oversight by the Board to further strengthen the risk mitigation policies and steer the Company to improve its financial performance.

**(C) FIXED DEPOSIT RATING BY CARE:**

Credit Analysis & Research Ltd. (CARE) has upgraded / revised the rating assigned to the Medium Term Instrument i.e. Fixed Deposits Scheme of the Company from 'CARE BBB (FD)' [Triple B (Fixed Deposit)] to 'CARE BBB+ (FD)' [Triple B Plus (Fixed Deposit)] vide its letter dated 01 July, 2015.

**UNPAID/UNCLAIMED DIVIDEND**

Pursuant to the circular issued by Ministry of Corporate Affairs (MCA) with respect to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012 vide G.S.R. 342 (E) dated May 10, 2012, your Company has uploaded on its website [www.kei-ind.com](http://www.kei-ind.com) under Investor Relation Section as well as on the Ministry's website the information regarding Unpaid/Unclaimed Dividend amount lying with the Company as on 16<sup>th</sup> September, 2015 (date of last Annual General Meeting).

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the year under review, your Company has transferred unclaimed/unpaid dividend in respect of financial year 2007-08 to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to the provisions of Section 205A of the Companies Act, 1956.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)****a) Composition:**

- i) During the year under review, no change has occurred in the total strength of Board of Directors of the Company. The Company has 7 Directors with an Executive Chairman. Of the 7 Directors, 2 are Executive Directors and 5 are Non-Executive Directors including one Woman Director and 4 Independent Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and

relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- ii) None of the Director on the Board is a Director in more than 10 Public Companies or a member of more than 10 Committees or a Chairman of more than 5 Committees across all Listed Companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on 31<sup>st</sup> March, 2016 have been made by all the Directors of the Company.
- iii) None of the Whole-Time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.
- iv) Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b) Change in Director(s) and Key Managerial Personnel:**

- a. As per Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mrs. Archana Gupta (holding DIN:00006459), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.
- b. Further, based on the recommendation of the Nomination and Remuneration Committee held on 30<sup>th</sup> April, 2016, the Board of Directors of the Company in its Meeting held on 21<sup>st</sup> May, 2016 has re-appointed Mr. Anil Gupta (DIN: 00006422) as Chairman-cum-Managing Director of the Company for a further term of 3 (Three) years w.e.f. 1<sup>st</sup> July, 2016 to 30<sup>th</sup> June, 2019 in accordance with the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V and rules made thereunder and other applicable provisions of the Companies Act, 2013, if any. His re-appointment requires the approval of the shareholders at the ensuing Annual General Meeting.

The details of Directors being recommended for re-appointment as required Under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is contained in the accompanying Notice convening ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking shareholders' approval are also included in the Notice.

**c) Declaration by Independent Directors:**

All the Independent Directors of the Company have given their declaration for the FY 2015-16 that they continue to meet all the criteria as specified under Section 149(6) & (7) of the Companies Act, 2013 and under Regulation 16(b) of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 in respect of their position as an “Independent Director” in the Company.

#### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors of the Company duly met 6 (Six) times during the financial year from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 on 28<sup>th</sup> May, 2015, 06<sup>th</sup> August, 2015, 05<sup>th</sup> October, 2015, 05<sup>th</sup> November, 2015, 09<sup>th</sup> December, 2015 and 23<sup>rd</sup> January, 2016.

Further, during the year, a separate Meeting of the Independent Directors of the Company was also held on 26<sup>th</sup> March, 2016 to discuss and review the performance of all other Non- Independent Directors, Chairperson of the Company and the Board as a whole and for reviewing and assessing the matters as prescribed under Schedule IV of the Companies Act, 2013 and under Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **CHANGE IN CAPITAL STRUCTURE**

During the year, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As at March 31, 2016, the paid-up share capital stood at 77,237,438 equity shares of face value of ₹ 2/- each.

#### **FORMAL ANNUAL EVALUATION**

As the ultimate responsibility for sound governance and prudential management of a Company lies with its Board, it is imperative that the Board remains continually proactive and effective. An important way to achieve this is through an objective stock taking by the Board of its own performance.

The Companies Act, 2013 not only mandates Board and Directors evaluation, but also requires the evaluation to be formal, regularized and transparent. SEBI has also notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015') on 2nd September, 2015, whereby it has align the present Listing Agreement with the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 21<sup>st</sup> May, 2016 undertook an annual evaluation of its own performance, its Committees and all the individual Directors.

Directors were evaluated on aspects such as attendance, contribution at Board /Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. The Committees of the Board were assessed on the degree of fulfillment of key

responsibilities, adequacy of Committee composition and effectiveness of Meetings.

The performance evaluation of the Independent Directors was carried out by the whole Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board, its Committees and the Directors.

It was further acknowledged that every individual Member and Committee of the Board contribute its best in the overall growth of the organisation.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013 in respect of Directors' Responsibility Statement, the Directors to the best of their knowledge hereby state and confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NOMINATION AND REMUNERATION POLICY**

The Company has framed a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part D of the Schedule II).

The detailed Nomination & Remuneration Policy is annexed as **Annexure A** and forms part of this Report and is also available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.



## EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT-9 as per the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure B** and forms part of this Report.

## DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has well defined Enterprise-wide Risk Management (ERM) framework in place for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The primary objective of ERM function is to implement a framework that augments risk response decisions and reduce surprises. ERM programme involves risk identification, assessment and risk mitigation planning for strategic, operational, financial and compliance related risks across various levels of the organization.

The Company's Internal Control Systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

## FIXED DEPOSITS

As on 31<sup>st</sup> March, 2016 fixed deposit aggregating to ₹ 38.57 millions are outstanding. There are no fixed deposits remaining unpaid or unclaimed as at the end of the year.

## LISTING OF SHARES

The shares of the Company are listed at National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE). The Company has also paid its up-to-date listing fees to all the Stock Exchanges.

During the year, subsequent to the notification of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has entered into "Uniform Listing Agreement" with the Stock Exchanges where the shares are listed namely National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE) in order to carry out a novation of the erstwhile Listing Agreement.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year, there was no significant and material order passed by any Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status and future operations of the Company.

## ADEQUACY OF INTERNAL FINANCIAL CONTROL

In the opinion of the Board, your Company has in place an adequate system of internal control commensurate with its size and nature of business. This system provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Board has appointed M/s Pawan Shubham & Co. Chartered Accountants as Internal Auditors of the Company and its audit reports are submitted directly to the Audit Committee of Board which reviews and approves performance of internal audit function and ensures the necessary checks and balances that may need to be built into the control system.

## HUMAN RESOURCES

Company's industrial relations continued to be harmonious during the period under review.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year, the Company has not entered into any materially significant related party contracts/arrangements or transactions with the Company's promoters, Directors, management or their relatives, which could have had a potential conflict with the interests of the Company. All the contracts/arrangements or transactions entered into by the Company with Related party(ies) are in conformity with the provisions of the Companies Act, 2013 and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. The Company presents a statement of all related party contracts / arrangements or transactions entered into by the Company before the Audit Committee for its consideration and review on quarterly basis.

Further, the Policy on Materiality of Related Party Transactions as formed and approved by the Audit Committee and the Board of Directors as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

## POLICY ON MATERIAL SUBSIDIARY

The Company has framed a Policy on Material Subsidiary under Regulations 16(c) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 which is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

## AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the composition of the Audit Committee is as under:

Sl. No.	Name of the Director	Category	Profession
1.	Mr. Pawan Kumar Bholusaria	Independent Director (Chairman)	Chartered Accountant
2.	Mr. Kishan Gopal Somani	Independent Director (Member)	Chartered Accountant
3.	Mr. Vikram Bhartia	Independent Director (Member)	Business

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

Further, the Board has not denied any recommendation of Audit Committee during the financial year.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has established a Vigil Mechanism/ Whistle Blower Mechanism and overseas through the Audit Committee, the genuine concerns expressed by the employees and Directors of the Company. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company. During the year under review, no personnel has been denied access to the Audit Committee.

Further, the Vigil Mechanism/ Whistle Blower Policy have been uploaded on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

## SHARES

### a. BUY BACK OF SECURITIES

During the year under review, the Company has not bought back any of its securities.

### b. SWEAT EQUITY

During the year under review, the Company has not issued any Sweat Equity Shares.

### c. BONUS SHARES

During the year under review, no Bonus Shares were issued by the Company.

### d. EMPLOYEES STOCK OPTION PLAN

During the year Nomination and Remuneration Committee of the Board has granted 2,252,000 options to eligible employees of the Company.

## AUDITORS

### a) Statutory Auditors:

M/s. Jagdish Chand & Co, Chartered Accountants (Firm Registration Number: 000129N), Auditors of the Company will retire at the conclusion of the ensuing AGM of the Company and are recommended for re-appointment based on consent and certificate furnished by them under Section 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

### Statutory Auditors' Report

The observations / comments of Statutory Auditors in their Auditor's Report are self explanatory and therefore do not call for any further clarification / comment.

### b) Cost Auditor:

Your Board of Directors has re-appointed M/s. S. Chander & Associates, Cost Accountants (Membership No.: M/9455) as Cost Auditor of the Company to conduct audit of Cost Records maintained by the Company for the financial year 2016-17 in accordance with Section 148 and the Companies (Cost Records and Audit) Rules, 2014 after obtaining his consent and certificate under Section 139, 141 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 where they have confirmed their consent and eligibility to act as Cost Auditors of the Company.

Further, the Cost Audit Report for the FY 2014-15 was filed on October 24, 2015.

### c) Secretarial Auditors:

The Board of Directors has re-appointed Mr. Baldev Singh Kashtwal, Practising Company Secretary (Membership No. FCS-3616 & CP No. 3169), Partner, M/s. RSM & Co., Company Secretaries as Secretarial Auditors of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules made thereunder for conducting Secretarial Audit of the Company for the financial year 2016-17.

### Secretarial Audit Report:

The Secretarial Audit Report for the FY 2015-16 as submitted by Secretarial Auditors in Form MR-3 is annexed to this Report as **Annexure - C**.

There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has framed a Policy on Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

The Annual Report on Company's CSR activities of the Company as per the Companies (Corporate Social

Responsibility Policy) Rules, 2014 is annexed as **Annexure-D** and forms part of this report.

### LOAN(S), GUARANTEE(S) OR INVESTMENT(S)

During the year, your Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 and no loan was granted by the Company under Section 186 of the Companies Act, 2013. The particulars of Corporate Guarantees provided and Investment made by the Company during the year are as follows:

Sl. No.	Particulars of Corporate Guarantees and Investment made u/s 186 of the Companies Act, 2013	Amount (₹ in Millions)
1	Corporate Guarantee in favour of Corporation Bank against Channel Financing Facility provided to the Dealers of the Company.	80.00
2	Renewal of First Loss Default Guarantee in favour of IDBI Bank Limited against Channel Financing Facility provided to the Dealers of the Company.	150.00
3	Investment of AUD 100 towards initial Share Capital for incorporation of wholly owned subsidiary in the name of "KEI Cables Australia Pty Ltd." in Australia	0.00*
	<b>Total</b>	<b>230.00</b>

\* ₹ 5164.

### PREVENTION OF SEXUAL HARASSMENT

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company. Your Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In accordance with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and in order to provide for the effective enforcement of the basic human right of gender equality and guarantee against sexual harassment and abuse, more particularly against sexual harassment at work places, your Company has constituted an Internal Complaint Committee and adopted a Policy on Prevention of Sexual Harassment at Workplace. The Policy aims to provide the effective enforcement of basic human right of gender equality and guarantee against sexual harassment and abuse.

During the year, there was no complaint lodged with the Internal Complaint Committee, formed under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

### REMUNERATION OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES

The information required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure E** and forms part of this Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure F** and forms part of this Report.

### CORPORATE GOVERNANCE

Your Directors are pleased to report that your Company strives to ensure that best Corporate Governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder's value.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Section titled Report on Corporate Governance has been included in this Annual Report and the certificate of M/s Jagdish Chand & Co., Chartered Accountants, the statutory auditors of the Company certifying compliance with the conditions of Corporate Governance as stipulated under relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is obtained and annexed with the report on Corporate Governance.

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section and forms part of this Annual Report.

### APPRECIATIONS

Your Directors place on record their sincere appreciation for significant contribution made by employees of the Company at each level, through their dedication, hard work and commitment.

The Board places on record its appreciation for the continued co-operation and support extended to the Company by various Banks, Stock Exchanges, NSDL and CDSL. The Board wishes to express its grateful appreciation for the assistance and co-operation received from Vendors, Customers Consultants, Banks, Financial Institutions, Central and State Government bodies, Dealers, and other Business Associates. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and, above all, the shareholders.

**FOR AND ON BEHALF OF THE BOARD**

**(ANIL GUPTA)**  
**Chairman-cum-Managing Director**  
**DIN: 00006422**

**Date: July 20, 2016**

**Place: New Delhi**

**ANNEXURE –A****NOMINATION AND REMUNERATION POLICY****1. INTRODUCTION:**

In the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of Section 178 of the Companies Act, 2013 read with applicable rules made thereunder and clause 49 of the Listing Agreement with the Stock Exchanges (as amended from time to time), this policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration/Compensation Committee and approved by the Board of Directors of the Company.

**2. DEFINITIONS:**

- i) **'Act'** means the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).
- ii) **'Company'** means **"KEI Industries Limited"**.
- iii) **'Board of Directors' or 'Board'**, in relation to the Company, means the collective body of the directors of the Company.
- iv) **'Committee'** means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder and clause 49 of Listing Agreement.
- v) **'Policy'** means "Nomination and Remuneration Policy".
- vi) **'Key Managerial Personnel'** means
  - a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
  - b) Chief Financial Officer;
  - c) Company Secretary; and
  - d) such other officer as may be prescribed.
- vii) **'Senior Management'** means the personnel of the Company who are the members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors i.e. Vice President Cadre.

**3. INTERPRETATION:**

Words and expressions used in this policy and not defined herein shall have the same meaning

assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

**4. OBJECTIVE:**

The objective of this policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including Directors of the quality to run the company successfully;
- relationship of remuneration to performance is transparent and meets appropriate performance benchmarks;
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed/ incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and its goals; and
- ensure a transparent Board Nomination Process with the diversity of thought, experience, knowledge, prospective and gender in the Board.

**5. ROLE OF THE COMMITTEE:**

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To carry out evaluation of every Director's performance.
- d) To devise a policy on Board diversity.
- e) To Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- f) To formulate suitable Employee Stock Option Scheme in terms of SEBI (ESOS & ESPS) Guidelines, 1999 (as amended from time to time) for the benefit of employees and Directors of the Company.
- g) To adopt rules and regulations for implementing the Scheme from time to time.
- h) To frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including



Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended from time to time) and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 (as amended from time to time), by the Company and its employees, as applicable.

- i) To consider such other matters as the Board may specify and other areas that may be brought under the purview / role of Committee as specified in Listing Agreement and the Companies Act, 2013 as and when amended.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **6. APPLICABILITY:**

- a) Directors (including Executive, Non-Executive and Independent Directors);
- b) Key Managerial Personnel;
- c) Senior Management and Other Employees of the Company.

#### **7. APPOINTMENT AND REMOVAL OF DIRECTOR(S), KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managing Director/ Whole-time Director/ Manager/ Non-Executive/ Executive Director/ Independent Director/ KMP/ Senior Management and shall recommend to the Board his /her appointment.
- The Committee has discretion to decide whether qualification, expertise and experience possessed by a person who is considered to be appointed is sufficient/satisfactory for the concerned position.
- The integrity, qualification, expertise and experience of other employees shall be determined by HR Department in accordance with HR Policy of the Company.

#### **i) TERM / TENURE**

##### **a) Managing Director/Whole-time Director/ Manager:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b) Executive/ Non-Executive / Independent Director and KMP:**

Executive/ Non-executive / Independent director and KMP shall be appointed or re-appointed in the Company in accordance with the provisions of Companies Act, 2013 and Listing Agreement.

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of Special Resolution by the Company in its General Meeting and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it will be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

A whole-time KMP of the Company shall not hold office in more than one Company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company after obtaining consent of the Board.

#### **ii) RETIREMENT/ REMOVAL**

The Director(s)/ KMP shall retire/remove as per the applicable provisions of the Companies Act, 2013 and the prevailing HR Policy of the Company by the Board after obtaining recommendation from the Committee after recorded reason in writing. The Senior Management and other employees of the Company shall appoint/retire/remove as per prevailing HR Policy of the Company.

The Board will have the discretion to retain the Director(s), KMP, Senior Management and employees of the Company in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**8. REMUNERATION OF DIRECTORS, KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES:****I) Remuneration to Directors, KMP and other Employees:****1. Fixed pay:**

Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, Commission, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**2. Minimum Remuneration:**

If, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of Central Government.

**3. Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Apart from the Directors, the remuneration and annual increments of Key Managerial Personnel and Senior Management shall be determined by the Human Resource Department of the Company in consultation with the Managing Director and Whole time Director and the same shall be reported to Nomination and Remuneration Committee.

Apart from the Directors, Key Managerial Personnel and Senior Management, the remuneration for rest of the employees will be determined on the basis of role and position of an individual employee, including professional experience, performance, responsibility, job complexity and local market conditions. The

annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the Human Resource Department and HODs of various departments.

Pursuant to the provisions of the Companies Act 2013 and Listing Agreement, all the Executive Director(s), Managerial Personnel (except promoters), KMP, Senior Management, and employees of the Company shall be entitled to any Employee Stock Options under ESOS/ ESPS of the Company, in accordance with the provisions of the Companies Act 2013, Listing Agreement and other Act, Rule(s), Circular(s), Regulations as prescribed by the SEBI from time to time.

**II) Remuneration to Non-Executive / Independent Directors:****a. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the maximum amount as provided in the Article of Association of the Company and the Companies Act, 2013 for each meeting of the Board/ Committee or such amount as may be prescribed by the Central Government from time to time.

**b. Limit of Remuneration/Profit Linked Commission:**

Remuneration /profit linked Commission may be paid within the monetary limit as approved by the shareholders.

**c. Stock Options:**

Non-Executive Director(s) shall be entitled to any Employee Stock Options under ESOS/ ESPS of the Company, in accordance with the provisions of the Companies Act 2013, Listing Agreement and other Act, Rule(s), Circular(s), Regulations as prescribed by the SEBI from time to time.

An Independent Director shall not be entitled to any stock option.

**III) REMUNERATION TO DIRECTORS IN OTHER CAPACITY:**

The remuneration payable to Directors including Managing/ Whole-time Director/ Manager shall be inclusive of the remuneration payable for the services rendered by them in any other capacity except following:

- a) The services rendered are of a professional nature; and
- b) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of the profession.

**9. EVALUATION OF DIRECTORS:**

The Committee shall carry out evaluation of performance of every Director on the Board of the Company individually and the Board as a whole and various Committees of the Board in the Company on annual basis as required under Section 178 of the Companies Act, 2013.

The performance evaluation of Independent Directors(s) shall be done by the entire Board of Directors (excluding the director being evaluated) as per clause 49 of the Listing Agreement.

The Board/ Committee may take advice of an independent professional consultant for developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters.

**10. MINUTES OF COMMITTEE MEETING:**

Proceedings of all meetings shall be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board and Committee meeting for noting.

**11. AMENDMENT TO THE POLICY:**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification, circular(s) etc.

**12. DISCLOSURE:**

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein and the same shall be put up on the website of the Company and reference drawn thereto in the Annual Report.

**ANNEXURE - B**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	<b>L74899DL1992PLC051527</b>
ii)	Registration Date	<b>31/12/1992</b>
iii)	Name of the Company	<b>KEI INDUSTRIES LIMITED</b>
iv)	Category / Sub-Category of the Company	<b>Public Listed Company / Limited by Shares</b>
v)	Address of the Registered office and contact details	<b>D-90, Okhla Industrial Area, Phase-1, New Delhi-110 020 Tel: 011-268188440/ 8642/ 0242 Fax: 011-26817225, 26811959 E-mail: <a href="mailto:info@kei-ind.com">info@kei-ind.com</a>/ <a href="mailto:cs@kei-ind.com">cs@kei-ind.com</a></b>
vi)	Whether listed company	<b>Yes</b>
vii)	Name, Address and Contact details of Registrar and Transfer Agent	<b>Mas Services Limited T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi 110 020 Tel: 011- 26387281/82/83 Fax: 011- 26387384 E-mail: <a href="mailto:info@masserv.com">info@masserv.com</a></b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company#
1	Cables	27320	60.86
2	Winding Wires, Flexible & House Wires	27320	16.25
3	Turnkey Projects	42202	18.16

\* As per National Industrial Classification - Ministry of Statistics and Programme Implementation, Government of India.

# On the basis of Gross Turnover.



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

SI. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN / A.C.N.	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland (JV) (D-90, Okhla Industrial Area, Phase-I, New Delhi – 110020)	N.A	Associate	NIL#	2(6) of the Companies Act, 2013
2	KEI Cables Australia Pty Limited (141 Warry Street, Firtitude Valley, QLD-4006)	609804551	Subsidiary	100*	2(87) of the Companies Act, 2013

# The Company has formed a Joint Venture in form of Association of Person (AOP) under the name of Joint Venture of M/s KEI Industries Ltd. New Delhi & M/s Brugg Kabel AG Switzerland (JV) (w.e.f. 24/06/2014) in which KEI is the Lead Partner having 75% participation and the Company (KEI) is having 100% share in Profit / Loss of AOP. Company has not invested any amount as capital in JV.

\* The Company has incorporated a wholly owned subsidiary in the name of KEI Cables Australia Pty Ltd in Australia (w.e.f. 14/12/2015) in which KEI has invested towards intial share capital.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2015)				No. of Shares held at the end of the year (as on 31/03/2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals/ HUF	21068466	0	21068466	27.28	21068466	0	21068466	27.28	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	17080000	0	17080000	22.11	17080000	0	17080000	22.11	0.00
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- Total (A)(1)</b>	<b>38148466</b>	<b>0</b>	<b>38148466</b>	<b>49.39</b>	<b>38148466</b>	<b>0</b>	<b>38148466</b>	<b>49.39</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>38148466</b>	<b>0</b>	<b>38148466</b>	<b>49.39</b>	<b>38148466</b>	<b>0</b>	<b>38148466</b>	<b>49.39</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2015)				No. of Shares held at the end of the year (as on 31/03/2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	12184341	0	12184341	15.78	15.78
b) Banks / Financial Institutions	98673	0	98673	0.13	301410	0	301410	0.39	0.26
c) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FI	991369	0	991369	1.28	2368369	0	2368369	3.07	1.79
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Foreign Portfolio Investors)	0	0	0	0.00	933712	0	933712	1.21	1.21
<b>Sub-Total (B)(1)</b>	<b>1090042</b>	<b>0</b>	<b>1090042</b>	<b>1.41</b>	<b>15787832</b>	<b>0</b>	<b>15787832</b>	<b>20.44</b>	<b>19.03</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	16326134	30500	16356634	21.18	6936671	28000	6964671	9.02	-12.16
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13858157	296209	14154366	18.33	11783717	286888	12070605	15.62	-2.71
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5781612	0	5781612	7.49	2838856	0	2838856	3.68	-3.81
<b>c) Others</b>									
(I) NRIs / OCBs	399778	52000	451778	0.58	321341	52000	373341	0.48	-0.10
(ii) Clearing Members	943430	0	943430	1.22	681990	0	681990	0.88	-0.34
(iii) Trust	200100	500	200600	0.26	0	500	500	0.00	-0.26
(iv) Director's & their relatives	110510	0	110510	0.14	108510	0	108510	0.14	0.00
d) NBFCs registered with RBI	0	0	0	0.00	262667	0	262667	0.34	0.34
<b>Sub-Total (B)(2)</b>	<b>37619721</b>	<b>379209</b>	<b>37998930</b>	<b>49.20</b>	<b>22933752</b>	<b>367388</b>	<b>23301140</b>	<b>30.16</b>	<b>-19.04</b>

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2015)				No. of Shares held at the end of the year (as on 31/03/2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>38709763</b>	<b>379209</b>	<b>39088972</b>	<b>50.61</b>	<b>38721584</b>	<b>367388</b>	<b>39088972</b>	<b>50.61</b>	<b>0.00</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>76858229</b>	<b>379209</b>	<b>77237438</b>	<b>100</b>	<b>76870050</b>	<b>367388</b>	<b>77237438</b>	<b>100</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2015)			Share holding at the end of the Year (31/03/2016)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Anil Gupta	15580776	20.17	0.00	15580776	20.17	0.00	0.00
2	Anil Gupta (HUF)	4650375	6.02	0.00	4650375	6.02	0.00	0.00
3	Archana Gupta	837315	1.08	0.00	837315	1.08	0.00	0.00
4	Shubh Laxmi Motels & Inns Pvt. Ltd.	3480000	4.51	0.00	3480000	4.51	0.00	0.00
5	Soubhagya Agency Pvt. Ltd.	3125000	4.05	0.00	3125000	4.05	0.00	0.00
6	KEI Cables Pvt. Ltd	1575000	2.04	0.00	1575000	2.04	0.00	0.00
7	Projection Financial & Management Consultants Pvt. Ltd.	7900000	10.23	0.00	7900000	10.23	0.00	0.00
8	Dhan Versha Agency Pvt. Ltd.	1000000	1.29	0.00	1000000	1.29	0.00	0.00
	<b>Total</b>	<b>38148466</b>	<b>49.39</b>	<b>0.00</b>	<b>38148466</b>	<b>49.39</b>	<b>0.00</b>	<b>0.00</b>

## (iii) Change in Promoters' Shareholding

Sl. No.	Promoter's Name	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
<b>NO CHANGE</b>								

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	<b>Surya Laxmi Contractors Private Limited#</b>	2250000	2.91	1-Apr-2015				
				7-Aug-2015	-1000	Sell	2249000	2.91
				28-Aug-2015	-1500000	Sell	749000	0.97
				11-Sep-2015	-749000	Sell	0	0.00
				31-Mar-2016			0	0.00
2	<b>Thadhani Investments Private Limited#</b>	2120803	2.75	1-Apr-2015				
				24-Jul-2015	-700000	Sell	1420803	1.84
				31-Mar-2016	-1420803	Sell	0	0.00
3	<b>Pickup Electronics Private Limited</b>	2000000	2.59	1-Apr-2015				
				1-Aug-2015	-100000	Sell	1900000	2.46
				22-Jan-2016	-500000	Sell	1400000	1.81
				29-Jan-2016	-20259	Sell	1379741	1.79
				31-Mar-2016			1379741	1.79
4	<b>Ananta Chit Fund Pvt Ltd#</b>	1916388	2.48	1-Apr-2015				
				10-Apr-2015	-1500000	Sell	416388	0.54
				22-May-2015	+216345	Buy	632733	0.82
				29-May-2015	+11405	Buy	644138	0.83
				31-Mar-2016	-644138	Sell	0	0.00
5	<b>Kotak Mahindra Investments Ltd#</b>	1162516	1.51	1-Apr-2015				
				10-Apr-2015	-182354	Sell	980162	1.27
				17-Apr-2015	-196662	Sell	783500	1.01
				8-May-2015	-46827	Sell	736673	0.95
				15-May-2015	-736673	Sell	0	0.00
				31-Mar-2016			0	0.00



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
6	Ajay Upadhyaya	1000000	1.29	1-Apr-2015				
				24-Apr-2015	+100000	Buy	1100000	1.42
				15-May-2015	+102000	Buy	1202000	1.56
				30-Jun-2015	-2000	Sell	1200000	1.55
				31-Mar-2016			1200000	1.55
7	Rakesh S Kathotia #	700000	0.91	1-Apr-2015				
				14-Aug-2015	-126772	Sell	573228	0.74
				21-Aug-2015	-30000	Sell	543228	0.70
				27-Nov-2015	-482013	Sell	61215	0.08
				4-Dec-2015	-61215	Sell	0	0.00
				31-Mar-2016			0	0.00
8	Subhkam Ventures (I) Pvt Ltd	700000	0.91	1-Apr-2015		Nil Movement during the year		
					0			
				31-Mar-2016			700000	0.91
9	Subhkam Ventures (I) Pvt Ltd #	600000	0.78	1-Apr-2015				
				10-Apr-2015	-411362	Sell	188638	0.24
				17-Apr-2015	-13638	Sell	175000	0.23
				14-Aug-2015	-25000	Sell	150000	0.19
				25-Sep-2015	-131241	Sell	18759	0.02
				2-Oct-2015	+41312	Buy	60071	0.08
				27-Nov-2015	-60000	Sell	71	0.00
				11-Dec-2015	+25000	Buy	25071	0.03
				18-Dec-2015	+25500	Buy	50571	0.07
				31-Dec-2015	-50571	Sell	0	0.00
				31-Mar-2016			0	0.00

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
10	Authum Investment And Infrastructure Limited #	547484	0.71	1-Apr-2015				
				8-May-2015	-421940	Sell	125544	0.16
				5-Jun-2015	-75544	Sell	50000	0.06
				12-Jun-2015	-10000	Sell	40000	0.05
				19-Jun-2015	-10000	Sell	30000	0.04
				14-Aug-2015	+20000	Buy	50000	0.06
				4-Sep-2015	+40000	Buy	90000	0.12
				9-Sep-2015	+20000	Buy	110000	0.14
				11-Sep-2015	+10000	Buy	120000	0.16
				16-Sep-2015	-20000	Sell	100000	0.13
				18-Sep-2015	-3864	Sell	96136	0.12
				25-Sep-2015	+25000	Buy	121136	0.16
				16-Oct-2015	-30000	Sell	91136	0.12
				23-Oct-2015	-10000	Sell	81136	0.11
				30-Oct-2015	+50000	Buy	131136	0.17
				6-Nov-2015	+10010	Buy	141146	0.18
				20-Nov-2015	+25000	Buy	166146	0.22
				11-Dec-2015	-141146	Sell	25000	0.03
				18-Dec-2015	-20146	Sell	4854	0.01
				31-Dec-2015	+4146	Buy	9000	0.01
				8-Jan-2016	+75000	Buy	84000	0.11
				15-Jan-2016	-44000	Sell	40000	0.05
				5-Feb-2016	-15000	Sell	25000	0.03
				19-Feb-2016	+50000	Buy	75000	0.10
				26-Feb-2016	+35000	Buy	110000	0.14
				4-Mar-2016	-80000	Sell	30000	0.04
				11-Mar-2016	+10000	Buy	40000	0.05
		18-Mar-2016	+40000	Buy	80000	0.10		
		25-Mar-2016	+20000	Buy	100000	0.13		
		31-Mar-2016	-100000	Sell	0	0.00		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
11	Surya Laxmi Contractors LLP*	0	0.00	1-Apr-2015				
				28-Aug-2015	+1500000	Buy	1500000	1.94
				9-Sep-2015	+749000	Buy	2249000	2.91
				8-Jan-2016	-100000	Sell	2149000	2.78
				5-Feb-2016	-500000	Sell	1649000	2.13
				19-Feb-2016	-222493	Sell	1426507	1.85
				31-Mar-2016			1426507	1.85
12	L and T Mutual Fund Trustee Ltd- L and T India Prudence Fund*	0	0.00	1-Apr-2015				
				31-Jul-2015	+829100	Buy	829100	1.07
				14-Aug-2015	+54255	Buy	883355	1.14
				21-Aug-2015	+25000	Buy	908355	1.18
				4-Sep-2015	+50000	Buy	958355	1.24
				9-Sep-2015	+67645	Buy	1026000	1.33
				16-Sep-2015	+25000	Buy	1051000	1.36
				9-Oct-2015	+80000	Buy	1131000	1.46
				16-Oct-2015	+74100	Buy	1205100	1.56
				23-Oct-2015	+25000	Buy	1230100	1.59
				20-Nov-2015	+25000	Buy	1255100	1.62
				27-Nov-2015	+15000	Buy	1270100	1.64
				1-Jan-2016	+100000	Buy	1370100	1.77
				15-Jan-2016	+20000	Buy	1390100	1.80
		31-Mar-2016			1390100	1.80		
13	L & T Mutual Fund Trustee Ltd- L & T Emerging Business Fund*	0	0.00	1-Apr-2015				
				31-Jul-2015	+482987	Buy	482987	0.63
				7-Aug-2015	+20000	Buy	502987	0.65
				21-Aug-2015	+101213	Buy	604200	0.78
				28-Aug-2015	+57000	Buy	661200	0.86
				16-Oct-2015	+33200	Buy	694400	0.90
				23-Oct-2015	+25000	Buy	719400	0.93
				31-Mar-2016			719400	0.93

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
14	Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund*	0	0.00	1-Apr-2015				
				31-Dec-2015	+593864	Buy	593864	0.77
				1-Jan-2016	+132333	Buy	726197	0.94
				8-Jan-2016	+373528	Buy	1099725	1.42
				15-Jan-2016	+336107	Buy	1435832	1.86
				22-Jan-2016	+364168	Buy	1800000	2.33
				19-Feb-2016	+200000	Buy	2000000	2.59
				4-Mar-2016	+104773	Buy	2104773	2.73
				31-Mar-2016			2104773	2.73
15	IDFC Sterling Equity Fund*	0	0.00	1-Apr-2015				
				10-Jul-2015	+499425	Buy	499425	0.65
				17-Jul-2015	+1204399	Buy	1703824	2.21
				24-Jul-2015	+1020176	Buy	2724000	3.53
				31-Jul-2015	+1332000	Buy	4056000	5.25
				14-Aug-2015	+148000	Buy	4204000	5.44
				21-Aug-2015	+96000	Buy	4300000	5.57
				28-Aug-2015	+200000	Buy	4500000	5.83
				11-Sep-2015	+100000	Buy	4600000	5.96
				16-Sep-2015	+70571	Buy	4670571	6.05
				31-Mar-2016			4670571	6.05
16	IDFC Tax Advantage (ELSS) LTD*	0	0.00	1-Apr-2015				
				31-Jul-2015	+332304	Buy	332304	0.43
				7-Aug-2015	+129696	Buy	462000	0.60
				14-Aug-2015	+150000	Buy	612000	0.79
				28-Aug-2015	+200000	Buy	812000	1.05
				31-Mar-2016			812000	1.05



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
17	<b>Goldman Sachs (Singapore) PTE*</b>	0	0.00	1-Apr-2015				
				21-Aug-2015	+126077	Buy	126077	0.16
				28-Aug-2015	+159844	Buy	285921	0.37
				9-Oct-2015	+4061	Buy	289982	0.38
				30-Oct-2015	+2752	Buy	292734	0.38
				20-Nov-2015	-39436	Sell	253298	0.33
				27-Nov-2015	-23179	Sell	230119	0.30
				4-Dec-2015	-1247	Sell	228872	0.30
				31-Dec-2015	-1793	Sell	227079	0.29
				8-Jan-2016	+6243	Buy	233322	0.30
				15-Jan-2016	+129080	Buy	362402	0.47
				22-Jan-2016	+172918	Buy	535320	0.69
				29-Jan-2016	+114316	Buy	649636	0.84
				5-Feb-2016	+165340	Buy	814976	1.06
				12-Feb-2016	+94504	Buy	909480	1.18
				19-Feb-2016	+85879	Buy	995359	1.29
				26-Feb-2016	-36295	Sell	959064	1.24
				4-Mar-2016	-81826	Sell	877238	1.14
				11-Mar-2016	-60013	Sell	817225	1.06
				18-Mar-2016	-38197	Sell	779028	1.01
		25-Mar-2016	+9799	Buy	788827	1.02		
		31-Mar-2016	+35228	Buy	824055	1.07		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
18	Cophall Mauritius Investment Limited*	0	0.00	1-Apr-2015				
				5-Feb-2016	+131554	Buy	131554	0.17
				12-Feb-2016	+953342	Buy	1084896	1.40
				19-Feb-2016	+255549	Buy	1340445	1.74
				26-Feb-2016	+58413	Buy	1398858	1.81
				4-Mar-2016	+154045	Buy	1552903	2.01
				31-Mar-2016			1552903	2.01

\* Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

# Ceased to be in the Top 10 shareholders as on 31-03-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2015.

#### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+) / Decrease (-) in No. of Shares	Reason for [Increase (+) / Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016 / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Anil Gupta (Director and KMP)	15580776	20.17	1-Apr-2015		Nil Movement during the year		
				31-Mar-2016	0		15580776	20.17
2	Rajeev Gupta (Director and KMP)	18910	0.02	1-Apr-2015		Nil Movement during the year		
				31-Mar-2016	0		18910	0.02
3	Kishore Kunal (KMP)	2045	0.00	1-Apr-2015		Sell		
				27-Aug-2015	-2000			
				31-Mar-2016			45	0.00
4	Archana Gupta (Director)	837315	1.08	1-Apr-2015		Nil Movement during the year		
				31-Mar-2016	0		837315	1.08
5	Vijay Bhushan (Director)	0	0.00	1-Apr-2015		Nil Movement during the year		
				31-Mar-2016	0		0	0.00

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01/04/2015)		As on Benpos Date	Increase (+) / Decrease (-) in No. of Shares	Reason for [Increase (+) / Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016) / end of the year 31/03/2016)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
6	Vikram Bhartia (Director)	10000	0.01	1-Apr-2015		Nil Movement during the year		
					0			
				31-Mar-2016			10000	0.01
7	Pawan Kumar Bholusaria (Director)	7500	0.01	1-Apr-2015		Nil Movement during the year		
					0			
				31-Mar-2016			7500	0.01
8	Kishan Gopal Somani (Director)	1000	0.00	1-Apr-2015		Nil Movement during the year		
					0			
				31-Mar-2016			1000	0.00

#### V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(₹ in Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,514.82	5.50	4.70	4,525.02
ii) Interest due but not paid	15.76	-	-	15.76
iii) Interest accrued but not due	0.39	-	-	0.39
<b>Total (i+ii+iii)</b>	<b>4,530.97</b>	<b>5.50</b>	<b>4.70</b>	<b>4,541.17</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,422.31	7.10	33.87	1,463.28
• Reduction	(1,006.50)	-	-	(1,006.50)
<b>Net Change</b>	<b>415.81</b>	<b>7.10</b>	<b>33.87</b>	<b>456.78</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,930.63	12.60	38.57	4,981.80
ii) Interest due but not paid	7.20	-	-	7.20
iii) Interest accrued but not due	1.10	-	-	1.10
<b>Total (i+ii+iii)</b>	<b>4,938.93</b>	<b>12.60</b>	<b>38.57</b>	<b>4,990.10</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:**

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Mr. Anil Gupta (CMD)	Mr. Rajeev Gupta (ED (Finance) & CFO)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	24.02	6.79	30.81
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	3.00	0.02	3.02
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	23.26 *	-	23.26
	- others			
5	Others			
	Total (A)	50.28	6.81	57.09
	Ceiling as per the Act	10% of Net Profit for all the Executive Directors - Managing and Whole-time Directors. 5 % of Net Profit to any one Managing or Whole-time director.		

\* The Shareholders' approval in the 22nd Annual General Meeting of the Company has been accorded for payment of Commission to Mr. Anil Gupta upto 5% of the net profit of the Company after deducting the salary and perquisites. The Commission paid to Mr. Anil Gupta is within permissible limit as approved by the shareholders.

**B. Remuneration to other directors:**

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Vijay Bhushan (ID)	Mr. Vikram Bhartia (ID)	Mr. Pawan Kumar Bholusaria (ID)	Mr. Kishan Gopal Somani (ID)	Mrs. Archana Gupta (NED)	
1	<b>Independent Directors (ID)</b>						
	• Fee for attending board committee meetings (including board meetings)	0.34	0.43	0.46	0.16	N.A	1.39
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.34</b>	<b>0.43</b>	<b>0.46</b>	<b>0.16</b>	<b>-</b>	<b>1.39</b>



Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Vijay Bhushan (ID)	Mr. Vikram Bhartia (ID)	Mr. Pawan Kumar Bholusaria (ID)	Mr. Kishan Gopal Somani (ID)	Mrs. Archana Gupta (NED)	
<b>2</b>	<b>Other Non-Executive Director (NED)</b>						
	• Fee for attending board committee meetings (including board meetings)	-	-	-	-	0.34	0.34
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.34</b>	<b>0.34</b>
	<b>Total (B)=( 1+2)</b>	<b>0.34</b>	<b>0.43</b>	<b>0.46</b>	<b>0.16</b>	<b>0.34</b>	<b>1.73</b>
	Total Managerial Remuneration						<b>58.82 #</b>
	Overall Ceiling as per the Act	11 % of Net Profits of the Company. *					

\* During the year, only sitting fees was paid to the Non-Executive Directors for attending Meetings, therefore 11% limit (limit of overall managerial remuneration) doesn't apply for payment made to Non -Executive Directors.

# Total Managerial remuneration is the sum of remuneration paid to MD and WTD and sitting fees of other (all Non-Executive) Directors.

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		MD/ CEO* (Mr. Anil Gupta)	Company Secretary (Mr. Kishore Kunal)	CFO* (Mr. Rajeev Gupta)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1.78		1.78
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961		0.02		0.02
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		0.00		0.00
2.	Stock Option		-		0.00
3.	Sweat Equity		-		0.00
4.	Commission		-		0.00
	- as % of profit		-		0.00
	- others		-		0.00
5.	Others		-		0.00
	<b>Total</b>		<b>1.80</b>		<b>1.80</b>

\* Particulars of remuneration of MD/CEO (Mr. Anil Gupta, Chairman-cum-Managing Director) and CFO (Mr. Rajeev Gupta, ED(Finance) & CFO) are given above under point VI (A).

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

FOR KEI Industries Limited

Place: New Delhi  
Date: July 20, 2016

(ANIL GUPTA)  
Chairman-cum-Managing Director  
DIN: 00006422

**ANNEXURE - C**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016**

*[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

To

The Members

**KEI Industries Limited**

CIN: L74899DL1992PLC051527

D-90, Okhla Industrial Area,

Phase-1, New Delhi -110 020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KEI Industries Limited** (hereinafter called "**the Company**"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the KEI Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board - Processes and Compliance - Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by KEI Industries Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of :-

- (i) The Companies Act, 2013 ("the Act") and rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye - laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; **(Not applicable to the Company during the Financial Year 2015-2016);**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Financial Year 2015-2016);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; **(Not applicable to the Company during the Financial Year 2015-2016); and**
- (vi) Employees Provident Fund and Miscellaneous Act, 1952;
- (vii) Employees State Insurance Act, 1948;
- (viii) Environment Protection Act, 1986 and other Environmental Laws;
- (ix) Factories Act, 1948;
- (x) Indian Contract Act, 1872;
- (xi) Indian Stamp Act, 1999;
- (xii) Industrial Dispute Act, 1947;

- (xiii) Minimum Wages Act, 1948;
- (xiv) Negotiable Instrument Act, 1881;
- (xv) Payment of Bonus Act, 1965;
- (xvi) Payment of Gratuity Act, 1972;
- (xvii) Payment of Wages Act, 1936;
- (xviii) Apprentices Act, 1961;
- (xix) Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- (xx) Industrial Employment (Standing Orders) Act, 1946 and other applicable labour laws.

We have also examined the compliance with the applicable clauses of the following:-

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE"), and Calcutta Stock Exchange Limited ("CSE").
- (iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except the following :-

- 1. The Company was not able to file e-Form No. DPT-3 (Return of Fixed Deposits) with the Registrar of Companies, Ministry of Corporate Affairs, New Delhi for the Financial Year ended on March 31, 2015 pursuant to Rule 16 of The Companies (Acceptance of Fixed Deposits) Rules, 2014. As per the explanations given by the Company, the said return could not be filed due to technical issues related to e-form DPT-3 available at MCA portal. The Company had made representation before Registrar of Companies and Ministry of Corporate Affairs, New Delhi and now technical issue with respect to e-form DPT-3 has been resolved and new version of e-form is available for filing w.e.f. 2<sup>nd</sup> July, 2016.**

We further report that the compliance by the Company of applicable fiscal laws, such as direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditors.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of :-

- (i) Public / Rights / Preferential Issue of Shares / Debenture / Sweat Equity;
- (ii) Redemption / Buy-back of Securities;
- (iii) Major decisions taken by the members in pursuant to section 180 of the Companies Act, 2013;
- (iv) Merger / Amalgamation / Reconstruction etc.;
- (v) Foreign Technical Collaborations.

**CS BALDEV SINGH KASHTWAL  
PARTNER  
RSM & CO.**

**COMPANY SECRETARIES  
FCS NO. 3616, C. P. NO. 3169**

**Place : Delhi  
Dated :20 July, 2016**

**Note :This report is to be read with our letter of even date which is annexed as an "Annexure-I" and forms an integral part of this report.**



**"Annexure-I"**

The Members

**KEI Industries Limited**

L74899DL1992PLC051527

D-90, Okhla Industrial Area,

Phase-1, New Delhi -110 020

We report that :-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) We have obtained the management representation about the compliance of laws, rules and regulations, wherever required.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Delhi

Dated :20 July, 2016

**CS BALDEV SINGH KASHTWAL**  
**PARTNER**  
**RSM & CO.**

**COMPANY SECRETARIES**  
**FCS NO. 3616, C. P. NO. 3169**

**ANNEXURE - D**
**ANNUAL REPORT ON CSR ACTIVITIES (FY: 2015-16)**
**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The CSR policy framed by the CSR Committee (constituted by the Board) has been approved by the Board of Directors at its meeting held on 23.01.2016 in accordance with the provisions of section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

In accordance with schedule VII of the Companies Act, 2013, for enhancing the stakeholders' value, generating economic value of the nation and working towards well-being of the society, the CSR Policy covers certain projects/activities such as mid-day meals, supporting education, healthcare and Food services for underprivileged children of the society.

The detailed CSR Policy is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investors Relation Section.

**2. The Composition of the CSR Committee:**

The composition of the CSR Committee formed in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2015 is as under:

Sl. No.	Name of the Director	Category	Profession
1.	Mr. Pawan Kumar Bholusaria	Independent Director (Chairman)	Chartered Accountant
2.	Mr. Anil Gupta	CMD (Member)	Business
3.	Mr. Rajeev Gupta	ED (Finance) & CFO (Member)	Chartered Accountant

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

(₹ in millions)

- |   |               |
|---|---------------|
| 3. Average net profit of the company for last three financial years:                | <b>396.78</b> |
| 4. Prescribed CSR Expenditure (2 % of the amount as in item 3 above):               | <b>7.94</b>   |
| 5. Details of CSR spent during the financial year :                                 |               |
| a) Total amount to be spent for the financial year:                                 | <b>7.94</b>   |
| b) Amount unspent, if any:  | <b>1.10</b>   |
| c) Manner in which the amount spent during the financial year is provided as below: |               |

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (as per Schedule VII of the Companies Act, 2013)	Projects or programs i) Local area or other ii) The State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in millions)	Amount spent on the projects or programs Sub heads: i) Direct expenditure on projects or programs ii) Overheads (₹ in millions)	Cumulative expenditure upto the reporting period (₹ in millions)	Amount spent : Direct or through implementing agency
1.	Eradicating extreme hunger	Cl. (i)	Telangana (Andhra Pradesh)	0.70	0.65	0.65	Through Sri Vidya Saraswati Sri Shani Temple
2.	Animal welfare	Cl. (iv)	Delhi	0.10	0.10	0.10	Through Acharaya Susil Gosaden & Agriculture
			Tirupati (Andhra Pradesh)	1.00	1.00	1.00	Through Shri Venkateswara Gosamrakshana Trust

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (as per Schedule VII of the Companies Act, 2013)	Projects or programs i) Local area or other ii) The State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in millions)	Amount spent on the projects or programs Sub heads: i) Direct expenditure on projects or programs ii) Overheads (₹ in millions)	Cumulative expenditure upto the reporting period (₹ in millions)	Amount spent : Direct or through implementing agency
3	Contribution to eligible institutions, universities for promoting education of underprivileged children	CI (ii)	Assam	0.20	0.20	0.20	Through Centre for North East Studies And Policy Research
4 (i)	Mid-Day Meal Programme	CI (i)	Delhi	2.00	1.50	1.50	Through International Society for Krishna Consciousness (ISKCON)
(ii)	Contribution to eligible institutions, universities for promoting education of underprivileged children	CI (ii)	Mathura (Uttar Pradesh)	2.50	2.50	2.50	
(iii)	Others		Delhi	0.89	0.89	0.89	
	Total			<b>7.39</b>	<b>6.84</b>	<b>6.84</b>	

6. In case the company has failed to spend the two per cent. of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:

The Company shall find out ways and means to spend the remaining required amount on CSR activities in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend the money before finalising this report as the time was too short to identify suitable projects for spending the same.

#### 7. Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

(ANIL GUPTA)

Chairman-cum-Managing Director  
DIN: 00006422

(PAWAN KUMAR BHOLUSARIA)

Chairman of CSR Committee  
DIN: 00092492

Place: New Delhi  
Date: July 20, 2016

**ANNEXURE - E**
**A) Details pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Clause under Rule 5(1) : (i), (ii)		
Name of Director/ KMP and Designation	Ratio of remuneration of each Director/to median remuneration of employees	% increase in Remuneration in the FY 2015-16
Mr. Anil Gupta (Chairman-cum-Managing Director)	1:53	48%
Mr. Rajeev Gupta (Executive Director (Finance) & CFO)	1:15	11%
Mr. Kishore Kunal (Company Secretary & Compliance Officer)	1:04	20%

Clause under Rule 5(1)	Prescribed Requirement	Particulars
(iii)	Percentage increase in the median remuneration of employees in the financial year	3%
(iv)	Number of permanent employees on the rolls of Company	812
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and pointout if there are any exceptional circumstances for increase in the managerial remuneration	i) Average percentage increase in the salaries of employees other than the managerial personnel - 13% ii) Average percentage increase in the salaries of managerial personnel - 37%
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Nomination and Remuneration Policy of the Company.

**B) The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished hereunder:**

Name and Designation	Gross Remuneration (₹ in Millions)	Nature of Employment	Qualification	Experience	Date of commencement of employment	Age
Mr. Anil Gupta, CMD	50.28	Permanent	B.Com	35 Years	31/12/1992	57 yrs
Mr. Rajeev Gupta, ED (Finance) & CFO	6.81	Permanent	C.A	23 Years	21/04/2006*	52 yrs

Mr. Anil Gupta, CMD is relative of Mrs.Archana Gupta (Director) of the Company.

\* Appointed as Director w.e.f. April 21, 2016. However, He is working with the Company w.e.f. December 13, 1993.



**ANNEXURE – F**

**The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

**A. CONSERVATION OF ENERGY:**

**Steps taken or impact on conversation of energy, steps taken by the Company for utilising alternate sources of energy and capital investment on energy conservation equipments:**

Your Company regularly reviews measures to be taken for energy conservation, consumption and its effective utilization. Some of the energy conservation initiatives and steps taken for utilizing alternate source of energy during the year at different locations are given below:

- Signed Power Purchase Agreement for Solar Power for 2 MW.
- Upgradation of Transmission Line from 11KV to 33KV with dedicated feeder where Transit losses are minimal.
- Big capacity machines are converted from DC Motors and Drives to AC Motors and Drives which result in good Energy saving.
- Use of latest energy efficient technology like solar powered systems, high efficiency VFD based motors, inverter base air conditioner and drives.
- Modification of Steam Pipe Lines and Boiler to save Energy.
- Cooling tower pump replaced with energy efficient pump.
- Replacement of MH lamps with CFLs.
- Replacement of 96W Florescent Street lights by 56W LED Lights.
- Replacement of 250W MH lights inside plant by 93W LED
- Maximum use of natural light in day time by placing transparent roof and side glass windows.
- Re-sizing of motors and pumps rating as per process requirement.
- In GI rewinding section, two 5 HP DC motors were replaced VFD Drive Motor and control by VFD.
- Waste generation minimisation through the application of reduce, reuse and recycle principles across units.
- Continuously maintaining utility power factor by replacing the weak capacitor banks.

During the year, your Company has made efforts for optimal utilization of energy requirement at all plants by installing energy saving tools, equipments, plants and machinery.

**B. TECHNOLOGY ABSORPTION:****i) Efforts made towards technology absorption:**

During the year, your Company has made constant efforts to improve process, design and planning across all manufacturing units.

**ii) The benefits derived like product improvement, cost reduction, product development or import substitution:****a) New Product Development**

- Flexible aluminium cables, Aluminium FS cables, Fire rated cables, Ceramified Silicone FS wires, Cables suitable for -60 deg.c, Solar cables.
- Backward integration in PVC Compounding and developed very special and technically effective PVC compounds.
- Rubber compounds: Developed and modified compounds chemically as per European Standards for special applications for the Indian market requirements and have executed this using Banburry mixing technology.

**b) Product Improvements**

- Started using semi conducting taper over conductor of HT/EHV cables from 400 sq.mm and above.
- Worked towards enhancing QC and improvised on the testing equipments used in our laboratories.
- In order to enhance the quality of our products, we have developed new international vendors for special materials as per international standards and have imported them at cost effective prices.

**c) Process Improvement**

- Installed new high speed multi wire drawing machine from Niehoff.
- Driven pay off installed on bunching machines.
- Installed new machines, like Extruders, Aluminium RBD machines, drum twisters, tapping machine, with latest technology to enhance production capacity and improve production precision at all our three plants.

**d) Benefits as a result of R & D Activities**

- Automation Developments by installing double capacity single machines such as Aluminium RBD and stranding machine with auto loading system to reduce man power, increase productivity and enhance quality.
- Base material developments in insulating materials and in-house compounding materials.
- Special Tapes for fire retardancy and water blocking in cables.
- Have enabled us to now develop in house PVC compounds Resulting in Cost reduction and quality enhancement.

**e) Future Plan of Action**

- Facility generation for flexible house wire in Bhiwadi.
- Strengthening of EPC division.
- Development of loca proof cables, elastomeric locomotive cables.
- Enhancing product range up to 400 kV and increased cable cross section.
- Separate laboratories for Factory testing and Type testing.
- Enhancing capacity of PVC Compounding plant.
- Penetration into varied turnkey projects.
- Research and identify new products as per futuristic market demands.

**iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

The Company has imported machineries, which are being used for production of compact cables thereby increasing productivity and enabling design enhancements resulting in reduced consumption of raw materials.

**iv) The expenditure incurred on Research and Development:**

During the year, your Company has made expenditure of ₹ 4.85 millions towards Research & Development expenses.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO****a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for product; export plans:**

During the financial year 2015-16, export sales of the Company increased to ₹1,909.80 millions from ₹1,495.05 millions in the financial year 2014-15. Your Company is continuing its sustained efforts to retain old customers and add new customers in various international markets. With management's focus, marketing strategies and dedicated efforts of Company's International Business Team, the Company is certain to make improvement in its export sales in the coming year. The concentrated efforts of the management on the territories of Africa, Middle East, Singapore and other emerging markets will result in growth of exports in the coming years. Amongst the various initiatives taken by the Company towards its export sales, few major initiatives are highlighted herein below:

- Hannover Exhibition in Germany (April 2015);
- Overseas tour to African countries and SAARC countries for business development;
- SABS Mark / Approval for supplies to South Africa;
- Procurement of certifications from various local utilities and authorities for various markets in Africa, Middle East, Singapore, Europe and Asia Pacific;
- Tapping of business potential in emerging markets of Africa, Middle East and Asia.

With objective to expand the reach of Company's products globally, the Management is focusing on increasing number of countries for its business operations, development of products as per the requirements of foreign markets, and appointment of additional agents & channel partners for export sales.

**b) Total foreign exchange used and earned:**

Earnings	₹ 1,909.80 millions
Outgo	₹ 2,528.99 millions

**FOR AND ON BEHALF OF THE BOARD**

**(ANIL GUPTA)**  
**Chairman-cum-Managing Director**  
**DIN: 00006422**

**Place: New Delhi**  
**Date: July 20, 2016**

# Management Discussion and Analysis

## COMPANY OVERVIEW

KEI Industries Limited ("the Company"/"KEI"), an India-headquartered Company, is one of the leading manufacturers and suppliers of power and other industrial cables. KEI's unparalleled portfolio of over 400 products, strong distribution network and its commitment to constant improvements in operations make it one of the most trusted brands providing wiring solutions to the retail as well as institutional segment.

The Company runs its business through three prominent divisions—Cables, Stainless Steel Wires and Turnkey Projects. KEI offers wiring solutions and turnkey services to power sector companies, oil refineries, railways, automobile companies, cement manufacturers and also to businesses operating in areas such as steel, fertilizers, textile and real estate among others. The Company's products find applications in the domestic and overseas markets making it one of the top three Cable manufacturing Companies in India.

In the Cable division, the Company has a comprehensive product bouquet spanning from Extra High Voltage (EHV), High Tension and Low Tension, Control and Instrumentation Cables, Specialty Cables, Rubber Cables, Flexible and House Wires to Submersible Cables. It offers many niche products that include fire survival cables, zero halogen cables and braided cables.

The Company entered the business of EHV cables in 2010. It has a technical collaboration with Switzerland-based Brugg Kabel AG for producing EHV cables (ranging from 66kV to 220kV) at its Chopanki (Rajasthan) facility. KEI is today the third largest producer of EHV cables in India. KEI has state-of-the-art manufacturing facilities located at Bhiwadi, Chopanki, and Silvassa.

In its Stainless Steel Wire Division, KEI manufactures a radically distinctive range of specialty wires finding critical applications in a variety of industries.

Moreover, the Company has enhanced its competitive edge by entering into the Engineering, Procurement and Construction (EPC) business in 2008. It provides extensive turnkey solutions including design, engineering, material procurement, field services, construction and project management services among others. The offerings of the Company include execution of power transmission projects (of 66kV to 400kV sub-stations) on a turnkey basis, EPC of EHV and HV cable systems, electrical balance-of-plant for power plants and industrial electrical projects.

The Company mitigates the business risks substantially through its strong presence in domestic as well as

international markets and by taking a balanced exposure to retail and institutional business. Through various operating excellence drives, KEI has substantially enhanced the value of its core offerings.

KEI is well-positioned to seize thriving opportunities offered by the prominent sectors of the economy.

## ECONOMIC REVIEW

### World Economy:

As estimated by International Monetary Fund (IMF), the global economy grew at 3.1% in Calendar Year (CY) 2015. Economic growth remained under pressure in most parts of the world. Advanced economies which showed resilience in the first half of CY 2015 witnessed softening of activities towards the end of CY 2015. Emerging and developing market economies faced strong headwinds of diminishing economic activities, currency depreciations, drop in the volume of global trade and fall in inflows of foreign capital flows.

Investment demand continued to crumble under pressure across the globe as China tried rebalancing its economy by cutting reliance on manufacturing and promoting domestic consumption and services sector. Fall in global commodity prices and especially that in the crude oil prices has been affecting smaller export-driven economies that mostly rely on the exports of handful commodities. As non-US crude oil exports attempted maintaining their market share, they preferred to keep output uninterrupted despite a sharp decline in crude oil prices. The Organization of the Petroleum Exporting Countries (OPEC) failed in reaching consensus to freezing or reducing the oil production.

Moving in the direction of normalization of the interest rate cycle, Federal Reserve (Fed) in the United States hiked interest rates by 25bps in December 2015 - the first hike since 2006. The anticipation of this move had induced a rally in US\$ and as a consequence, many emerging market currencies fell. However, in light of troubles faced by China and a possibility of them spreading in other economies, Fed took a dovish stance after the initial policy action.

From October 2015, IMF has reduced its growth forecast for 2016 twice. It now expects the global economy to advance at 3.2% in 2016. The blessing in disguise is, IMF still expects the world economy to strengthen in 2017 and predicts 3.5% growth.

### Indian Economy:

While the entire world faces a deflationary risk, India has been trying to curb retail inflation and at the time when



other economies are struggling to grow, India has been dreaming about regaining the highest ever growth rate it achieved in the pre-financial crisis era. In the context of global economy, the performance of Indian economy has remained satisfactory in last twelve months. In Financial Year 2015-16, Indian Economy grew at 7.6%.

Indian economy benefited vastly from the falling crude oil prices. India's crude basket recorded a massive fall of about 38%, reaching an 11-year low in FY 2015-16. As per the estimates of the Ministry of Petroleum and Natural Gas, India is likely to have saved over ₹ 2 lakh crore on import bill. Moreover, the Government managed to save another ₹ 54,223 crores as the oil subsidies fell by 29% in FY 2015-16. However, instead of passing on the gains of lower oil prices to consumers, Government preferred to hike excise duty and raise its revenue. However, the Finance Minister clarified in the Lok Sabha during the Budget Session that the Government has utilised this portion of revenue to promoting infrastructure growth. Besides, Budget 2016-17 focused on driving the rural economy which is down with the lacklustre performance of the agriculture sector in the wake of deficient monsoons for the two consecutive years.

On the other hand, Indian Railways which commissioned electrification of 1,600 Kms in 2015-16 will receive 50% more funds in 2016-17. Indian Railways has set the target of electrifying another 2,000 Kms in 2016-17. The Government has been trying to up investments in infrastructure as the consumption demand has softened.

Muted demand and excess leverage on corporate balance sheets delayed recovery in India's capex cycle. Manufacturing growth stayed flat. Between April 2015 and February 2016, India recorded 2.3% production growth. Electricity, which has a weight of about 10% in the Index of Industrial Production (IIP) advanced at 5.1% during the same period.

Despite falling inflation and accommodative policy stance of RBI, banks refrained from slashing interest rates on borrowings. In FY 2015-16, India's Central Bank lowered policy rates by 75bps to 6.75%. However, the weighted average lending rate of banks fell only 53bps. The policy transmission appears inefficient considering 60bps drop in the median base rate of banks in the current interest rate cycle vis-à-vis a cumulative fall of 125bps in the repo rates.

India's retail inflation measured by the movement of Consumer's Price Index (CPI) averaged at 4.91% in FY 2015-16 - far below the RBI's target of 6.0% set for January, 2016. Amidst rising US\$, Indian Rupee remained stable. Factors such as active interventions of RBI and lower Current Account Deficit (CAD) helped Indian currency ride out the rough patch. Moreover, Government's reaffirmation of being on the path to contain fiscal deficit to 3.5% in FY 2016-17 revived the investor sentiment.

The real estate sector is likely to get a boost as the Government geared up to implementing the recommendations of the 7<sup>th</sup> pay commission. It is

estimated that when happens, wage hikes of Government employees, would result in an infusion of over ₹ 1 lakh crore. State Governments are likely to follow suit. Passage of Real Estate Bill may provide a tailwind to the sector.

In FY 2015-16, Government released the first list of 20 Smart Cities. Moreover, it provided the monetary assistance of ₹ 7,296 crore to *Atal Mission for Rejuvenation and Urban Transformation* (AMRUT) and Smart Cities Mission.

On this backdrop, FY 2016-17 may present India some exciting opportunities. Having said that, global uncertainties may continue to loom large. A good monsoon, infra-boost, and pace of regulatory amendments would set the tone for FY 2016-17. Amidst downgrades in growth estimations of other economies, IMF has retained its forecast of 7.5% for the Indian economy in CY 2016 as well as in CY 2017.

### INFRASTRUCTURE & POWER SECTOR SCENARIO

For Indian economy to grow at a blistering pace, growth in infrastructure remains critical. The Government has taken a slew of initiatives to support infrastructural development. It has been trying to address the structural issues through better policy decisions, fast-tracking of stalled projects and by providing greater financial assistance. Between March, 2015 and March, 2016, the Government has cleared 170 stalled projects with an estimated cost of ₹ 6 lakh crore. As against ₹ 1.80 lakh crore provided through Budget 2015-16, the Government increased the allocation to infrastructure and Energy Sectors to ₹ 2.21 lakh crore in the Budget 2016-17 - a jump of nearly 22.50%. The Government has also taken a few measure to improving the ease of doing business in India that are expected to bring about positive changes to infrastructure development. They include the facility of online submission and clearance of applications for the environment, coastal, regulation zone and forest clearances and more transparent framework for coal block auctions among others.

PPPs are considered to be a mainstay of infrastructure growth in India. For encouraging Public Private Partnerships (PPPs), the Government announced three new initiatives.

#### The initiatives are:

1. To resolve disputes arising in infrastructure related construction contracts PPPs and public utility contracts, the Government aims to introduce a Public Utility (Resolution of Disputes) Bill in FY 2016-17.
2. To issue new guidelines governing renegotiation of PPP Concession Agreements.
3. To adopt a new rating system for assessing the risk involved in an infrastructural project to avoid mispricing of loans.

As revealed by the India Brand Equity Foundation (IBEF) data, India is the third largest producer and the fourth largest consumer of electrical energy in the world. All three subsectors of the power sector, namely generation, transmission, and distribution have undergone transformational changes in FY 2015-16.

Thermal power generation which accounts for nearly 70% of India's total electricity generation increased by 7.4% in FY 2015-16. On the other hand generation of Hydropower and Nuclear power improved by 6.1% and 3.6% respectively. As revealed by the Power Ministry data, India's total installed capacity was 298.05 GW as on March 31, 2016. State and Central projects together account for 60% of total installed capacity and private players have a 40% share.

During FY 2015-16 India recorded the capacity addition of 22.46 GW in the Thermal power sector as against 20.80 GW of the capacity added in FY 2014-15. Capacity additions in the Hydropower sector nearly doubled in FY 2015-16 to 1.5 GW, vis-à-vis 0.73 GW recorded in FY 2014-15.

**Capacity Additions: Targets Vs. Achievements (MW)**

Type	12th plan target	Actual additions upto March 2016	Achievement of target (%)
Thermal	72,340	80,180	110.8%
Hydro	10,897	3,811	35.0%
Nuclear	5,300	1,000	18.9%
Total	88,537	84,991	96.0%

(Source: Ministry of Power)

The country has already achieved the 96% of its target for capacity additions in power generation sector set by the 12<sup>th</sup> 5-year plan (2012-2017). The capacity additions in the thermal power sector have exceeded the targets by about 10%, which has helped in compensating the shortfall recorded in Hydro and Nuclear power capacity additions.

Until a couple of years ago, Indian power generators faced an acute shortage of coal supply. However, the situation has gradually improved since then. A press release from the Coal Ministry reveals that the availability of fuel to coal-fired power plants improved from ₹ 10.85 million tons in November 2014 to 27 million tons in November 2015. This means the average coal inventory has jumped from 7 days to 21 days. In November 2014, the availability of coal with about 50 power utilities had reached a critical level of which 30 plants reached a super critical level. As on November 2015, there wasn't a single power utility with a super critical coal inventory and only one power station reached a critical level.

(<http://pib.nic.in/newsite/PrintRelease.aspx?relid=133313>).

As per the Coal Ministry data, the center auctioned 31 coal mines in first nine months of FY 2015-16 while it allotted another 42 mines to state entities.

To further improve the availability of the feedstock to Thermal power plants, the Government sanctioned a new method for granting coal supply linkages. This policy change would be a great enabler indeed as it would provide discretionary powers to the states in facilitating coal linkages on demand basis. Further, the new system also allows swapping of coal from inefficient power plants to the efficient ones. The new coal linkage policy is expected to optimize the usage of coal in the country and let power generators cut transportation costs and improve efficiencies.

In another development, the Government has amended the National Tariff Policy (NTP) with the focus on 4 Es: Electricity for all, Efficiency to ensure affordable tariffs, Environment for a sustainable future, Ease of doing business to attract investments and ensure financial viability.

(<http://pib.nic.in/newsite/PrintRelease.aspx?relid=134631>)

**Renewable Energy-growing significance:**

The new trend has been developing in the renewable energy markets across the globe. In the year 2015, for the first time in the known history, developing nations witnessed higher investments than those in the advanced countries. (Source: United Nations Environment Programme)



(Source: United Nations Environment Programme)

In India, green energy drive of the Government enabled renewable energy sector to attract 22% higher investments. Representing the 4% of total investments made across the globe, India witnessed inflow of \$ 10.2 billion in renewable energy. Solar energy surpassed the wind power segment in drawing more investors. Consequentially, capacity additions in solar energy exceeded those in the wind energy.

Developments in the renewable sector will affect power equipment Companies to a greater extent going forward.

### Power Transmission-on a firm footing:

Along with that of the power generation sector, health of transmission industry has also improved substantially over last 12 months. India's electricity generation capacities are concentrated in the selected areas due concentration of natural resources. Therefore, interstate transmission system acquires immense importance in India. A Central Transmission Utilities (CTU) and State Transmission Utilities (STU) are responsible for developing transmission networks.

The Transmission sector recorded a robust growth in FY 2015-16. India accredited transmission lines of 28,114 Circuit Kilometers (ckm) Between April 2015 and March 2016 - a jump of 27.21% over 22,101 ckm commissioned during FY 2014-15.

#### Transmission Lines Added (ckms)

Voltage Level	FY 2014-15	FY 2015-16
+/- 500 KV HVDC	-	-
+/- 800 KV HVDC	-	3,506
765 KV	7,548	5,601
400 KV	9,992	11,181
220 KV	4,561	7,826
All India	22,101	28,114

(Source: Ministry of Power)

Transmission sector has outpaced the growth target by 18.56% in FY 2015-16. During FY 2015-16 India's total transformation capacity increased by 62,849 MVA, which is 24% higher than the target of 50,542 MVA fixed for 2015-16. As on March 31, 2016, the potentiality of the transmission system of 220 kV and above voltage levels stood at 341,551ckm of transmission lines. Moreover, transformation capacity of substations was 658,949 MVA on the same day.

### Rural electrification gets a boost:

As a corollary of India's success in power generation and transmission sectors, rural electrification has gathered paced. The Government has set a target of electrifying 18,542 villages by May 2018. Under "Deendayal Upadhyaya Gram Jyoti Yojana" (DDUGJY), the Power Ministry electrified 5,542 villages over last 12 months. With this, the Power Ministry has achieved about 30% target in FY 2015-16.

### Ujwal DISCOM Assurance Yojana (UDAY)-a revolutionary step:

The benefits of success achieved in generation and transmission sector cannot reach to the end user unless the Country has a strong distribution network.

Power Distribution sector in India has historically faced some chronic challenges. DISCOMs collectively reported accumulated losses of about ₹ 3.8 lakh crore in

FY 2014-15. Moreover, their collective debt-pile reached to a staggering level by the end of FY 2014-15. DISCOMs had outstanding loans worth ₹ 4.3 lakh crore as on March 31, 2015.

(<http://pib.nic.in/newsite/PrintRelease.aspx?relid=130261>).

Financial weakness put DISCOMs on back-foot as they found it unviable to supply electricity uninterruptedly at affordable rates. Recognising the weakness of distribution system, the Government launched an ambitious and path-breaking scheme for power distribution Companies, Ujwal DISCOM Assurance Yojana (UDAY). The Government has adopted a multi-pronged strategy to improving the health of DISCOMs and putting them back on track and helping them break-even in next 2-3 years.

### To transform the power distribution sector from a distressed area to a thriving one Government intends to:

- Improve the operational efficiencies of distribution Companies
- Reduce the cost of power
- Cut the financing cost of DISCOMs
- Impose financial commitments

The Government aims to achieve operational efficiencies through initiatives such as compulsory smart metering, upgradation of transformers and meters among others. Efficiencies would be further leveraged by promoting the use of LED bulbs, agricultural pumps, fans, and air-conditioners. With such improvement, the Government aims to reduce AT&C loss from around 22% at present to 15% by FY 2018-19. Along with these measures, the Government intends to pass on the benefits of cost reduction in power generation to DISCOMs and the end consumers.

The UDAY will provide one-time relief to DISCOMs whose 75% debt would be taken over by the respective states in a phased manner. In FY 2015-16, the states were to take over 50% of debt and remaining 25% is to be absorbed in FY 2016-17. The Centre has assured states about not including this debt for the calculation of their fiscal deficit. States taking over the debt would be positive from the perspective of the credit rating of the debt. The financing cost of such debt would be 500bps to 600bps (5-6 percentage points) lower than the current interest cost of 14%-15%.

Moreover, the center will offer them greater assistance through centrally funded schemes such as DDUGJY, Integrated Power Development Scheme (IPDS), Power Sector Development Fund (PSDF) and other similar schemes. The states would also be entitled to receive greater coal allocations at notified prices and cheaper power. Since adaptation of UDAY is optional for states, the benefits would be available only to those implementing the scheme.

**Budget 2016-17 has been encouraging for the Power sector:**

- The Government increased the budgetary support for the Power sector from ₹ 6,800 crore in Budget 2015-16 to ₹ 12,200 crore in Budget 2016-17. This has been mainly on account of 66% rise in the allocations to DDUGJY and IPDS, which have received additional ₹ 3,400 crore over ₹ 5,100 crore allocated in the Budget 2015-16. Moreover, Power System Development Fund (PSDF) has received ₹ 1,900 crore in the Budget 2016-17 over ₹ 300 crore received in the last budget.
- The transmission Companies will be able to claim additional depreciation of 20% of the actual cost of new plant or machinery installed during the previous year from FY 2018-19. This will help transmission Companies expand capacities in cost efficient manner.
- The Government has allowed the State-owned power financing Companies to raise funds through bond issuances in FY 2016-17. This move would ensure mobilisation of resources to the Power sector.
- The Budget 2016-17 endeavors to encourage power generators for making a use of Municipal Solid Waste in electricity generation. It aims to offer concessions in Customs and Excise duty to those entering valid agreements with local bodies for processing municipal solid waste for not less than ten years from the date of commissioning of the project. This initiative may help power generation Companies lower the cost and would also help municipal authorities deal with the solid waste.
- The Government aims to provide subsidies to DISCOMs for securing power from domestic gas-based power plants that are left behind in the competition. The Budget 2016-17 proposed to amend the Section 3 of the CST Act.

**Thrust on renewable energy:**

Budget 2016-17 has allocated ₹ 5,000 crore for the renewable energy sector. The Government endeavours to achieve a steep target of 175 GW by 2022. The Government has rationalised the duty structures on power equipment used in the renewable energy sector and has encouraged financial institutions to extend a credit line to renewables.

**Outlook and Challenges:**

In FY 2015-16, the Government has holistically addressed several issues that the Power sector faced for long. While the benefits of various initiatives may be experienced with a lag, implementation of NTP and UDAY remains the key. Although nearly 17 states have given the

in-principle nod to participating in UDAY, existing quantum of debt on the balance sheet of some states remains the concern. In the absence of thriving demand from various state utilities and slowdown in new long-term Power Purchasing Agreements (PPAs), power generation sector may remain under pressure. Uninterrupted supply of gas is critical for utilizing new capacity additions. Settlement of issues pertaining to tariff compensation to Independent Power Producers (IIPs) in the thermal power sector also remains vital.

Having said this, reinvigorated efforts of the Government to revive the power sector may bode well for Companies operating at various levels of the value chain in the industry.

**BUSINESS OVERVIEW**

From ₹ 2,031 crores in FY 2014-15, Company's top-line grew at a healthy rate of 15% to ₹ 2,326 crores in FY 2015-16. The Company delivered 27% volume growth and 15% value growth over last year.

The Strong performance of Cable and EPC divisions and rising contribution from domestic and export markets helped to achieve such impressive growth. Favourable macroeconomic developments, growing distribution network, and the focused marketing efforts accelerated the revenue growth in FY 2015-16. However, as the Company decided to pass on the cost-savings to consumers, the value growth came to a tad lower.

The Cable division witnessed 12% growth in value terms over last twelve months. From ₹ 1710 crores in the previous fiscal, sales number improved to ₹ 1910 crores in FY 2015-16. Within cable segment, EHV registered more than two-fold jump as the earnings from this segment surged from ₹ 59 crore last fiscal to about ₹ 134 crore this fiscal. Moreover, sales of LT cable and HT cable jumped 6% over the last year.

EPC division clocked the revenue of ₹ 498 crore in FY 2015-16 as against earnings of ₹ 316 crores reported in FY 2014-15.

Transmission and distribution sectors remained primary growth drivers and thrust of the Government on renewable energy projects, and rural electrification propelled the growth in Company's numbers. As the Government aims to modernise the transmission network to curb transmission losses, the shift from overhead cabling to underground cabling looks inevitable. The work has already begun in the main cities, and it is expected that the smaller cities will catch up soon. EHV segment has benefited immensely from this transition and is likely to continue delivering robust performance even in future.

The Company expects this strong trend to sustain even in future and thus to augment its capacities to satisfying the increasing demand, has chalked out a Capex plan.



### Retail Division:

The retail business comprises House Wires, HT, and LT Cables and contributes nearly 30% of the Company's top-line. Retail sales have gone up from ₹ 635 crore in FY 2014-15 to ₹ 721 crore in FY 2016-17. The Company has adopted a strategy of reaching out to more potential customers through direct as well as indirect route.

Advertisement campaigns, outdoor marketing, and high-profile sponsorships have substantially improved the visibility of the brand. The Company has cautiously upped its ad spends across the Media-Print, Air, Audio-visual and Digital among others. It is noteworthy that the company has won the SuperBrand Award for the fourth consecutive year in FY 2015-16. The Company promoted its brand aggressively even overseas.

The Company has increased its focus on growing the distribution network, to reach to its potential customers. KEI has a significant presence in Northern, Southern and Western regions and has a pan-India distribution network of over 900 dealers. The Company intends to add more distributors in future. As a fair remuneration policy, the Company formulated exciting incentive schemes for dealers.

Faster realisations and low working capital requirements make retail segment an important pillar of Company's growth model. KEI expects to improve the contribution of this segment by another 20% taking it to 50% in next 2-3 years.

### Exports:

KEI is a trusted name in the International market. Exports account for nearly 8% of KEI's earnings. The Company has a presence in over 45 countries. It has been providing cabling solutions to oil refineries in Kuwait and Abu Dhabi. African countries such as Nigeria, Ghana, South Africa and Mauritius are also the crucial markets for KEI. Moreover, the Company has now started exporting even to developed countries such as Australia and Singapore. The Company endeavours to grow this segment even in future as factors such as cash flows and working capital position remain favourable. Exports also provide a natural hedge to Company's imports helping it save the premium on forward contracts.

By clocking 27% growth, exports of the Company jumped to ₹ 191 crore in FY 2015-16.

### Institutional Business:

Magnificent jump of over 58% in revenues of EPC division and impressive numbers in EHV cables segment helped institutional business come out with flying colours. KEI was successful in securing the supply and service contract from Power Grid Corporation of India Limited under Integrated Power Development Scheme (IPDS).

### Outlook:

The Government endeavours to provide 24x7 electricity across India by 2019. KEI is likely to be a primary beneficiary of different Government initiatives such as strengthening sub-transmission and distribution systems, reducing T&D losses and electrifying villages among others. Smart city projects and aggressive expansion in the renewable energy sector would provide ample of growth opportunities to KEI. That apart, modernisation of Indian Railways and growth in real estate, oil & gas, and ship building will help the Company achieve higher revenues in coming quarters.

The Company expects to register nearly 12% jump in the top line number during FY 2016-17. It has been eyeing ₹ 2,800 crores worth gross revenues in FY 2016-17. Retail push and burgeoning exports would improve the cash flows. EHV, a segment with a high operating margin is expected to do particularly well. The proposed capacity additions at existing facilities have a potential of contributing ₹ 300 to ₹ 400 crore in the top line. Healthy order book would ensure that capacities are utilised optimally. On this backdrop constant raw material prices and stable exchange movement may result in substantial improvement in the bottom line.

### RISKS AND CONCERNS

Risk management is critical to the success of a Company like KEI, which is in a commodity dependent business. Moreover, the Company's operations are widely affected by the changes in the Government policy regimes. Intense competition and longer collection period in turnkey projects make the risk management even more indispensable exercise.

Listed below are some of the major risks to which the Company is exposed, and the various measures in place to mitigate the same.

Risk	Issues & Concerns	Mitigation strategy
<b>Changing Government Policies</b>	<ul style="list-style-type: none"> <li>Government policies affect some prominent divisions such as EHV and EPC to a great extent. These segments tend to do well under a steady policy regime and vice-versa.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has been focusing on growing the retail business which is not affected vastly by the change in the policy.</li> </ul>
<b>Cyclical Risk</b>	<ul style="list-style-type: none"> <li>The Company caters to the needs of businesses which are cyclical in nature. Interest rate cycles and capex cycles in the domestic economy affect Company's revenues.</li> </ul>	<ul style="list-style-type: none"> <li>The Company tries to diversify across sectors of the National Economy.</li> <li>Moreover, it hedges the cyclicity risk present in the local market by exploring opportunities overseas.</li> </ul>



<b>Competition Risk</b>	<ul style="list-style-type: none"> <li>The majority of the Company's products are highly competitive in nature and face a substantial threat from other players.</li> </ul>	<ul style="list-style-type: none"> <li>The Company continuously invests in brand building. It nurtures existing business relationships by providing high-quality products and tries reaching out to potential customers through various marketing initiatives targeted at increasing the brand visibility.</li> <li>Company has a strong distributor base which helps to reach out more people.</li> </ul>
<b>Raw Material Price Fluctuation Risk</b>	<ul style="list-style-type: none"> <li>Undue volatility in the Company's critical raw materials – copper and aluminium – can have a severe impact on its profitability.</li> <li>Although the Company attempts to recover copper and other raw material price changes either through the selling price of products or hedging, there is no assurance that it can do so successfully in the future.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has adopted stringent strategies to tackle such volatility.</li> <li>To mitigate the risk of increasing raw material prices, the Company incorporates price escalation clauses for large orders, while including a three-month price validity clause for smaller projects.</li> </ul>
<b>Currency Fluctuations Risk</b>	<ul style="list-style-type: none"> <li>With exports, a key contributor to the Company's revenues, excessive volatility in currency rates can significantly impact profitability.</li> <li>The Company also imports raw material, and extreme exchange rate fluctuations can also adversely affect the costs of the same, causing profitability to be affected.</li> </ul>	<ul style="list-style-type: none"> <li>The Company continuously monitors currency movements and resorts to forward booking, where deemed appropriate.</li> <li>The Company maintains close to 90 days of inventory of raw materials WIP and finished goods and counterbalances it with securing orders. This creates a natural hedge in buying and selling.</li> </ul>
<b>Human Resource Risk</b>	<ul style="list-style-type: none"> <li>Quality human resources being critical to its business operations, the Company may not be able to execute its ambitious growth plans in the absence of this vital asset.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has a well-planned HR strategy, focused on nurturing and retaining talent.</li> </ul>

**HUMAN RESOURCES**

Business can have a separate legal recognition but without people, all businesses would look alike. Needless to say, people make all the difference to how an organisation functions.

Recognising the importance of Human Capital, KEI runs various programmes to train, motivate and reward people working with it and contributing to the success of the Company. Its well-documented HR strategy has given the Company a strong strategic edge as it strives towards operational excellence. Regular HR initiatives include skill mapping and matching, as well as assessment of Training & Development programs. Such assessment helps in ensuring proper performance appraisals. Adequate training, skill development and mentoring programs are designed to bridge gaps, if any.

The Company has set for itself clear objectives and goals, which help lend objectivity to performance. During the year, industrial relations continued to be cordial.

**DISCLAIMER CLAUSE**

*The statement in the Management Discussion & Analysis describing the Company's objectives, projections, estimate, expectations are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation and include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax, corporate and other laws and another related factor.*

# Report on Corporate Governance

**In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2016 is presented below:**

## **1. STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company believes in adopting best practices in the area of Corporate Governance and follows the principles of full transparency and accountability by providing information on various issues concerning the Company's business and financial performance to its shareholders. The Company's activities are carried out in accordance with good Corporate practices and the Company is constantly striving to better them and adopt the best practices. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company to achieve its goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming leader in Power Cable Industry.

The Company is in compliance with the requirements of Regulations on Corporate Governance as per the Uniform Listing Agreements entered with the Stock Exchange(s) as stipulated by Securities and Exchange Board of India.

The Board considers itself as the Trustee of its Shareholders. During the period under review, the Board continued its pursuit by adopting and monitoring of Corporate strategies, prudent business plans, major risks and ensuring that the Company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

## **2. BOARD OF DIRECTORS:**

### **(A) Composition of the Board of Directors:**

- (i) The Company has 7 Directors with an Executive Chairman. Of the 7 Directors, 2 are Executive Directors and 5 are Non-Executive Directors, including one Woman Director and 4 Independent Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Listed Companies in which he is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2016 have been made by all the Directors.
- (iii) The names and categories of the Directors on the Board and the number of Directorships and Committee Chairmanships / Memberships held by them in other Public Limited Companies are given below. Other Directorships do not include, Directorships of Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013. Chairmanship / Membership of Board Committees include only Audit Committee and Stakeholders' Relationship Committee.

**(B) Details of Directors as on March 31, 2016, their attendance at the Board Meetings and Annual General Meeting during the Financial Year ended March 31, 2016 and number of other Board of Directors or Committees in which Director is a Member or Chairperson are given below:**

Name of the Director	Category	No. of Directorships in other Public Limited Companies	No. of the Board Meetings held during the Financial Year 2015-16	No. of the Board Meetings attended during the Financial Year 2015-16	Attendance at last AGM (September 16, 2015)	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
Mr. Anil Gupta (DIN: 00006422)	Non-Independent, Executive (Promoter & CMD)	1	6	6	Yes	None	None
Mrs. Archana Gupta (DIN: 00006459)	Non-Independent, Non-Executive	2	6	6	No	None	None
Mr. Pawan Kumar Bholusaria (DIN: 00092492)	Independent, Non-Executive	1	6	6	Yes	None	2
Mr. K.G. Somani (DIN: 00014648)	Independent, Non-Executive	1	6	4	Yes	None	None
Mr. Vijay Bhushan (DIN: 00002421)	Independent, Non-Executive	4	6	6	No	1	4
Mr. Vikram Bhartia (DIN: 00013654)	Independent, Non-Executive	None	6	5	Yes	None	None
Mr. Rajeev Gupta (DIN: 00128865)	Non-Independent, Executive	None	6	6	Yes	None	None

**(C) Number of Meetings of the Board of Directors held and dates on which held:**

During the financial year 2015-16 agenda of the Board / Committee Meeting(s) with proper explanatory notes to agenda was prepared and circulated well in advance to all the Board / Committee Members. Draft resolution(s) were also circulated to the Board / Committee Members for their comments. In special circumstances, additional or supplementary item(s) on agenda were permitted with the approval of the Chairman of the meeting. The Board also reviewed periodical compliances of all applicable Acts, law(s) / rule(s) and regulation(s) during the financial year 2015-16.

During the year ended March 31, 2016, 6 (Six) Board Meetings were held and these were on May 28, 2015, August 06, 2015, October 05, 2015, November 05, 2015, December 09, 2015 and January 23, 2016.

The last Annual General Meeting (AGM) of the Company was held on September 16, 2015.

**(D) Disclosure of relationships between Directors inter-se:**

Mrs. Archana Gupta, Director (holding DIN: 00006459) on the Board is spouse of Mr. Anil Gupta, Chairman-cum-Managing Director (holding DIN: 00006422). None of the other Directors are related to any other Director on the Board.

**(E) Number of Shares and Convertible Instruments held by Non-Executive Directors:**

None of the Non-Executive Directors hold any of the convertible instruments except the following Equity Shares of ₹ 2/- each in their individual capacity:

Name of the Director	Category	No. of Shares held
Mrs. Archana Gupta	Non-Executive Director	837,315
Mr. Pawan Kumar Bholusaria	Non-Executive Independent Director	7,500
Mr. K.G. Somani	Non-Executive Independent Director	1,000
Mr. Vikram Bhartia	Non-Executive Independent Director	10,000
Mr. Vijay Bhushan	Non-Executive Independent Director	Nil

**(F) Web link where details of Familiarization Programmes imparted to Independent Directors is disclosed:**

The details regarding Familiarization Programmes imparted to Independent Director's of the Company are given on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

In terms of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors are required to meet at least once in a year, without the presence of Non-Independent Directors and members of the management, to deal with the matters listed out in Schedule IV to the Companies Act, 2013 and Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) & (7) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year ended March 31, 2016, one meeting of Independent Directors was held on March 26, 2016.

**Attendance of the Independent Directors at the meeting is as under:**

Name of the Director	Profession	No. of Meetings held	No. of Meetings attended
Mr. Vikram Bhartia	Business	1	1
Mr. Pawan Kumar Bholusaria	Chartered Accountant	1	1
Mr. K.G. Somani	Chartered Accountant	1	1
Mr. Vijay Bhushan	Business	1	1

**3. AUDIT COMMITTEE:**

**(A) Brief Description of terms of reference:**

The terms of reference of the Audit Committee are in line with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part C of the Schedule II) and Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee are broadly as under:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position.
- Recommending the appointment, re-appointment and removal of external auditors, fixation of audit fees and also approval for payment of any other services.
- Recommendation for appointment, re-appointment, removal and remuneration of Cost Auditors and Internal Auditors of the Company.
- Reviewing the Financial Statements and draft audit report, including quarterly/half yearly financial information.
- Reviewing, with the management the Annual Financial Statements before submission to the Board for approval, for focusing primarily on:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - Changes, if any in accounting policies and practices and reasons for the same;
  - Major accounting entries based on the exercise of judgment by management;
  - Qualification in draft audit report;
  - Significant adjustments made in the financial statements arising out of audit finding;
  - Compliance with accounting standards;
  - Compliance with listing and other legal requirements concerning financial statements;
  - Any related party transactions.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.

- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspect fraud or irregularity or a failure of internal control systems of a material nature and reposting the matters to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in Listing Agreement and the Companies Act, as and when amended.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Internal audit reports relating to internal control weaknesses.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Reviewing the functioning of Vigil Mechanism/ Whistle Blower Policy.
- Lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company (if required).
- Monitoring of end use of funds raised through public offers and related matters.
- Mandatory review of following information:
  - Management discussion and analysis of financial condition and results of operation;
  - Statement of significant related party transactions submitted by management;
  - Management letters / letters of internal control weaknesses issued by Statutory Auditors;
  - Internal audit reports relating to internal control weakness;
  - Cost Auditor is free from disqualification as specified under Section 148 of the Companies Act, 2013.

**(B) Composition, Name of Members and Chairperson and Meeting and attendance during the Financial Year 2015-16:**

During the year ended March 31, 2016, 4 (four) Audit Committee Meetings were held on May 28, 2015, August 06, 2015, November 05, 2015 and January 23, 2016.

Mr. Pawan Kumar Bholusaria, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 16, 2015.

The composition of the Audit Committee and the attendance of the Members in the meetings are as under:

<b>Name of the Director</b>	<b>Category</b>	<b>Profession</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mr. Pawam Kumar Bholusaria	Independent Director (Chairman)	Chartered Accountant	4	4
Mr. K.G. Somani	Independent Director (Member)	Chartered Accountant	4	3
Mr. Vikram Bhartia	Independent Director (Member)	Business	4	4

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee. In addition to the above, the Committee meetings were also attended by the Statutory Auditors and other Executive(s) of the Company as and when required.



#### 4. NOMINATION AND REMUNERATION COMMITTEE:

##### (A) Brief description of terms of reference:

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the shareholders, the Company's policy governing remuneration payable to the Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are in line with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part D of the Schedule II) and Section 178 of the Companies Act, 2013.

The terms of reference of the Nomination and Remuneration Committee are broadly as under:

- a) To Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- b) To Formulate criteria for evaluation of Independent Directors and the Board.
- c) To Carry out evaluation of every Director's performance.
- d) To Devise a policy on Board diversity.
- e) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- f) To formulate suitable Employee Stock Option Scheme in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014 for the benefit of employees and Directors of the Company.
- g) To adopt rules and regulations for implementing the Scheme from time to time.
- h) To frame suitable policies and procedures to ensure that there is no violation of Securities Laws, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 (as amended from time to time) by the Company and its employees, as applicable.
- i) To consider such other matters as the Board may specify and other areas that may be brought under the purview / role of Committee as specified in Listing Agreement and the Companies Act, as and when amended.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

##### (B) Composition, Name of Members and Chairperson and Meeting and attendance during the Financial Year 2015-16:

During the year ended March 31, 2016, 3 (three) meetings were held on May 04, 2015, August 06, 2015 and September 23, 2015.

The composition of the Committee and attendance of the members at the meeting are as under:

Name of the Director	Category	Profession	No. of Meetings held	No. of meetings attended
Mr. Vikram Bhartia	Independent Director (Chairman)	Business	3	3
Mr. Vijay Bhushan	Independent Director (Member)	Business	3	3
Mr. Pawan Kumar Bholusaria	Independent Director (Member)	Chartered Accountant	3	3

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee. In addition to the above, the Committee meetings were also attended by other Executive(s) of the Company as and when required.

**(C) Performance Evaluation criteria for Independent Directors:**

The performance evaluation of all the Directors for the financial year 2015-16, was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board.

The performance evaluation of Independent Directors was done by the entire Board of Directors (excluding the Director being evaluated).

**5. REMUNERATION OF DIRECTORS:**
**(a) All pecuniary relationship or transactions of the Non- Executive Directors vis-à-vis the Company:**

During the financial year 2015-16, the Company has not paid any remuneration to Non-Executive and Independent Director except sitting fees of ₹ 20,000/- per Board / Committee Meeting (upto the Board / Committee meetings held on or before 28.05.2015) and ₹ 25,000/- per Board / Committee Meeting (for the Board / Committee Meetings held after 28.05.2015).

(₹ in Millions)

Name of the Director	Amount
Mr. Pawan Kumar Bholusaria	₹ 0.46
Mr. K.G. Somani	₹ 0.16
Mr. Vikram Bhartia	₹ 0.43
Mr. Vijay Bhushan	₹ 0.34
Mrs. Archana Gupta	₹ 0.34

**(b) Criteria of making payments to Non-Executive Directors:**

The terms of appointment/re-appointment, remuneration/fees, removal of Non-Executive Directors are governed by the resolutions passed by the Board / the Nomination and Remuneration Committee, which cover the terms and conditions of such appointment/re-appointment as per the Nomination and Remuneration Policy and Article of Association of the Company, as amended from time to time. No separate Service Contract is entered into by the Company with any Non-Executive Directors. The statutory provisions will however apply.

Further, the detailed Nomination & Remuneration Policy is annexed to Director's Report as **Annexure A** and forms part of this Annual Report and is also available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**(c) Disclosure with respect to Remuneration:**
**(i) Details of Remuneration paid to Executive Directors for the Year ended on March 31, 2016:**

The aggregate value of salary, perquisites and commission paid for the year ended March 31, 2016 to the Chairman-cum-Managing Director (CMD) and Whole Time Director (WTD) are as follows:

(₹ in Millions)

Name	Salary	Commission	Co's Cont. to PF	Perquisites	Sitting Fees	Other	Total
Mr. Anil Gupta, (CMD)	24.00	23.26	0.02	3.00	NIL	NIL	50.28
Mr. Rajeev Gupta, ED (Finance) & CFO	6.77	NIL	0.02	0.02	NIL	NIL	6.81
<b>Total</b>							<b>57.09</b>

**(d) Service Contract, Severance Fee and Notice Period of the Executive Directors:**

The appointment/re-appointment of the Executive Directors is governed by the resolutions passed by the Board / The Nomination and Remuneration Committee/ Nomination and Remuneration Policy and the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director. The statutory provisions will however apply.

The terms of appointment/re-appointment, remuneration and removal of Executive Directors are as per the Nomination and Remuneration Policy.

**(e) Stock Options details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:**

During the financial year 2015-16, Company at its Nomination and Remuneration Committee Meeting of Board of Directors held on September 23, 2015 has granted 6,00,000 options at an Exercisable Price of ₹ 35/- per option to Mr. Rajeev Gupta, Executive Director (Finance) & CFO.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The terms of reference and the ambit of powers of the Stakeholders Relationship Committee are in line with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part D of the Schedule II) and Section 178 of the Companies Act, 2013.

The Committee looks into redressing investor's grievances / complaints such as non-receipt of notices, annual reports, dividends, revalidation of dividend warrants and share transfers related works. The Committee also approves issue of duplicate share certificates, remat of shares etc. The status of grievances / complaints has also been placed before the Committee on quarterly basis.

**(a) Name of Non-Executive Director heading the Committee:**

During the year ended March 31, 2016, 5 (five) Meetings of the Committee were held on May 28, 2015, August 06, 2015, November 05, 2015, January 23, 2016 and February 25, 2016.

The composition of the Committee and attendance of the members at the Meeting are as under:

Name of the Director	Category	Profession	No. of Meetings held	No. of meetings attended
Mr. Vijay Bhushan	Independent Director (Chairman)	Business	5	5
Mr. Vikram Bhartia	Independent Director (Member)	Business	5	5
Mr. Pawan Kumar Bholusaria	Independent Director (Member)	Chartered Accountant	5	5

**(b) Name and Designation of Compliance Officer:**

Mr. Kishore Kunal, General Manager & Company Secretary is the Compliance Officer of the Company.

**(c) Number of shareholders complaints received, not solved to the satisfaction of shareholders and pending:**

Number of Shareholders complaints received and resolved during the year ended March 31, 2016 are as follows:

Sr. No.	Nature of Grievances	Received	Status/ Pending
1	Non-Receipt of Annual Report / Dividend Warrant/ Others	14	Resolved
2	Non Receipt of Transfer / Transmission / Duplicate / Split etc	NIL	NIL
3	Non Receipt of electronic credit / demat	NIL	NIL
4	SEBI / ROC	1	Resolved
5	Others	1	Resolved
	<b>Total</b>	<b>16</b>	<b>Resolved</b>

Number of pending Shareholders complaints and Share Transfer as on March 31, 2016 was Nil.

Beside the above, the Board of Directors has Share Allotment Committee, Finance Committee and CSR Committee. In respect of these Committees brief role, terms of reference, composition and number of meetings held etc are given below.

## 7. SHARE ALLOTMENT COMMITTEE:

Share Allotment Committee was constituted by the Board of Directors of the Company with detailed terms of reference which include, inter-alia, the following powers:

- To consider and allot the equity shares upon conversion of Foreign Currency Convertible Bonds (FCCB), as requested by the bondholders from time to time in the Form of conversion notice.
- To consider and allot the equity shares upon exercise of Stock options by the eligible employees.
- To consider and allot the equity shares upon conversion of other convertible securities issued by the Company from time to time.
- To exercise all other powers as may be delegated by the Board from time to time.

During the year ended March 31, 2016 no committee meeting was held.

The composition of the Committee is as under:

<b>Name of the Director</b>	<b>Category</b>	<b>Profession</b>
Mr. Pawan Kumar Bholusaria	Independent Director (Chairman)	Chartered Accountant
Mr. Vijay Bhushan	Independent Director (Member)	Business
Mr. Anil Gupta	Non-Independent, Executive (Member)	Business

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

## 8. FINANCE COMMITTEE:

In addition to the mandatory/non-mandatory Board Committee specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company has constituted a Finance Committee comprising of One Non-Executive Director and Two Executive Directors of the Company. The primary role of the Finance Committee is to expeditiously decide business matters of routine nature and regular financial nature.

The detailed terms of reference which include, inter-alia, the following powers:

- opening / operation of Bank Accounts including any matter relating to working capital limits of the Company.
- borrowing from Banks / Financial Institutions / Body Corporate or from any other person up to an amount not exceeding ₹ 400 crores at any time. The same shall be reported in the subsequent Board Meeting. However, the borrowing made by the Committee and reported in the subsequent Board Meeting, shall not be considered for computing the said limit of ₹ 400 crores.
- creation of security by way of hypothecation / mortgage on the assets of the Company for the borrowing.
- to provide any loan / deposits / guarantee / investment for an amount not exceeding ₹ 20 crores at any time. As per provisions of Section 186 of the Companies Act, 2013, the Board can make investment up to 60% of the paid-up capital & free reserves or 100% of the free reserves, whichever is more and investment more than this can be made by the Board with the approval of shareholders.
- execution and signing of various documents in respect of above.
- Any other financial matter relating to the Company viz. Sales tax, Income tax, Excise, Custom, RBI, Foreign Exchange etc.

During the year ended March 31, 2016, 9 (Nine) meetings were held on April 18, 2015, June 19, 2015, August 25, 2015, September 07, 2015, September 24, 2015, December 25, 2015, March 04, 2016, March 23, 2016 and March 30, 2016.

The composition of the Committee and attendance of the members at the meeting are as under:

Name of the Director	Category	Profession	No. of Meetings held	No. of Meetings attended
Mr. Anil Gupta	Non-Independent, Executive	Business	9	9
Mrs. Archana Gupta	Non-Independent, Non- Executive	Business	9	8
Mr. Rajeev Gupta	Non-Independent, Executive	Chartered Accountant	9	9

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

#### 9. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility Committee of the Company is constituted in line with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2015, with detailed terms of reference which include, inter-alia, the following functions:

- Formulating and recommending to Board, a CSR policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Corporate Social Responsibility Committee comprises of 3 (Three) members of which the Chairman being Non-Executive and Independent and other two are Executive Directors.

During the year ended March 31, 2016, 1 (One) meeting was held on January 23, 2016.

The composition of the Committee and attendance of members at the meetings are as under:

Name of the Director	Category	Profession	No. of Meetings held	No. of Meetings attended
Mr. Pawan Kumar Bholusaria	Independent, Non- Executive (Chairman)	Chartered Accountant	1	1
Mr. Anil Gupta	Non-Independent, Executive (Member)	Business	1	1
Mr. Rajeev Gupta	Non-Independent, Executive (Member)	Chartered Accountant	1	1

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

The Annual Report on Corporate Social Responsibility (CSR) activities is annexed to Directors' Report detailing the CSR projects undertaken by the Company as **Annexure D** and forms part of this Annual Report. Further, the Corporate Social Responsibility Policy has also been uploaded on the Company's website and is available at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

#### 10. GENERAL BODY MEETINGS:

(a) Location and time where the last three Annual General Meetings were held and Special Resolution passed thereat:

Year	Day	Date	Time	No. of Special Resolution passed at AGM	Venue
2015	Wednesday	September 16, 2015	10.00 A.M.	3	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003



2014	Friday	September 19, 2014	10.00 A.M	10	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003
2013	Friday	June 21, 2013	10.30 A.M	3	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003

**(b) Details of Special Resolution passed last year through Postal Ballot and person who conducted Postal Ballot exercise:**

No Special Resolution was put through Postal Ballot in the last Annual General Meeting.

**(c) Details of Special Resolution proposed to be conducted through Postal Ballot and procedure for Postal Ballot:**

At the ensuing Annual General Meeting, there is no Special Resolution proposed to be conducted through Postal Ballot.

**11. MEANS OF COMMUNICATION:**

**(i) Quarterly Results:**

The Company published un-audited financial results on a quarterly basis. In respect of the fourth quarter, the Company published the audited standalone and consolidated financial results for the whole financial year.

**(ii) Newspapers wherein results normally published:**

The quarterly, half-yearly, annual Financial Results of the Company are published in the leading newspaper i.e. Business Standard English (all editions) and Hindi (Delhi edition).

**(iii) Website, where displayed:**

The financial results are displayed on the Company's website [www.kei-ind.com](http://www.kei-ind.com). Simultaneously, financial results of the Company are also available at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

The website of the Company [www.kei-ind.com](http://www.kei-ind.com) is regularly being updated with the basic information about the Company e.g. details of its business, financial information, shareholding pattern, annual report, quarterly financial results, corporate announcements, press releases, compliance with corporate governance, various policies, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The Company's website [www.kei-ind.com](http://www.kei-ind.com) contains a separate dedicated section "Investor Relations" where information related to shareholders is available.

**(iv) Presentations made to Institutional Investors or to the analyst:**

Institutional Investors / Analyst Reports are available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Corporate Governance.

**12. General Shareholders Information:**

**(i) 24<sup>th</sup> Annual General Meeting – Date, Day, Time and Venue:**

Day	Date	Time	Venue
Tuesday	September 06, 2016	10.00 A.M	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003

**(ii) Financial year:**

**Financial Year**

**1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017**

**Adoption of quarterly results for the quarter ending (tentative and subject to change):**

June, 2016	1 <sup>st</sup> / 2 <sup>nd</sup> week of August, 2016
September, 2016	1 <sup>st</sup> / 2 <sup>nd</sup> week of November, 2016
December, 2016	1 <sup>st</sup> / 2 <sup>nd</sup> week of February, 2017
March, 2017	3 <sup>rd</sup> / 4 <sup>th</sup> week of May, 2017

**(iii) Dividend Payment:**

Dividend payment on or after September 11, 2016 but within the statutory time limit of 30 days, subject to Shareholders' approval.

**(iv) Name and address of each Stock Exchange(s) at which the Company securities are listed and a confirmation about the payment of annual listing fee to each such Stock Exchange(s):**

The Equity Shares of the Company are listed at:

Sr. No	Name of the Stock Exchange	Address of the Stock Exchange
1	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
2	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
3	The Calcutta Stock Exchange (CSE)	7, Lyons Range, Kolkata-700 001

Annual Listing fees for the financial year 2016-17 has been paid in time by the Company to Stock Exchanges viz. BSE, NSE & CSE.

**(v) Stock Code:**

National Stock Exchange of India Ltd.	:	KEI
BSE Ltd.	:	517569
The Calcutta Stock Exchange Ltd.	:	21180
Trading Symbol of BSE & NSE	:	KEI

**(vi) Market Price data - High, low during each month in last financial year:**

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High ₹	Low ₹	High ₹	Low ₹
April, 2015	89.10	62.50	89.00	61.60
May, 2015	79.00	58.10	78.85	58.25
June, 2015	75.50	60.15	76.00	60.15
July, 2015	110.4	69.50	110.45	69.10
August, 2015	121.7	90.30	121.40	90.00
September, 2015	105.30	91.10	105.50	91.20
October, 2015	113.60	96.20	113.80	96.90
November, 2015	118.00	99.00	117.15	98.00
December, 2015	123.60	100.90	123.50	99.65
January, 2016	126.50	108.50	126.4	108.50
February, 2016	115.70	86.00	115.65	85.30
March, 2016	104.70	88.10	104.45	90.10

(vii) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index, etc:



(viii) In case the securities are suspended from trading, the Director’s Report shall explain the reason thereof:

Not Applicable

(ix) Registrar to an Issue and Share Transfer Agent:

MAS SERVICES LTD., T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Ph:- +91-11-26387281/82/83, Fax:- +91-11-26387384, email:- [info@masserv.com](mailto:info@masserv.com), website : [www.masserv.com](http://www.masserv.com)

(x) Share Transfer System:

With a view to expedite the process of share transfer, the Board of Directors has delegated the power of share transfer to M/s MAS Services Ltd., Registrar and Share Transfer Agent. The Share for transfer received in Physical mode by the Company, are transferred expeditiously and thereafter option letter is sent to the transferee(s) for dematerialization, confirmation in respect of the request for dematerialization of shares is sent to the respective Depositories, i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 7 days.

(xi) Distribution Schedule of Shareholding as on March 31, 2016:

No. of Shareholders	% to Total	Shareholding of Nominal Value of ₹	No. of Shares	Amount in ₹	% of Total
24544	96.270	0001 TO 5000	6760290	13520580	8.753
461	1.808	5001 TO 10000	1723937	3447874	2.232
261	1.024	10001 TO 20000	2007741	4015482	2.599
62	0.243	20001 TO 30000	788825	1577650	1.021
33	0.129	30001 TO 40000	587248	1174496	0.760
19	0.075	40001 TO 50000	436570	873140	0.565
49	0.192	50001 TO 100000	1750915	3501830	2.267
66	0.259	100001 AND ABOVE	63181912	126363824	81.802
<b>25495</b>	<b>100.00</b>	<b>TOTAL</b>	<b>77237438</b>	<b>154474876</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2016:**

Category	No. of shareholders	No. of Shares (face value of ₹2/- each)	No. of shares in demat form	% of shareholding
Promoters	8	38148466	38148466	49.39
Bodies Corporate	381	6964671	6936671	9.02
NRI/OCBs/Clearing Members/Trust	514	1055831	1003331	1.37
Mutual Funds/Bank/ Financial Institutions/ FIs/ Foreign Portfolio Investors	26	15787832	15787832	20.44
Indian Public	24566	15280638	14993750	19.78
<b>Total</b>	<b>25495</b>	<b>77237438</b>	<b>76870050</b>	<b>100.00</b>

**(xii) Dematerialization of shares and liquidity:**

The shares of the Company are permitted for trading in dematerialized form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. 76,870,050 equity shares of ₹ 2/- each forming 99.52 % of the Share Capital of the Company stands dematerialized as on March 31, 2016. Security Code No. with NSDL and CDSL is ISIN-INE 878B01027.

The equity shares of the Company are listed at three Stock Exchanges and thus are liquid security. As on March 31, 2016, 77237438 equity shares of face value of ₹ 2/- each are listed at The National Stock Exchange of India Ltd (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

**(xiii) Outstanding GDRs / ADRs / Warrants / Convertible Instruments, conversion date and likely to impact on Equity:**

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2016.

**(xiv) Commodity price risk or foreign exchange risk and hedging activities:**

The Company has in place Risk Management Policy in order to mitigate commodity price risk and foreign exchange risk. Pursuant to this policy natural hedge is maintained and when required forward contracts / cover are also used to cover these exposures.

**(xv) Plant locations:**

- 1) SP-919, 920 & 922, RIICO Industrial Area, Phase-III, Bhiwadi, Distt. Alwar (Raj.)-301 019.
- 2) 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa(D&H)-396 240.
- 3) Plot No. A- 280-284, RIICO Industrial Area, Chopanki, Distt. Alwar (Raj.)-301 019

**(xvi) Address for correspondence:**

The shareholders may address their communication/ suggestion/ grievances/ queries to the following:

**(a) Share Transfer Agent:**

MAS SERVICES LTD. (Unit- KEI Industries Limited), T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Ph:- +91-11-26387281/82/83, Fax:- +91-11-26387384, email:- [info@masserv.com](mailto:info@masserv.com), website : [www.masserv.com](http://www.masserv.com).

**(b) Company:**

KEI INDUSTRIES LIMITED, D-90, Okhla Industrial Area, Phase-I, New Delhi – 110020, Ph:-+91-11-26818840, Fax:- +91-11-26811959, email: [cs@kei-ind.com](mailto:cs@kei-ind.com), website: [www.kei-ind.com](http://www.kei-ind.com).

**13. OTHER DISCLOSURES:**
**(i) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company:**

During the period there have been no materially significant related party transactions with the Company's promoters, Directors, management or their relatives which may have a potential conflict with the interests of the Company. During the financial year, all the transactions entered into by the Company with Related

party(ies) are in conformity with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Members may refer to Disclosure of transactions with related parties i.e. Promoters, Directors, Relatives, Associate or Management made in the Balance Sheet in Note No. 30.

Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company framed the Policy on Materiality of Related Party Transactions and is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**(ii) Details of non-compliances by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or the Board or any statutory authority, or any matter related to capital markets during the last three years:**

The Company has complied fully with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the Company on any matters related to the capital markets during the last three years, nor has any penalty or stricture been imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authority.

**(iii) Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has established a Vigil Mechanism / Whistle Blower Policy pursuant to the provisions of Section 177 of the Companies Act, 2013 and rules made thereunder as amended from time to time and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Directors and Employees to report the genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

During the year under review, no Director or Employee has been denied access to the Audit Committee.

The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company and is available at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(v) Web link where policy for determining material subsidiaries is disclosed:**

In order to adhere the requirement of Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Policy for determining 'Material' Subsidiaries of the Company. The policy is disclosed on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**(vi) Disclosure of commodity price risks and commodity hedging activities:**

The Company has in place Risk Management Policy in order to mitigate commodity price risk and pursuant to this policy natural hedge is maintained and when required forward contracts / cover are also used to cover commodity price exposure.

**14. The Company has complied with the requirements of Corporate Governance Report as mentioned in sub paras (2) to (10) of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**15. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED:**

**(i) The Board:**

The Company does not have Non-Executive Chairman and no expenses are being incurred & reimbursed in this regard.

**(ii) Shareholder's Rights:**

The quarterly and half yearly results are not being sent to the personal address of shareholders as the quarterly performance and financial results of the Company are published in the Newspaper having wide



circulation in India. The quarterly/ half-yearly/ annual financial results are also posted on the website of the Company [www.kei-ind.com](http://www.kei-ind.com). Also, financial results and shareholding pattern of the Company are available at [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

**(iii) Modified opinion(s) in Audit Report :**

The Financial Statements of the Company are Unmodified.

**(iv) Separate posts of Chairperson and Chief Executive Officer:**

Presently, Mr. Anil Gupta is the Chairman-cum-Managing Director and also CEO of the Company.

**(v) Reporting of Internal Auditor:**

The Internal Auditor of the Company directly reports to the Audit Committee.

**16. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46:**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DECLARATION BY THE CHAIRMAN & CEO PURSUANT TO CLAUSE D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015**

I, hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management, as approved by the Board, for the Financial Year ended March 31, 2016.

Place: New Delhi  
Date: May 21, 2016

(ANIL GUPTA)  
Chairman-cum-Managing Director  
DIN:00006422

**DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:**

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

**OTHER USEFUL INFORMATION FOR SHAREHOLDERS:**

**(I) Green initiative in Corporate Governance:**

The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively and Companies Act, 2013 has allowed the Companies to send official documents / communication to their shareholders electronically as part of its green initiatives in Corporate Governance. Recognizing the spirit of the circular / Act, the Company proposes to send documents like the Notices convening the General Meetings, Financial Statements, Director's Report, Auditor's Report, etc. to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the Annual Report and other documents reach you on your preferred mail.

However, in case you wish to receive the above communication/documents in physical mode or have not registered the e-mail address, you will be entitled to receive the above documents at free of cost by sending

your request at [cs@kei-ind.com](mailto:cs@kei-ind.com)/ [info@masserv.com](mailto:info@masserv.com) quoting your DP / Client ID or Folio No. or by sending letter to the Company or Mas Services Ltd (RTA).

**(II) Status of Unpaid / Unclaimed Dividend:**

<b>Dividend for the Financial Year</b>	<b>Dividend Declaration date(AGM)</b>	<b>Due Date of Transfer to Investor Education &amp; Protection Fund (IEPF)</b>
2008-09	20.07.2009	26.08.2016
2009-10	28.08.2010	04.10.2017
2010-11	15.09.2011	22.10.2018
2011-12	13.09.2012	20.10.2019
2012-13	21.06.2013	28.07.2020
2013-14	19.09.2014	26.10.2021
2014-15	16.09.2015	23.10.2022

**(III) Codes of Fair Disclosure and Conduct for Prohibition of Insider Trading:**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practices and Procedures for Fair disclosure of unpublished price sensitive information and Code of Conduct to regulate, monitor and report insider trading in equity shares of the Company by its employees and connected person.

The Executive Director (Finance) & CFO of the Company has been designated as Chief Investor Relation Officer.

This Code is also available on the Company's website [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**(IV) Accounting Standards:**

The Company follows the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and there has been no deviation in the accounting treatment during the year.

**(V) Internal Control System:**

On the recommendation of the Audit Committee, Board of Directors has appointed a firm of Chartered Accountants as the internal auditors of the Company for the financial year 2015-16. Observations made in internal audit reports are presented quarterly to the Audit Committee of the Board. The Company has well established internal control system and procedures and the same has been working effectively throughout the year.

**(VI) Subsidiaries / Joint Venture:**

During the year, Company has incorporated a wholly owned subsidiary in Australia under the name "KEI Cables Australia Pty Ltd" (w.e.f. 14.12.2015). Further, Company has one Joint Venture under the name of Joint Venture of M/s KEI Industries Ltd. New Delhi & M/s Brugg Kabel AG, Switzerland (JV). This JV is a jointly controlled entity within the meaning of Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures". This JV is in form of an Association of Persons (AOP) and the Company is having 100% share in Profit/Loss in this AOP. No share capital is invested in the Joint Venture by the respective members of JV.

**CERTIFICATION BY CEO & CFO**

**The Board of Directors,  
KEI INDUSTRIES LIMITED  
D-90 Okhla Industrial Area,  
Phase-I, New Delhi-110020**

We, Anil Gupta, Chairman-cum-Managing Director and Rajeev Gupta, Executive Director (Finance) & CFO of KEI INDUSTRIES LIMITED to the best of our knowledge and belief, certify that:

- A. We have reviewed the, financial statements and cash flow statement for the year ended on March 31, 2016 and based on our knowledge and believe certify that:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. There are, to the best of their knowledge and belief, no transaction entered into by the listed entity during the year ended on March 31, 2016 which are fraudulent, illegal or violative listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to auditors and the audit committee of the Board that there have been:
- 1) no significant changes in internal control over the financial reporting during the year;
  - 2) no significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and
  - 3) no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: New Delhi  
Date: May 21, 2016**

**(ANIL GUPTA)  
Chairman-cum-Managing Director  
DIN: 00006422**

**(RAJEEV GUPTA)  
Executive Director (Finance) & CFO  
DIN: 00128865**

**COMPLIANCE CERTIFICATE BY AUDITOR'S PURSUANT TO CLAUSE E OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****INDEPENDENT AUDITOR'S CERTIFICATE****TO THE MEMBERS OF  
KEI INDUSTRIES LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **KEI INDUSTRIES LIMITED** ("the Company"), for the year ended on 31 March 2016, as stipulated in:
  - Clause 49 of the Listing Agreement for the period from April 01, 2015 to November 30, 2015.
  - Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us and the representations by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the respective periods of applicability as specified under paragraph 1 above.

4. We state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For JAGDISH CHAND & CO.  
Firm Reg. No. 000129N  
Chartered Accountants**

**Place: New Delhi  
Dated: July 20, 2016**

**(PRAVEEN KUMAR JAIN)  
Partner  
M.No .85629**

# Independent Auditor's Report

## TO THE MEMBERS OF KEI INDUSTRIES LIMITED Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of **KEI Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and

matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according

to the information and explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2016 on its financial position in its financial statements – Refer Note No. 35.1 to 35.4
- ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2016
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2016

**For JAGDISH CHAND & CO.**  
**Firm Registration Number: 000129N**  
**Chartered Accountants**

**(PRAVEEN KUMAR JAIN)**

**Place of signature: New Delhi**

**Partner**

**Date: 21<sup>st</sup> May, 2016**

**Membership No.: 085629**

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**Annexure A to Independent Auditors' Report**

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of **KEI Industries Limited** on the Standalone financial statements for the year ended 31<sup>st</sup> March, 2016

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of KEI Industries Limited ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of

adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control

over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For JAGDISH CHAND & CO.**  
**Firm Registration Number: 000129N**  
**Chartered Accountants**

**(PRAVEEN KUMAR JAIN)**

**Place of signature: New Delhi Partner**  
**Date: 21<sup>st</sup> May, 2016 Membership No.: 085629**

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### **Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of KEI Industries Limited on the Standalone financial statements as of and for the year ended 31<sup>st</sup> March, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.  
(c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. There are two parties covered in the register maintained under Section 189 of the Act, to which Company has given security deposits as per contractual obligations. (Refer Note 13)
  - (a) In respect of the aforesaid deposits, the terms and conditions under which such deposits were granted are not prejudicial to the Company's interest.
  - (b) Since it is a security deposit no schedule for repayment of deposit is applicable and no interest was charged.
  - (c) In respect of the aforesaid deposit, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, sales tax, service tax, customs duty,

excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the

particulars of dues of income tax, service tax, value added tax/ sales tax, entry tax, customs duty and excise duty as at 31<sup>st</sup> March, 2016 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of the Due	Amount (₹ In Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	0.87	2011-12	Income Tax Appellate Tribunal
	Income Tax	8.65	2007-08	Appeal before Hon'ble Supreme Court
	Income Tax	0.32	2012-13	Commissioner (Appeals)
Sales/ Entry Tax Act	Central Sales Tax	0.42	1999-2000	Tax Board
	Central Sales Tax	0.43	2011-12 and 2012-13	Additional Commissioner of Commercial Tax
	Value Added Tax	1.84	2011-12	Additional Commissioner of Commercial Tax
	West Bengal Tax on Entry of Goods into Local Areas Act, 2012	4.22	2013-14 to 2015-16	Hon'ble High Court
	Madhya Pradesh on Entry of Goods into Local Areas Act, 1976	0.56	2011-12	Additional Commissioner of Commercial Tax
Central Excise Duty	Excise Duty	330.92	Various years for 2005-06 to 2014-15	CESTAT
	Excise Duty	1.94	2005-06 & 2014-15	Commissioner (Appeals)
Finance Act	Service Tax	7.51	2005-06 & 2006-07	Commissioner (Adjudication)
	Service Tax	31.70	Various years for 2009-10 to 2014-15	CESTAT

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). Term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements

as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For JAGDISH CHAND & CO.**  
**Firm Registration Number: 000129N**  
**Chartered Accountants**

**(PRAVEEN KUMAR JAIN)**  
**Partner**  
**Membership No.: 085629**

**Place of signature: New Delhi**  
**Date: 21<sup>st</sup> May, 2016**



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

	Note No.	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's funds</b>					
Share Capital	2	154.47		154.47	
Reserves and Surplus	3	3,511.77	3,666.24	2,884.03	3,038.50
<b>Non-Current Liabilities</b>					
Long Term Borrowings	4	1,881.49		1,208.95	
Deferred Tax Liability (Net)	5	362.44		235.36	
Long Term Provisions	6	40.02	2,283.95	31.97	1,476.28
<b>Current Liabilities</b>					
Short Term Borrowings	7	2,489.95		2,549.20	
Trade Payables	8	-		-	
- Micro, Small and Medium Enterprises		-		-	
- Others		4,322.82		4,809.92	
Other Current Liabilities	9	1,996.35		1,453.46	
Short Term Provisions	10	110.78	8,919.90	90.01	8,902.59
<b>TOTAL</b>			<b>14,870.09</b>		<b>13,417.37</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets	11				
Tangible assets	11.1	3,262.20		2,971.19	
Intangible assets	11.2	17.17		9.64	
Capital Work -in- Progress	11.3	293.36	3,572.73	43.89	3,024.72
Non- Current Investments	12		31.12		31.36
Long Term Loans and Advances	13		222.21		48.59
<b>Current Assets</b>					
Inventories	14	4,224.68		4,403.17	
Trade Receivables	15	5,673.90		4,798.41	
Cash and Bank Balances	16	58.81		46.87	
Short Term Loans and Advances	17	565.58		665.05	
Other Current Assets	18	521.06	11,044.03	399.20	10,312.70
<b>TOTAL</b>			<b>14,870.09</b>		<b>13,417.37</b>
Significant Accounting Policies And Notes on Financial Statements	1 to 36				

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**

Firm Registration No. 000129N

Chartered Accountants

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PRAVEEN KUMAR JAIN)**

Partner  
M.No- 085629

Place of Signing : New Delhi

Date : 21<sup>st</sup> May, 2016

**(KISHORE KUNAL)**

Company Secretary  
M. No. A18495

Place of Signing : New Delhi

Date : 21<sup>st</sup> May, 2016

**(ADARSH JAIN)**

General Manager (Finance)  
M No. 502048

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Revenue from Operations(Gross)	19	24,980.15		21,709.22	
Less: Excise Duty		1,724.35	23,255.80	1,399.70	20,309.52
Other Income	20		53.48		23.83
<b>Total Revenue</b>			<b>23,309.28</b>		<b>20,333.35</b>
<b>Expenses</b>					
Cost of Materials Consumed	21		15,682.12		15,133.32
Purchases of Stock in Trade	22		9.80		30.96
(Increase) / Decrease in inventory of Finished goods, Work-in-progress and Stock-in-trade	23		455.34		(394.73)
Employee Benefits Expense	24		828.37		620.65
Finance Costs	25		1,269.74		1,203.98
Depreciation and Amortisation Expense					
- Tangible Assets		248.92		242.40	
- Intangible Assets		3.94	252.86	3.45	245.85
Sub Contractor expense for turnkey projects	26		595.54		419.06
Other Expenses	27		3,262.07		2,571.55
<b>Total Expenses</b>			<b>22,355.84</b>		<b>19,830.64</b>
Profit Before Exceptional Items and Tax			953.44		502.71
Exceptional Item- Keyman Insurance on Maturity			-		26.09
<b>Profit Before Tax</b>			<b>953.44</b>		<b>528.80</b>
Tax Expense					
- Current tax		328.96		111.33	
- Mat Credit Entitlement		(124.62)		-	
- Deferred tax		127.08		75.01	
- Short/(Excess) Provision-Earlier Years * ₹ (3,739)		0.00*	331.42	(0.04)	186.30
Profit for the Year			622.02		342.50
Earnings per Equity Share:	28				
Equity shares of face value ₹ 2/- each					
- Basic (₹)			8.05		4.46
- Diluted (₹)			7.93		4.43
Significant Accounting Policies And Notes on Financial Statements	1 to 36				

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**

Firm Registration No. 000129N

Chartered Accountants

**(ANIL GUPTA)**

Chairman-cum-Managing Director

DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(PRAVEEN KUMAR JAIN)**

Partner

M.No- 085629

Place of Signing : New Delhi

Date : 21<sup>st</sup> May, 2016

**(KISHORE KUNAL)**

Company Secretary

M. No. A18495

Place of Signing : New Delhi

Date : 21<sup>st</sup> May, 2016

**(ADARSH JAIN)**

General Manager (Finance)

M No. 502048

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	Year Ended 31 <sup>st</sup> March 2016 (₹ in Millions)	Year Ended 31 <sup>st</sup> March 2015 (₹ in Millions)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extraordinary items	953.44	528.80
<b>Adjustments for :</b>		
Depreciation	252.86	245.85
Dividend received	(0.08)	(0.03)
(Profit)/Loss on Investment	(0.04)	(0.77)
Financial Charges	1,269.74	1,203.98
Amortisation of Employee Compensation	38.79	-
Provision for leave encashment/ Gratuity	11.29	14.04
FCMITDA Written Off / (Back)	29.12	30.32
Fixed Assets written off	1.69	0.67
Loss/(Profit) on sale of Assets	(0.17)	1.51
<b>Operating profit before working capital changes</b>	<b>2,556.64</b>	<b>2,024.37</b>
<b>Adjustments for :</b>		
Trade & Other Receivables	(898.52)	(710.39)
Inventories	178.49	(371.79)
Trade & Other Payables	212.30	1,128.98
<b>Cash Generated from operations</b>	<b>2,048.91</b>	<b>2,071.17</b>
Direct Taxes paid	(196.11)	(92.43)
<b>Cash flow before Extra ordinary items</b>	<b>1,852.80</b>	<b>1,978.74</b>
Extraordinary Items	-	-
<b>Net Cash from operating activities</b>	<b>1,852.80</b>	<b>1,978.74</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and other capital expenditure	(976.67)	(167.97)
Sale of Fixed Assets	1.29	1.37
Sale of Investments	0.28	0.77
Purchase of Investments * ₹ (5,164)	(0.00)*	(0.44)
Dividend Received	0.08	0.03
<b>Net Cash from investing activities</b>	<b>(975.02)</b>	<b>(166.24)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd...)**

	Year Ended 31 <sup>st</sup> March 2016 (₹ in Millions)	Year Ended 31 <sup>st</sup> March 2015 (₹ in Millions)
<b>(C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Long term borrowings (Banks)	<b>(426.97)</b>	(336.98)
Long term borrowings (others)	<b>875.35</b>	484.65
Finance lease liabilities (Net)	<b>13.58</b>	9.51
Inter corporate & other deposits (Net of repayments)	<b>40.97</b>	(44.09)
Working capital facilities from banks	<b>(61.85)</b>	(706.99)
Issue of Equity Share Capital	-	4.75
Financial Charges	<b>(1,269.74)</b>	(1,203.98)
Dividend paid	<b>(30.89)</b>	(15.45)
Tax on Dividend	<b>(6.29)</b>	(2.62)
<b>Net Cash from Financing Activities</b>	<b>(865.84)</b>	(1,811.20)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>11.94</b>	1.30
Cash & Cash Equivalents as at 1 <sup>st</sup> April (Opening Balance)	<b>46.87</b>	45.57
Cash & Cash Equivalents as at 31 <sup>st</sup> March (Closing Balance)	<b>58.81</b>	46.87

Cash and Bank Balance includes ₹ 32.95 millions (Previous year ₹ 19.48 millions) held under lien/custody with banks/others and balance in unclaimed dividend account ₹ 1.21 millions ( previous year ₹ 1.21 millions)

**Note :** Figures in brackets represent cash outflow  
As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**  
Firm Registration No. 000129N  
Chartered Accountants

**(ANIL GUPTA)**  
Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**  
Executive Director (Finance) & CFO  
DIN: 00128865

**(PRAVEEN KUMAR JAIN)**  
Partner  
M.No- 085629

**(KISHORE KUNAL)**  
Company Secretary  
M. No. A18495

**(ADARSH JAIN)**  
General Manager (Finance)  
M No. 502048

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

## 1 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation:

- i. In compliance with the accounting standards referred to in Section 133 and other relevant provisions of the Companies Act, 2013 to the extent applicable, the company follows the accrual system of accounting in general and the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP).
- ii. The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognized prospectively when revised.
- iii. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

### (b) Fixed assets, intangible assets and capital work-in -progress:

- i. Fixed assets are stated at cost or valuation less accumulated depreciation and impairment loss. The cost includes inward freight and other directly attributable expenses.
- ii. In respect of qualifying assets, all direct expenses relating to the projects up to commencement of production, including interest on borrowed loan are capitalised. Financing Cost incurred on general borrowing used for projects is capitalised at weighted average cost. Amount of such borrowing is determined after setting off amount of internal accruals.
- iii. Cost of any software purchased initially along with the computer hardware is being capitalised along with cost of hardware. Any subsequent acquisition/up-gradation of software is being capitalised as an asset.

### (c) Depreciation and amortisation:

- i. Cost of capitalized software is amortised over a period of five years from date of its acquisition. Leasehold Improvements are amortised over period of lease or estimated useful life whichever is shorter.
- ii. Depreciation on Fixed Assets is calculated on Straight line Method in accordance with the provisions of Schedule II of the Companies Act, 2013 keeping 5% of cost as residual value. The useful life of fixed assets as defined in Part C of schedule II of the Companies Act, 2013 has been taken for all tangible assets other than Plant & Machineries, whose useful life is estimated 20 years based on internal assessment by the management and independent technical evaluation carried out by external valuer. Addition / deletion in the cost of the fixed assets due to exchange fluctuation in long term foreign currency monetary items arising due to difference in exchange rate vis a vis initial recording and reporting date are depreciated over the balance life of the assets.
- iii. No write off is being made in respect of leasehold land, as the lease is a long lease.
- iv. Fixed Assets costing upto ₹ 5,000/- each are fully depreciated in the year of its acquisition.

### (d) Investments:

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such decline is other than temporary in the opinion of the management.

### (e) Inventories:

- i. Finished Goods, Project Materials are valued at lower of cost or net realisable value.
- ii. Raw Materials are valued at cost or net realisable value whichever is lower.
- iii. Stock in Process is valued at lower of cost or net realisable value.
- iv. Stores, Spares and Consumables and Packing Materials are valued at cost.



- v. Scrap is valued at estimated realisable value.
- vi. Cost of Raw Materials is determined on First In First Out (FIFO) basis. Cost of Packing Materials, Stores & Spares are determined on weighted average basis. Work in Process includes raw material costs and allocated production overheads. Cost of finished goods is determined by taking derived material costs and other overheads.

**(f) Revenue Recognition:**

- i. Sales are accounted for on dispatch of goods from factory to the customers. Sales are net of return and include excise duty wherever directly chargeable from customers, but exclude Sales tax/ VAT.
- ii. Turnkey Projects
  - In the case of lump-sum Turnkey Contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work. Project income is net of VAT/ Service tax.
- iii. No income has been taken into account on jobs for which:
  - The terms have been agreed to at lump-sum turnkey contracts and physical progress is less than 25%.
  - Where physical progress is less than 25%, the cost of such jobs is carried forward as work-in-progress at actual direct cost.
- iv. Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.

**(g) Excise Duty:**

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in factory premises. CENVAT credit is accounted on accrual basis on purchases of materials.

**(h) Employee Benefits:**

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to fund maintained by LIC/ Reliance Life Insurance Company Limited and administered through a separate irrevocable trust set up by the Company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- ii. Liability in respect of leave encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.
- iii. Contributions with respect to Provident Fund, is recognized as an expense in the Profit and Loss Account of the year in which the related service is rendered.
- iv. In respect of employees stock options, the excess of intrinsic value on the date of grant over the exercise price is recognized as deferred compensation cost amortized over vesting period.

**(i) Foreign Currency Transactions:**

- i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.
- ii. Foreign currency transactions remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
  - in so far as they relate to the acquisition of a depreciable capital assets are adjusted in cost of assets.
  - other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and are amortised over period of foreign currency monetary item or upto 31<sup>st</sup> March, 2020, whichever is earlier.

**(j) Miscellaneous Expenditure:**

Public issue expenditure/ 'FCCBs' issue expenditure is being written off against Securities / Share premium, net of taxes, in the year of issue.

**(k) Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**(l) Impairment of Fixed Assets:**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

**(m) Contingent Liabilities:**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**(n) Provision for Contractual Obligations:**

The provision for estimated liabilities on account of guarantees & warranties etc. in respect of lump-sum turnkey contracts awarded to the company are being made on the basis of assessment of risk and consequential probable liabilities on each such job made by the management.

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016****2 Share Capital:**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Authorised</b>				
110,000,000 (Previous year 110,000,000) Equity Shares of ₹ 2/- each		220.00		220.00
300,000 (Previous year 300,000) Preference Shares of ₹ 100/- each		30.00		30.00
<b>Total</b>		250.00		250.00
<b>Issued, Subscribed &amp; Paid-up</b>				
77,237,438 (Previous year 77,237,438) Equity shares of ₹ 2/- each fully paid		154.47		154.47
<b>Total</b>		154.47		154.47

**2.1 Rights, preferences and restrictions attached to shares:**

**Equity Shares:** The Company has issued one class of equity shares having face value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**2.2 Reconciliation of Number of Equity Shares:**

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Nos.	(₹ in Millions)	Nos	(₹ in Millions)
Balance as at the beginning of the year	77,237,438	154.47	73,737,438	147.47
Add: Issued during the Year	-	-	3,500,000	7.00
Balance as at the end of the year	77,237,438	154.47	77,237,438	154.47

NIL (Previous Year 3,500,000) equity shares were issued on preferential basis to following party as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of ₹ 14 per share (including securities premium of ₹ 12/-).

Name of Shareholder	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)
M/s Projection Financial & Management Consultants Private Limited	-	3,500,000
	-	3,500,000

**2.3 List of Equity Shareholders holding more than 5% of the aggregate Equity Shares:**

Name of Shareholder	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	15,580,776	20.17%	15,580,776	20.17%
M/s Anil Gupta HUF beneficiary Mr. Anil Gupta	4,650,375	6.02%	4,650,375	6.02%
M/s Projection Financial and Management Consultants Private Limited	7,900,000	10.23%	7,900,000	10.23%
IDFC Sterling Equity Fund	4,670,571	6.05%	-	-

**2.4 Shares reserved for issue under KEI Employees Stock Option Scheme, 2015:**

During the year, Nomination and Remuneration Committee of the Board has granted 2,252,000 Options to eligible employees of the Company. Accordingly 2,252,000 Equity Shares (Previous Year Nil) of ₹ 2/- each are reserved for the issue under KEI Employees Stock Option Scheme 2015 (KEI ESOS 2015). Refer Note 24.2.

**3 Reserves & Surplus:**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Capital Reserve</b>				
Balance as at the beginning of the year		28.00		28.00
<b>Securities Premium Account</b>				
Balance as at the beginning of the year	726.06		684.06	
Add: On allotment of Equity Shares	-	726.06	42.00	726.06
<b>General Reserve</b>				
Balance as at the beginning of the year	21.10		41.37	
Less: Adjustment due to depreciation on Fixed Assets whose useful life already exhausted as on 1st April, 2014 (Refer Note 3.1)	-	21.10	20.27	21.10

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Surplus</b>				
Balance as at the beginning of the year	2,128.56		1,823.24	
Add: Net Profit for the year	622.02		342.50	
Less: Appropriations				
- Proposed Dividend on Equity Shares [Dividend per share ₹ 0.50 (Previous Year ₹ 0.40)]	38.62		30.89	
- Dividend Distribution Tax on Proposed Dividend	7.86	2,704.10	6.29	2,128.56
Foreign Currency Monetary Item				
Translation Difference Account (FCMITDA)				
Balance as at the beginning of the year	(19.69)		(37.57)	
Add: Additions during the Year	(15.71)		(12.44)	
Less: Written off during the Year (Refer Note 3.2)	29.12	(6.28)	30.32	(19.69)
<b>Employee Stock Option Outstanding</b>				
Balance as at the beginning of the year	-		-	
Add: Employee Compensation Expense during the year	38.79	38.79	-	-
<b>Total</b>		<b>3,511.77</b>		<b>2,884.03</b>

3.1 Written Down Value of Assets whose useful life is already exhausted as on 1<sup>st</sup> April, 2014, amounting to Nil (Previous Year ₹ 20.27 millions) has been recognised in the opening balance of General Reserve.

3.2 Are amortised over period of foreign currency monetary item or upto 31<sup>st</sup> March 2020, whichever is earlier.

#### 4. Long - Term Borrowings:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Secured</b>				
Term Loans				
- From Banks	457.70		618.75	
- Foreign Currency Loans from Banks	238.41		117.68	
- From Others (Non-Banking Financial Company)	1,120.00	1,816.11	454.65	1,191.08
Finance Lease Obligations		22.31		13.17
<b>Unsecured</b>				
Loans and Advances from Related Parties				
- Loan from Related Parties		4.50		-
- Deposits from Related Parties		3.35		3.50
Deposits from Others				
- Public Deposits		35.22		1.20
<b>Total</b>		<b>1,881.49</b>		<b>1,208.95</b>

**4.1 Nature of Security:**

- Term Loans from Banks and Non- Banking Financial Company (NBFC) are Secured by a first pari passu charge over Land & Building, Plant & Machinery and other movable fixed assets located at the Company's Plants at Plot No. A-280-284, Chopanki, SP-919, Bhiwadi and 99/2/7, Madhuban Industrial Estate, Silvassa. Further, they are secured by personal guarantee of Shri Anil Gupta, Chairman-cum-Managing Director of the Company.

**4.2** Finance Lease Obligations are secured against leased assets.

**4.3** Maturity Profile and rate of interest of Secured Term Loans are as set out below:

(₹ in Millions)

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
LIBOR + 81 BPS	-	23.88	52.46	26.23
LIBOR + 90 BPS	-	20.32	44.64	22.32
12.05%	97.10	52.90	-	-
12.30%	125.00	62.50	46.88	-
12.60%	360.00	390.00	370.00	-
12.80%	18.75	-	-	-
13.50%	37.50	37.50	28.13	-
<b>Total</b>	<b>638.35</b>	<b>587.10</b>	<b>542.11</b>	<b>48.55</b>

**4.4** Unsecured Deposits are repayable within 3 years from the date of acceptance.

**5 Deferred Tax Liability (Net):**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	<b>Deferred Tax Liabilities</b> Arising on account of timing difference in - Depreciation		403.47	
<b>Deferred Tax Assets</b> Arising on account of timing difference in - Unabsorbed Depreciation - Expenses & Others	- (41.03)	(41.03)	(131.19) (25.40)	(156.59)
<b>Total</b>		<b>362.44</b>		<b>235.36</b>

**6 Long Term Provisions:**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Employee Benefits (Refer Note 24.1) - Provision for Leave Encashment		40.02	
<b>Total</b>		<b>40.02</b>		<b>31.97</b>

## 7 Short Term Borrowings:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Secured				
Working Capital Loans from Banks		2,481.85		2,543.70
Loans and Advances from Related Parties				
- Deposits	-		-	
- Inter Corporate Deposits	2.60	2.60	-	-
Deposits from Others				
- Inter Corporate Deposits	5.50		5.50	
- Public Deposits	-	5.50	-	5.50
<b>Total</b>		<b>2,489.95</b>		<b>2,549.20</b>

**7.1** Working Capital facilities from banks are secured by 1<sup>st</sup> pari-passu charge by way of hypothecation on the entire current assets including raw material, stock in process, finished goods, consumable stores & spares and receivables of the Company, 1<sup>st</sup> pari-passu charge on present and future fixed assets at SP-920 & SP-922, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar (Rajasthan) and movable fixed assets at D-90, Okhla Industrial Area, Phase I, New Delhi, 2<sup>nd</sup> pari-passu charge by equitable mortgage of property of the Land and Building at 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa (D & N H), Plot No. A 280-284, Chopanki and SP-919, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar (Rajasthan) both present and future. Further, they are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum-Managing Director of the Company.

## 8 Trade Payables:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Micro, Small and Medium Enterprises		-		-
Acceptances		1,803.57		2,604.12
Others		2,519.25		2,205.80
		<b>4,322.82</b>		<b>4,809.92</b>

**8.1** In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 and the Companies Act, 2013, the outstanding, interest due thereon, interest paid etc to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In absence of information about registration of the enterprises under the above Act, the required information could not be furnished.

## 9 Other Current Liabilities:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Current Maturities of Long Term Debts				
- From Banks	236.05		574.99	
- Foreign Currency Loans from Banks	124.89		156.90	
- From Others (Non-Banking Financial Company) (Refer Note 4.1)	240.00	600.94	30.00	761.89
Current Maturities of Finance Lease Obligations (Refer Note 4.2)		9.42		4.98



Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Interest on Borrowings			
- Accrued but not due	1.10		0.39	
- Accrued and due	7.20	8.30	15.76	16.15
Unearned Revenue		855.93		209.24
Unpaid Dividend (Refer Note 9.1)		1.21		1.21
Security Deposits Received		14.94		15.00
Employee Benefits Payable		73.70		51.71
Sundry Creditors -Capital Goods		77.01		10.43
Advance from Customers / Payable to Customers		173.33		222.28
Statutory Dues Payable		181.57		159.51
Other Payables		-		1.06
<b>Total</b>		<b>1,996.35</b>		<b>1,453.46</b>

9.1 No amount is due for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to Fund.

#### 10 Short Term Provisions:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Employee Benefits (Refer Note 24.1)			
- Provision for Leave Encashment	5.25		4.23	
- Provision for Gratuity	27.32	32.57	25.10	29.33
Others				
- Proposed Dividend on Equity Shares	38.62		30.89	
- Dividend Distribution Tax on Proposed Dividend	7.86		6.29	
- Provision for Wealth Tax	-		0.15	
- Provision for Income Tax	156.35		23.35	
[Net of Advance Tax ₹ 175.65 millions and (Previous Year ₹ 89.55 millions)]				
- MAT Credit Entitlement	(124.62)	78.21	-	60.68
<b>Total</b>		<b>110.78</b>		<b>90.01</b>

10.1 Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ 124.62 millions (Previous Year ₹ NIL)

**11 Fixed Assets:****11.1 Tangible Assets:**

(₹ in Millions)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTIZATION					NET BLOCK	
	AS AT 01.04.2015	ADDI- TIONS	DEDUC- TIONS	AS AT 31.03.2016	AS AT 01.04.2015	TRANSFER TO GENERAL RESERVE	FOR THE YEAR	DEDUC- TIONS	AS AT 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
<b>Own Assets:</b>											
Land											
- Free Hold	3.66	-	-	3.66	-	-	-	-	-	3.66	3.66
- Lease Hold	156.80	160.65	-	317.45	-	-	-	-	-	317.45	156.80
Building	1,063.38	84.65	-	1,148.03	225.94	-	31.68	-	257.62	890.41	837.44
Plant & Equipment	2,897.31	224.09	4.59	3,116.81	1,073.34	-	172.30	3.20	1,242.44	1,874.37	1,823.97
Furniture & Fixtures	103.49	10.00	0.80	112.69	59.96	-	12.95	0.73	72.18	40.51	43.53
Leasehold Building Improvement	90.40	17.84	-	108.24	38.48	-	14.61	-	53.09	55.15	51.92
Vehicles	33.14	0.19	4.09	29.24	19.43	-	3.21	2.86	19.78	9.46	13.71
Office Equipment	16.63	3.31	0.36	19.58	10.40	-	2.67	0.31	12.76	6.82	6.23
Computers	28.25	17.88	0.29	45.84	18.49	-	7.16	0.23	25.42	20.42	9.76
<b>Assets taken on Finance Lease</b>	-	-	-	-	-	-	-	-	-	-	-
Hire Purchase	-	-	-	-	-	-	-	-	-	-	-
- Vehicles	27.71	24.12	-	51.83	3.54	-	4.34	-	7.88	43.95	24.17
<b>TOTAL :</b>	<b>4,420.77</b>	<b>542.73</b>	<b>10.13</b>	<b>4,953.37</b>	<b>1,449.58</b>	<b>-</b>	<b>248.92</b>	<b>7.33</b>	<b>1,691.17</b>	<b>3,262.20</b>	<b>2,971.19</b>
<b>PREVIOUS YEAR</b>	<b>4,331.75</b>	<b>104.41</b>	<b>15.39</b>	<b>4,420.77</b>	<b>1,198.75</b>	<b>20.27</b>	<b>242.40</b>	<b>11.84</b>	<b>1,449.58</b>	<b>2,971.19</b>	<b>3,133.01</b>

**11.2 Intangible Assets:**

(₹ in Millions)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTIZATION					NET BLOCK	
	AS AT 01.04.2015	ADDI- TIONS	DEDUC- TIONS	AS AT 31.03.2016	AS AT 01.04.2015	TRANSFER TO GENERAL RESERVE	FOR THE YEAR	DEDUC- TIONS	AS AT 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
<b>Own Assets (Acquired)</b>											
- Software	30.50	11.47	-	41.97	20.86	-	3.94	-	24.80	17.17	9.64
<b>TOTAL :</b>	<b>30.50</b>	<b>11.47</b>	<b>-</b>	<b>41.97</b>	<b>20.86</b>	<b>-</b>	<b>3.94</b>	<b>-</b>	<b>24.80</b>	<b>17.17</b>	<b>9.64</b>
<b>PREVIOUS YEAR</b>	<b>25.17</b>	<b>5.33</b>	<b>-</b>	<b>30.50</b>	<b>17.41</b>	<b>-</b>	<b>3.45</b>	<b>-</b>	<b>20.86</b>	<b>9.64</b>	<b>7.76</b>

**11.3 Capital Work In Progress:**

(₹ in Millions)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Building	69.37	9.27
Machinery	213.18	32.53
Furniture	0.43	2.09
Construction period expenses pending allocation	10.38	-
<b>Total</b>	<b>293.36</b>	<b>43.89</b>

**Construction period expenses pending allocation**

(₹ in Millions)

PARTICULARS	As At 31.03.2016	As At 31.03.2015
Bank Charges	6.00	-
Interest on Term Loan	4.32	-
Other Expenses	0.06	-
	<b>10.38</b>	<b>-</b>

**11.4** Carrying value of Assets acquired under hire purchase as on 31.03.2015 exclude the amount related to hire purchase agreement settled during the current year.

**12 Non-Current Investments:**

(Long Term Investments)

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Other Investments (Valued at Cost unless stated otherwise)				
Quoted				
Equity Shares				
— State Bank of India 670 (Previous Year 670) Equity Shares of ₹ 1/- each fully paid	0.04		0.04	
— PNB Gilts Limited 8,000 (Previous Year 8,000) Equity Shares of ₹ 10/- each fully paid	0.18		0.18	
— Punjab National Bank 11,000 (Previous Year 11,000) Equity shares of ₹ 2/- each fully paid	0.07		0.07	
— Dena Bank 2,595 (Previous Year 2,595) Equity Shares of ₹ 10/- each fully paid	0.07		0.07	
— ICICI Bank Limited 4,500 (Previous Year 4,500) Equity Shares of ₹ 2/- each fully paid	0.47		0.47	
— YES Bank Limited 254 (Previous Year 254) Equity Shares of ₹ 10/- each fully paid	0.01		0.01	
— Jaypee Infratech Limited 5,000 ( Previous Year 5,000 ) Equity Shares of ₹ 10/- each fully paid	0.51		0.51	
— Technofab Engineering Limited 104,228 (Previous Year 104,228) Equity Shares of ₹ 10/- each fully paid	27.27		27.27	
		<b>28.62</b>		<b>28.62</b>
Unquoted				
Mutual Funds				
— UTI-Opportunities Fund-Growth 11,770.711 (Previous Year 11,770.711 ) Units of ₹ 10/- each fully paid	0.30		0.30	
— PNB Principle Mutual Fund- Growth Nil (Previous Year 3,940.759 ) Units of ₹ 10/- each fully paid	-		0.24	

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	— L192D SBI PSU Fund-Regular Plan-Dividend 212,944.872 (Previous Year 212,944.872 ) Units of ₹ 10/- each fully paid	2.00		2.00
— SBI Dual Advantage Fund- Growth 20,000.00 ( Previous Year 20,000.00) Units of ₹ 10/- each fully paid	0.20	2.50	0.20	2.74
Equity Shares of Subsidiary Company				
— KEI CABLES AUSTRALIA PTY LTD , AUSTRALIA 100 (Previous Year NIL) Equity Shares of 1 AUD each fully paid		0.00*		-
<b>Total</b>		31.12		31.36
* ₹ 5,164/- Quoted Investments				
— Aggregate of Book Value		28.62		28.62
— Aggregate of Market Value		17.98		21.23
Unquoted Investments				
— Aggregate of Book Value		2.50		2.74

**12.1** Company has formed a Joint Venture under name of Joint Venture of M/s KEI Industries Ltd New Delhi & M/s Brugg Kable AG Switzerland (JV). This JV is a Jointly Controlled Entity within the meaning of Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures". The JV is in form of a Association of Persons (AOP) and the Company is having 100% share in Profit / Loss of AOP. Company has not invested any amount as capital in JV.

### 13 Long Term Loans And Advances:

(Unsecured, Considered Good)

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Capital Advances		190.35	
<b>Security Deposits:</b>				
Related Parties				
— Projection Financial & Management Consultants Private Limited	2.40		2.40	
— Anil Gupta HUF (Refer Note 13.1)	0.15		-	
Others	27.21	29.76	26.27	28.67
Loans & Advances to workers & staff		2.10		2.55
<b>Total</b>		222.21		48.59

**13.1 Disclosure pursuant to clause 32 of the Listing Agreement with Stock Exchanges is given below:**

a) Loans and Advances in the nature of Loans given to Related Parties:

(₹ in Millions)

Name	As at 31 <sup>st</sup> March, 2016	Maximum Balance 2015-16	As at 31 <sup>st</sup> March, 2015	Maximum Balance 2014-15
Projection Financial & Management Consultants Private Limited	2.40*	2.40	2.40	2.40
Anil Gupta HUF	0.15*	0.15	-	-

\* Security deposit for premises taken on rent by the company.

b) Investments by the Loanee in the shares of the Company ₹ 127.82 millions (Previous Year ₹ 114.20 millions)

Name	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	As at 31 <sup>st</sup> March, 2015 (₹ in Millions)
Projection Financial & Management Consultants Private Limited	114.20	114.20
Anil Gupta HUF	13.62	-

**14 Inventories:**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	As at 31 <sup>st</sup> March, 2015 (₹ in Millions)
Raw Materials [Includes In Transit ₹ 217.88 millions (Previous Year ₹ 161.29 millions)]	946.64	703.76
Project Materials [Includes In Transit ₹ Nil (Previous Year ₹ 1.46 millions)]	29.86	3.91
Work -in- Progress	1,935.77	2,437.91
Finished Goods	1,176.64	1,121.78
Stock in Trade	6.80	12.50
Stores & Spares [Includes in Transit ₹ 3.88 millions (Previous Year ₹ 1.66 millions)]	66.68	46.13
Packing Materials	50.68	63.21
Scrap	11.61	13.97
<b>Total</b>	<b>4,224.68</b>	<b>4,403.17</b>

**15 Trade Receivables (Current):**

(Unsecured, Considered good)

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	As at 31 <sup>st</sup> March, 2015 (₹ in Millions)
Outstanding for a period exceeding six months from the date due for payment	469.92	424.85
Others (Refer Note 15.1)	5,203.98	4,373.56
<b>Total</b>	<b>5,673.90</b>	<b>4,798.41</b>

**15.1** Due from Joint Venture of M/s KEI Industries Ltd New Delhi & M/s Brugg Kabel AG Switzerland (JV) as on 31.03.2016 is ₹ 52.00 millions (Previous Year ₹ 65.57 millions).

**16 Cash and Bank Balances:**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	As at 31 <sup>st</sup> March, 2015 (₹ in Millions)
Cash on hand	6.03	4.09
Balances with Banks		
— Current Accounts	16.75	12.12
— Fixed Deposits (Refer Note 16.1)	36.03	30.66
<b>Total</b>	<b>58.81</b>	<b>46.87</b>
Balance with Bank in Unpaid Dividend Accounts	1.21	1.21
Fixed Deposit with more than twelve month maturity	17.79	14.43

**16.1** Fixed Deposits with Banks ₹ 32.95 millions (Previous Year ₹ 19.48 millions) are under lien/custody with Banks/Others.

**17 Short Term Loans & Advances:**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Balance with Excise Authorities		67.25	
Others				
— Advances to Suppliers	135.44		128.00	
— Advances Recoverable				
Advance to Related Party				
— Joint venture of KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	3.18		-	
Others	19.97		14.69	
— Prepaid Expenses	41.33		69.25	
— Earnest Money Deposits	107.18		33.49	
— Security Deposits	5.11		2.25	
— Loans to Workers & Staff	4.85		2.83	
— Claims Recoverable from Government	181.27	498.33	311.45	561.96
<b>Total</b>		<b>565.58</b>		<b>665.05</b>

**18 Other Current Assets:**

(Unsecured, Considered good)

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Project Work in Progress		283.39	
Unbilled Revenue		233.09		242.38
Interest Accrued		4.58		3.70
<b>Total</b>		<b>521.06</b>		<b>399.20</b>

**18.1** Jobs with lump-sum price, where the physical progress of work is less than 25 per cent, the direct costs incurred thereon amounting to ₹ 283.39 millions (Previous Year ₹ 153.12 millions) have been carried forward as Project Work In Progress.

**19 Revenue from Operations (Gross):**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Sale of Products			
— Manufactured Goods	20,265.47		18,578.94	
— Traded Goods	19.87	20,285.34	26.43	18,605.37
Income from Turnkey Projects (Refer note 19.3)		4,535.37		2,983.62
Job Work		2.78		0.29
Other Operating Revenues				
— Export Benefits	19.00		19.88	
— Scrap	137.66	156.66	100.06	119.94
<b>Total</b>		<b>24,980.15</b>		<b>21,709.22</b>

Revenue from Operations includes in few cases, Excise Duty, VAT & Service Tax, wherever prices, are inclusive of Taxes.



**19.1 Details of Sales (Manufactured Goods):**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Cables		15,203.48	
Stainless Steel Wires		1,003.76		1,133.31
Winding Wire, Flexible & House Wires		4,058.23		3,365.81
<b>Total</b>		<b>20,265.47</b>		<b>18,578.94</b>

**19.2 Details of Sales (Traded Goods):**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Miscellaneous		19.87	
<b>Total</b>		<b>19.87</b>		<b>26.43</b>

**19.3 Income from Turnkey Projects:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Income from Turnkey Projects		4,405.10	
Increase / (Decrease) in Work-in-progress :				
— Closing Work In Progress	283.39		153.12	
— Less: Opening Work in Progress	153.12	130.27	21.87	131.25
<b>Total</b>		<b>4,535.37</b>		<b>2,983.62</b>

**20 Other Income:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Dividend from long term investments		0.08	
Interest Income		6.15		4.97
Profit on Long Term Investments		0.04		0.77
Gain on sales of Assets (Net)		0.17		-
Liabilities written back		6.00		2.92
Miscellaneous Income		3.53		2.71
Exchange Fluctuation (Net)		37.51		12.43
<b>Total</b>		<b>53.48</b>		<b>23.83</b>

**21 Cost of Materials Consumed:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Raw Materials Consumed</b>				
Opening Stock	542.47		533.24	
Add : Purchases	14,359.92		14,044.52	
Less : Closing Stock	728.76		542.47	
Less : Captive use	5.98	14,167.65	1.80	14,033.49
<b>Turnkey Project Materials</b>				
Opening Stock	2.45		106.85	
Add : Purchases	1,541.88		995.43	
Less : Closing Stock	29.86	1,514.47	2.45	1,099.83
		15,682.12		15,133.32

**21.1 Particulars of Raw Materials consumed:**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Copper		6,163.73		6,874.24
PolyVinyl Chloride & Di-Octyl Phthalate		2,812.70		2,443.30
Galvanized / Stainless Steel Wires / Strips		917.73		980.08
Aluminium Wire Rod		3,368.63		2,786.19
Stainless Steel Rod		616.97		732.45
Others		293.87		219.03
<b>Total</b>		14,173.63		14,035.29
Less : Captive use		5.98		1.80
<b>Total</b>		14,167.65		14,033.49

**21.2 Turnkey Project Materials:**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Various Project Items		1,514.47		1,099.83
		1,514.47		1,099.83

**22 Purchases of Stock in Trade:**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Miscellaneous		9.80		30.96
		9.80		30.96

**23 (Increase) / Decrease in Inventory of Finished Goods, Work in Progress and Stock in trade:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Opening Stock</b>				
— Finished Goods	<b>1,121.78</b>		1,003.06	
— Stock in Trade	<b>12.50</b>		7.32	
— Work in Progress	<b>2,437.91</b>		2,167.40	
— Scrap	<b>13.97</b>	<b>3,586.16</b>	13.65	3,191.43
<b>Less : Closing Stock</b>				
— Finished Goods	<b>1,176.64</b>		1,121.78	
— Stock in Trade	<b>6.80</b>		12.50	
— Work in Progress	<b>1,935.77</b>		2,437.91	
— Scrap	<b>11.61</b>	<b>3,130.82</b>	13.97	3,586.16
		<b>455.34</b>		(394.73)

**24 Employee Benefits Expense:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Salaries, Wages & Other Benefits	<b>725.41</b>		571.75	
Contribution to Provident & Other Funds	<b>37.58</b>		27.63	
Expense on Employee Stock Option Scheme (ESOS)	<b>38.79</b>		-	
Welfare Expenses	<b>26.59</b>	<b>828.37</b>	21.27	620.65
		<b>828.37</b>		620.65

**24.1 Disclosures under Accounting Standard 15 "Employee Benefits":**
**Defined Contribution Plan**

Amount recognized as an expense in defined contribution plans:

(₹ in Millions)

Particulars	Expense recognised in 2015-16		Expense recognised in 2014-15	
Contributory Provident Fund & Employees Pension Scheme 1995		<b>23.67</b>		16.23

**Defined Benefit Plans**

The company is having following Defined Benefit Plans:

- Gratuity (Partly Funded)
- Leave Encashment (Unfunded)

(₹ in Millions)

Particulars	Gratuity (Partly Funded)	Leave Encashment (Unfunded)	Gratuity (Partly Funded)	Leave Encashment (Unfunded)
	2015-16	2015-16	2014-15	2014-15
<b>a) Actuarial Assumptions</b>				
Discount rate	8.00%	7.50%	8.00%	8.00%
Expected rate of return on assets	9.25%	-	9.25%	-
Expected rate of future salary increase	6.00%	6.00%	6.00%	6.00%
<b>b) Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Present value of obligations as at beginning of year	72.82	36.21	59.39	26.98
Interest cost	5.83	2.82	4.78	2.46
Current Service Cost	7.73	7.63	6.71	6.10
Benefits paid	(2.97)	(4.59)	(1.57)	(2.99)
Actuarial (gain)/loss on Obligations	5.65	3.20	3.51	3.66
Present value of obligations as at end of year	89.06	45.27	72.82	36.21
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets as on beginning of year	49.22	-	40.60	-
Expected return on plan assets	4.46	-	4.14	-
Contributions	11.03	-	6.05	-
Benefits paid	(2.97)	-	(1.57)	-
Actuarial Gain/(Loss) on Plan assets	-	-	-	-
Fair value of plan assets at the end of year	61.74	-	49.22	-
<b>d) Fair value of plan assets</b>				
Fair value of plan assets at beginning of year	49.22	-	40.60	-
Actual return on plan assets	4.46	-	4.14	-
Contributions	11.03	-	6.05	-
Benefits paid	(2.97)	-	(1.57)	-
Fair value of plan assets at the end of year	61.74	-	49.22	-
Funded status	(27.32)	(45.27)	(23.60)	(36.21)
Excess of Actual over estimated return on plan	-	-	-	-
<b>e) Actuarial Gain/Loss recognized</b>				
Actuarial gain/(Loss) for the year – Obligation	(5.65)	(3.20)	(3.51)	(3.66)
Actuarial (gain)/Loss for the year – plan assets	-	-	-	-
Total (gain)/Loss for the year	5.65	3.20	3.51	3.66
Actuarial (gain)/Loss recognized in the year	5.65	3.20	3.51	3.66
<b>f) The amounts recognized in the balance sheet</b>				
Present value of obligations as at the end of year	89.06	45.27	72.82	36.21
Fair value of plan assets as at the end of the year	61.74	-	49.22	-
Funded status	(27.32)	(45.27)	(23.60)	(36.21)
Net (Asset)/liability recognized in balance sheet	27.32	45.27	23.60	36.21

Particulars	Gratuity (Partly Funded)	Leave Encashment (Unfunded)	Gratuity (Partly Funded)	Leave Encashment (Unfunded)
	2015-16	2015-16	2014-15	2014-15
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>				
Current Service Cost	<b>7.73</b>	<b>7.63</b>	6.71	6.10
Interest cost	<b>5.83</b>	<b>2.82</b>	4.78	2.46
Expected return on plan assets	<b>(4.46)</b>	-	(4.14)	-
Net Actuarial (gain)/Loss recognized in the year	<b>5.65</b>	<b>3.20</b>	3.51	3.66
Expenses recognized in statement of Profit & Loss	<b>14.75</b>	<b>13.65</b>	10.86	12.22

#### 24.2 Employee Stock Options:

- a) During the year, the Company has approved "KEI Employees Stock Option Scheme" (KEI ESOS 2015 or Scheme) for granting Employees Stock Options in the form of Equity Shares to eligible employees and the same was approved by special resolution passed by the members of the Company on September 16, 2015. The plan is administered under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company ("Committee") in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions for the time being in force. During the year Nomination and Remuneration Committee has granted 2,252,000 Options on September 23, 2015 which will vest over a period of four years from the date of grant in the following manner:

Vesting Particulars	Options vested
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	560000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	564000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	564000
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	564000

- b) The above said options can be exercised any time within a period of 30 days from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid scheme. Details of scheme are as under:

Particulars	KEI ESOS 2015	
	2015-16	2014-15
Date of grant	<b>23.09.2015</b>	Nil
Options outstanding at the beginning of the year	<b>Nil</b>	Nil
Options granted during the year	<b>2252000</b>	Nil
Option forfeited / lapsed during the year	<b>Nil</b>	Nil
Option vested	<b>Nil</b>	Nil
Option exercised	<b>Nil</b>	Nil
Options outstanding at the end of the year	<b>2252000</b>	Nil
Options exercisable at the end of the year	<b>Nil</b>	Nil
Fair value of the options based on Black and Scholes Model (₹ per share)	<b>71.12</b>	Nil
Intrinsic Value of the options granted (₹ per share )	<b>63.75</b>	Nil
Expense amortised during the year on the basis of intrinsic value of the option (₹ in Millions)	<b>38.79</b>	Nil

- c) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	2015-16 (KEI ESOS 2015)				2014-15
	1 <sup>st</sup> Vesting	2 <sup>nd</sup> Vesting	3 <sup>rd</sup> Vesting	4 <sup>th</sup> Vesting	
1. Risk Free Interest Rate	7.44%	7.63%	7.73%	7.77%	NA
2. Expected Life of options granted	1.04	2.04	3.04	4.04	NA
3. Expected and historical Volatility	59.40%	63.55%	56.93%	54.93%	NA
4. Dividend Yield	0.27%	0.27%	0.27%	0.27%	NA
5. Price of the underlying share in market at the time of the option grant (₹)	98.8				NA

- d) Other information regarding Options granted under KEI ESOS 2015 are as below:

Particulars	2015-16				2014-15
	1 <sup>st</sup> Vesting	2 <sup>nd</sup> vesting	3 <sup>rd</sup> vesting	4 <sup>th</sup> vesting	
Exercise price (₹)	35	35	35	35	NA
Weighted average exercise price (₹)	35	35	35	35	NA
Weighted average remaining contractual life (in years)	1.04	2.04	3.04	4.04	NA

- e) The Company has measured the stock-based compensation cost using the intrinsic value method. Had the Company used the fair value model to determine the compensation, its Profit after Tax and Earnings Per Share as reported would have changed to the amounts indicated below:

(₹ in Millions)

Particulars	2015-16	2014-15
Profit after tax as reported	<b>622.02</b>	342.50
Add: Intrinsic value employees compensation cost	<b>38.79</b>	NA
Less: Fair value employee compensation cost	<b>43.27</b>	NA
Proforma profit after tax	<b>617.54</b>	342.50
Earnings per share: <b>Basic</b>		
As reported in ₹	<b>8.05</b>	NA
Proforma in ₹	<b>8.00</b>	NA
Earnings per share: <b>Diluted</b>		
As reported in ₹	<b>7.93</b>	NA
Proforma in ₹	<b>7.88</b>	NA

## 25 Finance Costs:

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Interest Expense				
— Interest On Income Tax	<b>4.13</b>		2.36	
— Interest (Others)	<b>1,016.61</b>	<b>1,020.74</b>	987.40	989.76
Other Borrowing Costs		<b>249.00</b>		214.22
<b>Total</b>		<b>1,269.74</b>		1,203.98



**26 Sub Contractor expense for turnkey projects:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Sub Contractor's Expenses		595.54	
		595.54		419.06

**27 Other Expenses:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Stores, Spares & Consumables		82.15	
Packing Expenses		617.30		512.62
Excise Duty (Refer Note 27.1)		327.27		193.56
Job Work Charges		370.24		295.84
Power, Fuel & Lighting		353.81		324.39
Repairs & Maintenance				
— Plant & Machinery	101.35		79.73	
— Building	8.48		7.23	
— Others	17.04	126.87	12.66	99.62
Freight, Handling and Octroi (Net) [Net of recovery ₹ 2.79 millions (Previous Year ₹ 128.67 millions)]		350.24		255.77
Rebate, Discount, Commission on Sales		229.89		243.64
Bad Debts Written off		64.47		55.92
Rates & Taxes [Includes Wealth Tax ₹ NIL (Previous Year ₹ 0.15 millions)]		54.27		25.75
Rent		40.82		39.01
Insurance (Net) [Net of recovery ₹ 0.96 millions (Previous Year ₹ 0.89 millions)]		31.31		24.53
Travelling & Conveyance		88.80		73.35
Advertisement & Publicity		70.41		12.29
Auditor's Remuneration (Refer Note 27.2)		4.68		4.73
Loss on sales of Assets (Net)		-		1.51
Fixed Assets Written off		1.69		0.67
Communication Expenses		23.77		20.08
Donations		1.35		0.38
Director's Meeting Fee		1.73		1.22
Professional & Consultancy Charges		53.42		43.69
Miscellaneous Expenses		331.62		248.08
Corporate Social Responsibility Expenditure (Refer Note 27.3)		6.84		2.14
FCMITDA written off		29.12		30.32
<b>Total</b>		<b>3,262.07</b>		<b>2,571.55</b>

**27.1** Represents excise duty borne by the company and difference between excise duty on opening stock and closing stock of finished goods.

**27.2 Auditor's Remuneration\*:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Audit Fee		3.00	
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
Certification		0.48		0.53
		4.68		4.73

\* Excludes service tax

**27.3** Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 7.94 millions (Previous Year ₹ 6.82 millions)

**27.4 Value of Imports on CIF basis:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Raw Materials purchases		2,186.28	
Packing Materials		6.52		5.01
Project Materials		55.72		4.50
Traded Goods		-		6.32
Stores, Spares & Consumables		42.98		8.26
Capital Goods		99.24		6.73

**27.5 Expenditure in Foreign Currency (on Accrual Basis):**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	<b>Manufacturing Selling &amp; Other Expenses</b>			
Rebate, Discount, Commission on Sales	38.77		16.16	
Rent	2.15		1.32	
Travelling & Conveyance	8.90		3.21	
Communication Expenses	0.48		0.50	
Miscellaneous Expenses	53.42	103.72	41.23	62.42
<b>Employee Benefits Expense</b>				
Salaries, Wages & Other Benefits	19.14		14.71	
Welfare Expenses	0.02	19.16	0.09	14.80
<b>Financial Charges</b>				
Interest (Others)	13.24		23.42	
Others Borrowing Costs	2.13	15.37	4.65	28.07

**27.6 Value of Imported and Indigenous materials consumed:**

Class of Goods	Percentage		(` in Millions)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>Materials</b>				
- Indigenous	<b>86.44</b>	92.67	<b>13,555.12</b>	14,024.03
- Imported	<b>13.56</b>	7.33	<b>2,127.00</b>	1,109.29
<b>Total</b>	<b>100.00</b>	100.00	<b>15,682.12</b>	15,133.32
<b>Stores, Spares &amp; Consumables</b>				
- Indigenous	<b>47.68</b>	86.77	<b>39.17</b>	54.18
- Imported	<b>52.32</b>	13.23	<b>42.98</b>	8.26
<b>Total</b>	<b>100.00</b>	100.00	<b>82.15</b>	62.44
<b>Packing Materials</b>				
- Indigenous	<b>92.36</b>	90.88	<b>570.13</b>	465.87
- Imported	<b>7.64</b>	9.12	<b>47.17</b>	46.75
<b>Total</b>	<b>100.00</b>	100.00	<b>617.30</b>	512.62

**27.7 Remittance in foreign currency on account of dividends:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (` in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (` in Millions)	
	The year to which dividend relates		<b>2014-15</b>	
Amounts of dividend remitted		<b>0.61</b>		0.24
Number of Non-Resident Shareholders / OCBs/FILs		<b>313</b>		256
Number of Equity Shares		<b>1,532,262</b>		1,222,778

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders for the year 2014-15 & 2013-14 are as above.

**27.8 Earnings in Foreign Exchange (on Accrual Basis):**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (` in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (` in Millions)	
	Sales (Exports)		1,909.80	

**28 Earnings Per Share ('EPS') pursuant to Accounting Standard-20 ('AS-20') has been calculated as follows:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
Profit after Taxation	<b>622.02</b>	342.50
Number of Equity shares at the beginning of the year	<b>77,237,438</b>	73,737,438
Add: Weighted average number of equity shares issued during the year	-	3,078,082
Weighted average number of Equity shares for Basic EPS	<b>77,237,438</b>	76,815,520
Add: Adjustment for Warrant outstanding upto 15.05.2014	-	421,918
Add: Adjustment for Employee Stock Options outstanding	<b>1,175,224</b>	-
Weighted average number of equity shares for Diluted EPS	<b>78,412,662</b>	77,237,438
Basic Earnings Per Share (`)	<b>8.05</b>	4.46
Diluted Earnings Per Share (`)	<b>7.93</b>	4.43
Face Value Per Equity Share (`)	<b>2.00</b>	2.00

**29 In terms of provision of AS -7 on "Construction Contracts" for Lump Sum Turnkey Projects for contract in progress as on 31.03.2016:**

- i) The aggregate amount of cost incurred and recognised profit upto 31.03.2016 ₹ 9,201.63 millions (Previous year ₹ 4,351.89 millions)
- ii) The amount of advances received ₹ 85.57 millions (Previous year ₹ 144.71 millions)
- iii) The amount of retention ₹ 781.64 millions (Previous year ₹ 444.58 millions)
- iv) Gross amount due to customers ₹ 616.28 millions (Previous year ₹ 145.94 millions)
- v) Gross amount due from customers ₹ 276.82 millions (Previous year ₹ 332.20 millions)

**30 Related Party Disclosures as required by Accounting Standard (AS-18):**

**a) Name of Related Parties :**

**i) Subsidiary Company**

KEI Cables Australia PTY Limited -- Wholly owned subsidiary ( w.e.f. 14/12/2015)

**ii) Jointly controlled entity**

Joint Venture of M/s KEI Industries Ltd., New Delhi & Brugg Kabel A.G. Switzerland ( w.e.f 24/06/2014) (Association of Persons)

**iii) Associate of The Company**

KEI International Limited (up to 20/06/2014)

**iv) Other related parties in the group where common control exists:**

Anil Gupta (HUF)

Projection Financial & Management Consultants Pvt. Ltd.

Shubh Laxmi Motels & Inns Pvt. Ltd.

Soubhagya Agency Pvt. Ltd.

Dhan Versha Agency Pvt. Ltd.

KEI Cables Pvt. Ltd.

KEI Power Ltd.

**v) Key Managerial Personnel:**

Shri Anil Gupta, Chairman-cum-Managing Director

Shri Rajeev Gupta, Executive Director Finance

Shri Kishore Kunal, Company Secretary (w.e.f. 01/10/2014)

**vi) Relatives of Key Managerial Personnel with whom transaction have taken place:**

Shri Sunil Gupta

Smt. Archana Gupta (Director)

Smt. Varsha Gupta

Smt. Sumitra Devi Gupta

Smt. Shashi Gupta

Smt. Vimla Devi

Smt. Veena Agarwal

**vii) Enterprises Over which person mentioned in (vi) above are able to exercise significant control and transactions have taken place:**

Sunil Gupta (HUF)

Ashwathama Constructions Pvt. Ltd.

**b) Details of transactions relating to parties referred to in items (i), (ii), (iii), (iv), (v), (vi) and (vii):**

(₹ in Millions)

Particulars	Year	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	Total
Interest expense on deposits/ Unsecured Loan	<b>2015-2016</b>	-	-	-	<b>1.04</b>	-	<b>0.08</b>	<b>0.07</b>	<b>1.19</b>
	2014-2015	-	-	-	0.64	-	0.13	0.03	<b>0.80</b>
Deposits/Unsecured Loan received during the year	<b>2015-2016</b>	-	-	-	<b>19.60</b>	-	<b>1.75</b>	<b>2.50</b>	<b>23.85</b>
	2014-2015	-	-	-	3.50	-	-	-	<b>3.50</b>
Deposits/Unsecured Loan paid during the year	<b>2015-2016</b>	-	-	-	<b>16.00</b>	-	<b>0.90</b>	-	<b>16.90</b>
	2014-2015	-	-	-	10.70	-	2.60	1.00	<b>14.30</b>
Credit balance outstanding as at the year end	<b>2015-2016</b>	-	-	-	<b>7.10</b>	-	<b>0.85</b>	<b>2.50</b>	<b>10.45</b>
	2014-2015	-	-	-	3.50	-	-	-	<b>3.50</b>
Rent paid for use of assets	<b>2015-2016</b>	-	-	-	<b>4.45</b>	-	<b>11.46</b>	-	<b>15.91</b>
	2014-2015	-	-	-	3.72	-	11.94	0.56	<b>16.22</b>
Security Deposit Given	<b>2015-2016</b>	-	-	-	<b>2.55</b>	-	-	-	<b>2.55</b>
	2014-2015	-	-	-	2.40	-	-	-	<b>2.40</b>
Maneagerial remuneration	<b>2015-2016</b>	-	-	-	-	<b>57.09</b>	-	-	<b>57.09</b>
	2014-2015	-	-	-	-	33.96	-	-	<b>33.96</b>
Employee Benefits Expense	<b>2015-2016</b>	-	-	-	-	<b>1.77</b>	-	-	<b>1.77</b>
	2014-2015	-	-	-	-	0.74	-	-	<b>0.74</b>
Expenses payable	<b>2015-2016</b>	-	-	-	-	<b>17.19</b>	-	-	<b>17.19</b>
	2014-2015	-	-	-	-	6.59	-	-	<b>6.59</b>
Director's Meeting fee	<b>2015-2016</b>	-	-	-	-	-	<b>0.34</b>	-	<b>0.34</b>
	2014-2015	-	-	-	-	-	0.26	-	<b>0.26</b>
Dividend Paid	<b>2015-2016</b>	-	-	-	<b>8.69</b>	<b>6.24</b>	<b>0.36</b>	<b>0.00*</b>	<b>15.29</b>
	2014-2015	-	-	-	4.35	3.12	0.18	0.00**	<b>7.65</b>
Equity Share Allotment	<b>2015-2016</b>	-	-	-	-	-	-	-	-
	2014-2015	-	-	-	7.00	-	-	-	<b>7.00</b>
Security Premium on share allotment	<b>2015-2016</b>	-	-	-	-	-	-	-	-
	2014-2015	-	-	-	42.00	-	-	-	<b>42.00</b>
Money received against share warrants	<b>2015-2016</b>	-	-	-	-	-	-	-	-
	2014-2015	-	-	-	4.75	-	-	-	<b>4.75</b>
Investment in Subsidiary Company- Equity Share	<b>2015-2016</b>	<b>0.00***</b>	-	-	-	-	-	-	<b>0.00</b>
	2014-2015	-	-	-	-	-	-	-	-
Sales	<b>2015-2016</b>	-	<b>242.08</b>	-	-	-	-	-	<b>242.08</b>
	2014-2015	-	72.34	-	-	-	-	-	<b>72.34</b>
Services	<b>2015-2016</b>	-	<b>7.80</b>	-	-	-	-	-	<b>7.80</b>
	2014-2015	-	-	-	-	-	-	-	-
Reimbursement of expenses	<b>2015-2016</b>	-	<b>68.18</b>	-	-	-	-	-	<b>68.18</b>
	2014-2015	-	8.59	-	-	-	-	-	<b>8.59</b>
Advance Given	<b>2015-2016</b>	-	<b>92.09</b>	-	-	<b>1.00</b>	-	-	<b>93.09</b>
	2014-2015	-	69.12	-	-	-	-	-	<b>69.12</b>
Advance outstanding	<b>2015-2016</b>	-	<b>3.18</b>	-	-	<b>1.00</b>	-	-	<b>4.18</b>
	2014-2015	-	-	-	-	-	-	-	-
Maximum balance of advance given during the Year	<b>2015-2016</b>	-	<b>77.15</b>	-	-	<b>1.00</b>	-	-	<b>78.15</b>
	2014-2015	-	48.76	-	-	0.28	-	-	<b>49.04</b>
Debtors Outstanding	<b>2015-2016</b>	-	<b>52.00</b>	-	-	-	-	-	<b>52.00</b>
	2014-2015	-	65.57	-	-	-	-	-	<b>65.57</b>

\* ₹ 40 \*\* ₹ 20 \*\*\* ₹ 5164

**c) Non Financial Transactions:**

- (i) Shri Anil Gupta has given personal guarantee to banks for Company's borrowings.
- (ii) The remuneration does not include Gratuity and Provision for leave encashment under Accounting Standard-15 (Revised), mediclaim and personal accident insurance premium, since same is not available for individual employees.
- (iii) The Company has given Performance Bank Gurantees of ₹ 59.31 millions (previous year ₹ 189.96 millions) on behalf of Joint Venture of M/s KEI Industries Ltd., New Delhi & Brugg Kabel A.G. Switzerland.

**31 Future lease obligation by way of lease rental:**

(₹ in Millions)

Due	Total Minimum lease payments outstanding		Future Interest on outstanding		Present value of minimum lease payments	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Within one year	12.17	6.66	2.75	1.69	9.42	4.97
Later than one year and not later than five years	25.81	15.11	3.50	1.94	22.31	13.17
More than Five years	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total:</b>	<b>37.98</b>	<b>21.77</b>	<b>6.25</b>	<b>3.63</b>	<b>31.73</b>	<b>18.14</b>

**31.1 Operating Leases-Other than non-cancellable:**

The Company has entered into lease transactions during the current financial year mainly for leasing of factory/office/residential premises/computers and Company leased accommodations for its employees for periods up to 10 years. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit & Loss amount to ₹ 40.55 millions (Previous year ₹ 38.05 millions) for the leases which commenced on or after April 1, 2001.

**32. Segment information pursuant to Accounting Standard (AS-17) "Segment Reporting":**

**32(a) Information about Primary Business Segments:**

(₹ in Millions)

Particulars	Cables		Stainless Steel Wire		Turnkey Projects		Unallocated		Inter Segment Elimination		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Revenue (Gross)</b>												
External	18,261.24	17,143.30	1,022.84	1,140.61	5,892.94	3,566.50	0.05	(4.63)	(159.41)	(124.13)	25,017.66	21,721.65
Less: Excise Duty	1,650.98	1,311.35	73.37	88.35	-	-	-	-	-	-	1,724.35	1,399.70
Inter-Segment Revenue	2,502.46	1,277.89	-	-	-	-	-	-	(2,502.46)	(1,277.89)	-	-
<b>Total Revenue (Net)</b>	<b>19,112.72</b>	<b>17,109.84</b>	<b>949.47</b>	<b>1,052.26</b>	<b>5,892.94</b>	<b>3,566.50</b>	<b>0.05</b>	<b>(4.63)</b>	<b>(2,661.87)</b>	<b>(1,402.02)</b>	<b>23,293.31</b>	<b>20,321.95</b>
<b>Result</b>												
Segment Result	2,245.78	1,978.40	67.11	36.71	811.40	410.60	-	-	(159.41)	(124.13)	2,964.88	2,301.58
Unallocated Expenditure net of unallocated income							(747.93)	(573.80)			(747.93)	(573.80)
Interest Expenses							(1,269.74)	(1,203.98)			(1,269.74)	(1,203.98)
Interest Income							6.15	4.97			6.15	4.97
Dividend Income							0.08	0.03			0.08	0.03
<b>Profit Before Taxation</b>	<b>2,245.78</b>	<b>1,978.40</b>	<b>67.11</b>	<b>36.71</b>	<b>811.40</b>	<b>410.60</b>	<b>(2,011.44)</b>	<b>(1,772.78)</b>	<b>(159.41)</b>	<b>(124.13)</b>	<b>953.44</b>	<b>528.80</b>
Taxation											331.42	186.30
Net Profit											622.02	342.50
<b>Other Information</b>												
Segment Assets	10,623.06	10,764.51	483.95	458.85	3,455.17	1,962.94	307.91	231.07	-	-	14,870.09	13,417.37
Segment Liabilities	3,676.53	4,294.94	219.02	220.15	1,716.71	912.21	3,091.63	2,970.25	-	-	8,703.89	8,397.55
Capital Expenditure	881.65	101.97	13.40	4.29	3.57	2.81	67.93	43.51	-	-	966.55	152.58
Depreciation	207.66	200.67	7.40	7.52	1.79	1.15	36.01	36.51	-	-	252.86	245.85
<b>FCMITDA Written off</b>							<b>29.12</b>	<b>30.32</b>	-	-	<b>29.12</b>	<b>30.32</b>



**32(b) Information about Secondary Business Segment:**

(₹ in Millions)

Revenue by Geographical Market	India		Outside India		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
External Revenue (Gross)	23,107.86	20,226.60	1,909.80	1,495.05	25,017.66	21,721.65
Less: Excise Duty	1,724.35	1,399.70	-	-	1,724.35	1,399.70
Inter Segment	-	-	-	-	-	-
<b>Total Revenue (Net)</b>	<b>21,383.51</b>	<b>18,826.90</b>	<b>1,909.80</b>	<b>1,495.05</b>	<b>23,293.31</b>	<b>20,321.95</b>
Carrying Amount of Segment Assets	14,846.07	13,392.47	24.02	24.90	14,870.09	13,417.37
Additions to Fixed Assets	966.55	152.58	-	-	966.55	152.58

**32(c) Notes :**
**i) The Company is organised into business segments, namely:**

- Cables comprising of EHV, HT & LT Power Cables , Control and Instrumentation Cables, Winding Wires & Flexible and House Wires.
- Stainless Steel Wire comprising of Stainless Steel Wire.
- Turnkey projects etc.

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

**ii) Segment Revenue in each of the above domestic business segments primarily includes sales, job work income and export incentives in the respective segments.**

(₹ in Millions)

Segment Revenue Comprising of	2015-16	2014-15
Sales	20,423.00	18,705.43
Project Income	4,535.37	2,983.62
Job Work	2.78	0.29
Export Incentives	19.00	19.88
Exchange Fluctuation	37.51	12.43
<b>Total</b>	<b>25,017.66</b>	<b>21,721.65</b>

**iii) The Segment Revenue in the geographical segments considered for disclosure are as follows:**

- a) Revenue within India includes sales to customers located within India and earnings in India.
- b) Revenue outside India includes sales to customers located outside India and earnings outside India.

**iv) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.**
**33 As per Accounting Standard-27, the interest and transactions in Joint Venture as defined in the Accounting Standard are given below:**

(₹ in Millions)

Particulars	2015-16	2014-15
<b>Name of the jointly Controlled entities</b>	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel A.G. Switzerland	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel A.G. Switzerland
Capital Investment	-	-
Percentage of ownership interest	100%	100%
Country of Incorporation	India	India
Nature of work	Execution of civil and engineering project	Execution of civil and engineering project
Total Assets	75.39	95.38
Total Liabilities	71.87	95.38
Total Income	508.36	93.06
Total Expenditure	503.25	93.06
Contingent Liabilities	-	-
Capital commitment	-	-

**34 (i) Amount payable in foreign currency:**

Particulars	As at 31 <sup>st</sup> March, 2016			As at 31 <sup>st</sup> March, 2015		
	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency
Imports of Goods & Advance Received	120.58	1.81	USD	159.51	2.54	USD
	62.40	0.82	EURO	1.28	0.02	EURO
	1.28	0.01	GBP	5.01	0.05	GBP
	41.29	0.60	CHF	5.90	0.09	CHF
	0.65	0.01	SGD	0.91	0.02	SGD
Working Capital Loan (Buyer's Credit & PCFC)	765.12	11.49	USD	198.76	3.17	USD
Term Loan	363.30	5.45	USD	274.58	4.38	USD
Royalty/Know How/Licence Fees	8.85	0.12	EURO	4.93	0.07	EURO
Expenses Payable	22.24	0.33	USD	8.57	0.14	USD
	1.99	0.04	SGD	0.65	0.01	SGD
	0.89	0.01	GBP	-	-	GBP
	0.84	0.05	AED	0.96	0.05	AED

**(ii) Amount receivable in foreign currency:**

Particulars	As at 31 <sup>st</sup> March, 2016			As at 31 <sup>st</sup> March, 2015		
	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency
Exports Of Goods & Advance Paid	479.66	7.18	USD	297.30	4.79	USD
	86.60	1.21	EURO	28.76	0.43	EURO
	4.76	0.07	SGD	11.47	0.25	SGD
	10.26	0.20	AUD	133.78	2.84	AUD
	0.97	0.01	CHF	0.94	0.01	CHF
	3.66	0.04	GBP	-	-	GBP
	-	-	JPY	0.93	1.76	JPY
Recoverable	0.67	0.01	SGD	0.05	0.00	SGD
Balance With Banks	2.28	0.05	SGD	2.19	0.05	SGD
	0.33	0.00	USD	1.76	0.03	USD
	0.45	0.03	AED	1.43	0.08	AED

**35 Contingent Liabilities & Commitments:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>35.1 Contingent Liabilities:</b>				
Claims Against the Company not acknowledged as Debt		<b>0.22</b>		0.22
<b>35.2 Guarantees:</b>				
Financial Bank Guarantees outstanding		<b>1,537.08</b>		1,316.34
<b>35.3 Other money for which Company is contingently liable:</b>				
(a) Unutilised Letter of Credits	<b>129.72</b>		149.51	
(b) Outstanding Bills discounted	<b>551.98</b>		1,233.93	
(c) Prorata share of Company in channel finance given by banks to others	<b>407.54</b>	<b>1,089.24</b>	349.16	1,732.60
<b>35.4 Duties &amp; Taxes:</b>				
(a) Sales Tax / Entry Tax demands under appeal	<b>8.54</b>		5.63	
(b) Income tax Matters: - Demand due to Additions / disallowances during Assessments, which are under Appeal	<b>10.24</b>		9.52	
(c) Excise / Service tax demands under appeal	<b>406.71</b>		76.87	
(d) Labour Cess Demands under appeal	-		13.13	
(e) Custom Duty demand under Appeal	-	<b>425.49</b>	395.72	500.87
<b>35.5 Commitments:</b>				
Estimated amount of contracts remaining to be executed on Capital Account		<b>248.12</b>		26.45

**36** Previous Year's figures have been regrouped / rearranged wherever necessary.

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**  
 Firm Registration No. 000129N  
 Chartered Accountants

**(ANIL GUPTA)**  
 Chairman-cum-Managing Director  
 DIN: 00006422

**(RAJEEV GUPTA)**  
 Executive Director (Finance) & CFO  
 DIN: 00128865

**(PRAVEEN KUMAR JAIN)**  
 Partner  
 M.No- 085629

**(KISHORE KUNAL)**  
 Company Secretary  
 M. No. A18495

**(ADARSH JAIN)**  
 General Manager (Finance)  
 M No. 502048

Place of Signing : New Delhi  
 Date : 21<sup>st</sup> May, 2016

Place of Signing : New Delhi  
 Date : 21<sup>st</sup> May, 2016

# Independent Auditors' Report

## To the Members of KEI INDUSTRIES LIMITED

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of **KEI INDUSTRIES LIMITED** ("the Company") and its subsidiary and its jointly controlled entity; hereinafter referred to as the "Group" (Refer Note 1) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity, are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall

presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 8(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

### **Other Matters**

8. (a) The consolidated financial statements also include the Group's share of net loss of ₹ 0.05 Millions for the year ended 31<sup>st</sup> March, 2016 as considered in the consolidated financial statements, in respect of Subsidiary Company whose financial statements/ financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

- (b) The corresponding figures in the consolidated financial statements of the Company as at 31<sup>st</sup> March, 2015 and for the year then ended are unaudited.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on unaudited financial statements of the subsidiary company and previous year figures being unaudited.

### **Report on Other Legal and Regulatory Requirements**

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law maintained by the Company, its subsidiary included in the Group and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note 34.1 to 34.4 of the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2016.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2016.

**For JAGDISH CHAND & CO.**  
**Firm Registration Number: 000129N**  
**Chartered Accountants**

**(PRAVEEN KUMAR JAIN)**  
**Partner**  
**Membership No.: 085629**

**Place of signature: New Delhi**  
**Date: 21<sup>st</sup> May, 2016**

### **Annexure A to Independent Auditors' Report**

Referred to in paragraph 9 (f) of the Independent Auditors' Report of even date to the Board of Directors of **KEI INDUSTRIES LIMITED** on the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2016.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of KEI INDUSTRIES LIMITED ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act is not applicable to jointly controlled entity (Association of Persons) and subsidiary company which is a company not incorporated in India.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal



Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For JAGDISH CHAND & CO.**  
**Firm Registration Number: 000129N**  
**Chartered Accountants**

**(PRAVEEN KUMAR JAIN)**  
**Partner**  
**Membership No.: 085629**

**Place of signature: New Delhi**  
**Date: 21<sup>st</sup> May, 2016**

## CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	Note No.	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's funds</b>					
Share Capital	2	154.47		154.47	
Reserves and Surplus	3	3,515.25	3,669.72	2,884.03	3,038.50
<b>Non-Current Liabilities</b>					
Long Term Borrowings	4	1,881.49		1,208.95	
Deferred Tax Liability (Net)	5	362.44		235.36	
Long Term Provisions	6	40.02	2,283.95	31.97	1,476.28
<b>Current Liabilities</b>					
Short Term Borrowings	7	2,489.95		2,549.20	
Trade Payables	8				
Micro, Small and Medium Enterprises		-		-	
Others		4,337.68		4,810.05	
Other Current Liabilities	9	1,998.23		1,483.16	
Short Term Provisions	10	101.01	8,926.87	89.42	8,931.83
<b>TOTAL</b>			<b>14,880.54</b>		<b>13,446.61</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets	11				
Tangible assets	11.1	3,264.71		2,971.19	
Intangible assets	11.2	17.17		9.64	
Capital Work -in- Progress	11.3	293.36	3,575.24	43.89	3,024.72
Non- Current Investments	12		31.12		31.36
Long Term Loans and Advances	13		222.21		48.59
<b>Current Assets</b>					
Inventories	14	4,225.48		4,403.17	
Trade Receivables	15	5,681.42		4,732.85	
Cash and Bank Balances	16	59.53		47.22	
Short Term Loans and Advances	17	564.24		666.43	
Other Current Assets	18	521.30	11,051.97	492.27	10,341.94
<b>TOTAL</b>			<b>14,880.54</b>		<b>13,446.61</b>
Significant Accounting Policies And Notes on Financial Statements	1 to 36				

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**

Firm Registration No. 000129N

Chartered Accountants

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PRAVEEN KUMAR JAIN)**

Partner  
M.No- 085629

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

**(KISHORE KUNAL)**

Company Secretary  
M. No. A18495

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

**(ADARSH JAIN)**

General Manager (Finance)  
M No. 502048

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Revenue from Operations(Gross)	19	<b>25,204.45</b>		21,720.90	
Less: Excise Duty		<b>1,694.21</b>	<b>23,510.24</b>	1,390.67	20,330.23
Other Income	20		<b>57.52</b>		23.83
<b>Total Revenue</b>			<b>23,567.76</b>		20,354.06
<b>Expenses</b>					
Cost of Materials Consumed	21		<b>15,839.21</b>		15,144.17
Purchases of Stock in Trade	22		<b>9.80</b>		30.96
(Increase) / Decrease in Inventory of Finished goods, Work-in-progress and Stock-in-trade	23		<b>455.34</b>		(394.73)
Employee Benefits Expense	24		<b>828.37</b>		620.65
Finance Costs	25		<b>1,271.56</b>		1,212.33
Depreciation and Amortisation Expense					
— Tangible Assets		<b>249.36</b>		242.40	
— Intangible Assets		<b>3.94</b>	<b>253.30</b>	3.45	245.85
Sub Contractor expense for turnkey projects	26		<b>638.77</b>		419.06
Other Expenses	27		<b>3,312.92</b>		2,573.06
<b>Total Expenses</b>			<b>22,609.27</b>		19,851.35
Profit Before Exceptional Items and Tax			<b>958.49</b>		502.71
Exceptional Item- Keyman Insurance on Maturity			-		26.09
<b>Profit Before Tax</b>			<b>958.49</b>		528.80
Tax Expense					
— Current tax		<b>330.53</b>		111.33	
— Mat Credit Entitlement		<b>(124.62)</b>		-	
— Deferred tax		<b>127.08</b>		75.01	
— Short/(Excess) Provision-Earlier Years * ₹ (3,739)		<b>0.00*</b>	<b>332.99</b>	(0.04)	186.30
Profit for the Year			<b>625.50</b>		342.50
Earnings per Equity Share:	28				
Equity shares of face value ₹ 2/- each					
— Basic (₹)			<b>8.10</b>		4.46
— Diluted (₹)			<b>7.98</b>		4.43
Significant Accounting Policies And Notes on Financial Statements	1 to 36				

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**

Firm Registration No. 000129N

Chartered Accountants

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PRAVEEN KUMAR JAIN)**

Partner  
M.No- 085629

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

**(KISHORE KUNAL)**

Company Secretary  
M. No. A18495

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

**(ADARSH JAIN)**

General Manager (Finance)  
M No. 502048

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extraordinary items	958.49	528.80
<b>Adjustments for :</b>		
Depreciation	253.30	245.85
Dividend received	(0.08)	(0.03)
(Profit)/Loss on Investment	(0.04)	(0.77)
Financial Charges	1,271.56	1,212.33
Amortisation of Employee Compensation	38.79	0.00
Provision for leave encashment/ Gratuity	11.28	14.04
FCMITDA Written Off / (Back)	29.12	30.32
Fixed Assets written off	1.69	0.67
Exchange Fluctuation Reserve * ₹ (518)/-	(0.00)*	-
Loss/(Profit) on sale of Assets	(0.17)	1.51
<b>Operating Profit before working Capital changes</b>	<b>2,563.94</b>	<b>2,032.72</b>
<b>Adjustments for :</b>		
Trade & Other Receivables	(876.02)	(739.29)
Inventories	177.69	(371.77)
Trade & Other Payables	199.20	1,158.80
<b>Cash Generated from operations</b>	<b>2,064.81</b>	<b>2,080.46</b>
Direct Taxes paid	(206.87)	(93.01)
<b>Cash flow before Extra ordinary items</b>	<b>1,857.94</b>	<b>1,987.45</b>
Extraordinary Items	-	-
<b>Net Cash from Operating Activities</b>	<b>1,857.94</b>	<b>1,987.45</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and other capital expenditure	(979.62)	(167.97)
Sale of Fixed Assets	1.29	1.37
Sale of Investments	0.28	0.77
Purchase of Investments	-	(0.44)
Dividend Received	0.08	0.03
<b>Net Cash from Investing Activities</b>	<b>(977.97)</b>	<b>(166.24)</b>

	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)
<b>(C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Long term borrowings (Banks)	<b>(426.97)</b>	(336.98)
Long term borrowings (others)	<b>875.35</b>	484.65
Finance lease liabilities (Net)	<b>13.58</b>	9.51
Inter corporate & other deposits (Net of repayments)	<b>40.97</b>	(44.09)
Working capital facilities from banks	<b>(61.85)</b>	(706.99)
Issue of Equity Share Capital	-	4.75
Financial Charges	<b>(1,271.56)</b>	(1,212.33)
Dividend paid	<b>(30.89)</b>	(15.45)
Tax on Dividend	<b>(6.29)</b>	(2.63)
<b>Net Cash from Financing Activities</b>	<b>(867.66)</b>	(1,819.56)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>12.31</b>	1.65
Cash & Cash Equivalents as at 1 <sup>st</sup> April (Opening Balance)	<b>47.22</b>	45.57
Cash & Cash Equivalents as at 31 <sup>st</sup> March (Closing Balance)	<b>59.53</b>	47.22

Cash and Bank Balance includes ₹ 32.95 Millions (Previous year ₹ 19.48 Millions) held under lien/custody with banks/ others and balance in unclaimed dividend account ₹ 1.21 Millions ( Previous year ₹ 1.21 Millions)

Note : Figures in brackets represent cash outflow

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**

Firm Registration No. 000129N

Chartered Accountants

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PRAVEEN KUMAR JAIN)**

Partner  
M.No- 085629

**(KISHORE KUNAL)**

Company Secretary  
M. No. A18495

**(ADARSH JAIN)**

General Manager (Finance)  
M No. 502048

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

## 1- SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Principles of Consolidation

The Consolidated Financial Statements relate to KEI INDUSTRIES LIMITED (the Company), its Subsidiary and its Jointly Controlled Entity (Joint Venture), together referred to as 'Group'

#### a) Basis of Accounting:

- i) The financial statements of the Subsidiary Company and joint venture in the consideration are drawn up to the same reporting date as of the Company for the purpose of consolidation.
- ii) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and Accounting Standard (AS) 27 - 'Financial Reporting of interest in joint venture' specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles.

#### b) Principles of Consolidation:

b.1 The Consolidated Financial Statements have been prepared as per the following principles:

- i) The financial statements of the Company and its Subsidiary Company is combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and unrealized profits or losses.
- ii) The Consolidated Financial Statements include the interest of the Company in joint venture, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.
- iii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.
- iv) In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the prevailing at the end of the year. Any exchange difference arising on Consolidation is recognized in the Exchange Fluctuation Reserve.

b.2i) The Consolidated Financial Statements include the results of the following entities:

S. No.	Name of Entity	Country of incorporation	Relationship	Ownership Interest
A	KEI Cables Australia PTY Limited	Australia	Subsidiary	100.00%
B	Joint Venture of KEI Industries Limited New Delhi & BruggKabel AG Switzerland ( Association of Person)	India	Joint Venture	100.00% Share of Profit & Loss

b.2 ii) Financial statements of KEI Cables Australia PTY Limited, Australia are drawn in Australian Dollar (AUD).

### 1.2 Other Significant Accounting Policies

(a) The accounts have been prepared under the historical cost convention and in accordance with the applicable accounting standards except where otherwise stated .

#### (b) Fixed assets, intangible assets and capital work-in-progress:

- i. Fixed assets are stated at cost or valuation less accumulated depreciation and impairment loss. The cost includes inward freight and other directly attributable expenses.
- ii. In respect of qualifying assets, all direct expenses relating to the projects up to commencement of production, including interest on borrowed loan are capitalised. Financing Cost incurred on general borrowing used for projects is capitalised at weighted average cost. Amount of such borrowing is determined after setting off amount of internal accruals.



- iii. Cost of any software purchased initially along with the computer hardware is being capitalised along with cost of hardware. Any subsequent acquisition/up-gradation of software is being capitalised as an asset.

**(c) Depreciation and amortisation:**

- i. Cost of capitalized software is amortised over a period of five years from date of its acquisition. Leasehold Improvements are amortised over period of lease or estimated useful life whichever is shorter.
- ii. Depreciation on Fixed Assets is calculated on Straight line Method in accordance with the provisions of Schedule II of the Companies Act, 2013 keeping 5% of cost as residual value. The useful life of fixed assets as defined in Part C of schedule II of the companies Act, 2013 has been taken for all tangible assets other than Plant & Machineries, whose useful life is estimated 20 years based on internal assessment by the management and independent technical evaluation carried out by external valuer. Addition / deletion in the cost of the fixed assets due to exchange fluctuation in long term foreign currency monetary items arising due to difference in exchange rate vis a vis initial recording and reporting date are depreciated over the balance life of the assets.
- iii. No write off is being made in respect of leasehold land, as the lease is a long lease.
- iv. Fixed Assets costing upto ₹ 5,000/- each are fully depreciated in the year of its acquisition.

**(d) Investments:**

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such decline is other than temporary in the opinion of the management.

**(e) Inventories:**

- i. Finished Goods, Project Materials are valued at lower of cost or net realisable value.
- ii. Raw Materials are valued at cost or net realisable value whichever is lower.
- iii. Stock in Process is valued at lower of cost or net realisable value.
- iv. Stores, Spares and Consumables and Packing Materials are valued at cost.
- v. Scrap is valued at estimated realisable value.
- vi. Cost of Raw Materials is determined on First In First Out (FIFO) basis. Cost of Packing Materials, Stores & Spares are determined on weighted average basis. Work in Process includes raw material costs and allocated production overheads. Cost of finished goods is determined by taking derived material costs and other overheads.

**(f) Revenue Recognition:**

- i. Sales are accounted for on dispatch of goods from factory to the customers. Sales are net of return and include excise duty wherever directly chargeable from customers, but exclude Sales tax/VAT.
- ii. Turnkey Projects
  - In the case of lump-sum Turnkey Contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work. Project income is net of VAT/Service tax.
- iii. No income has been taken into account on jobs for which:
  - The terms have been agreed to at lump-sum turnkey contracts and physical progress is less than 25%.
  - Where physical progress is less than 25%, the cost of such jobs is carried forward as work-in-progress at actual direct cost.
- iv. Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.

**(g) Excise Duty:**

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in factory premises. CENVAT credit is accounted on accrual basis on purchases of materials.

**(h) Employee Benefits:**

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to fund maintained by LIC/

Reliance Life Insurance Company Limited and administered through a separate irrevocable trust set up by the company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.

- ii. Liability in respect of leave encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.
- iii. Contributions with respect to Provident Fund, is recognized as an expense in the Profit and Loss Account of the year in which the related service is rendered.
- iv. In respect of employees stock options, the excess of intrinsic value on the date of grant over the exercise price is recognized as deferred compensation cost amortized over vesting period.

**(i) Foreign Currency Transactions:**

- i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.
- ii. Foreign currency transactions remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
  - in so far as they relate to the acquisition of a depreciable capital assets are adjusted in cost of assets.
  - other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and are amortised over period of foreign currency monetary item or upto 31st March,2020, whichever is earlier.

**(j) Miscellaneous Expenditure:**

Public issue expenditure/ 'FCCBs' issue expenditure is being written off against Securities / Share premium, net of taxes, in the year of issue.

**(k) Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**(l) Impairment of Fixed Assets:**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

**(m) Contingent Liabilities:**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**(n) Provision for Contractual Obligations:**

The provision for estimated liabilities on account of guarantees & warranties etc. in respect of lump-sum turnkey contracts awarded to the company are being made on the basis of assessment of risk and consequential probable liabilities on each such job made by the management.

**CONSOLIDATED NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**2 Share Capital:**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	As at 31 <sup>st</sup> March, 2015 (₹ in Millions)
<b>Authorised</b>		
110,000,000 (Previous year 110,000,000) Equity Shares of ₹ 2/- each	220.00	220.00
300,000 (Previous year 300,000) Preference Shares of ₹ 100/- each	30.00	30.00
<b>Total</b>	<b>250.00</b>	<b>250.00</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
77,237,438 (Previous year 77,237,438) Equity shares of ₹ 2/- each fully paid	154.47	154.47
<b>Total</b>	<b>154.47</b>	<b>154.47</b>

**2.1 Rights, preferences and restrictions attached to shares:**

Equity Shares: The Company has issued one class of equity shares having face value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**2.2 Reconciliation of Number of Equity Shares:**

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Nos.	(₹ in Millions)	Nos.	(₹ in Millions)
Balance as at the beginning of the year	77,237,438	154.47	73,737,438	147.47
Add: Issued during the Year	-	-	3,500,000	7.00
Balance as at the end of the year	77,237,438	154.47	77,237,438	154.47

NIL (Previous Year 3,500,000) equity shares were issued on preferential basis to following party as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of ₹ 14 per share (including securities premium of ₹ 12/-).

Name of Shareholder	Year Ended 31 <sup>st</sup> March, 2016 Nos.	Year Ended 31 <sup>st</sup> March, 2015 Nos.
M/s Projection Financial & Management Consultants Private Limited	-	3,500,000
	-	3,500,000

**2.3 List of Equity Shareholders holding more than 5% of the aggregate Equity Shares:**

Name of Shareholders	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	15,580,776	20.17%	15,580,776	20.17%
M/s Anil Gupta HUF beneficiary Mr. Anil Gupta	4,650,375	6.02%	4,650,375	6.02%
M/s Projection Financial and Management Consultants Private Limited	7,900,000	10.23%	7,900,000	10.23%
IDFC Sterling Equity Fund	4,670,571	6.05%	-	-

## 2.4 Shares reserved for issue under KEI Employees Stock Option Scheme, 2015:

During the year, Nomination and Remuneration Committee of the Board has granted 2,252,000 Options to eligible employees of the Company. Accordingly 2,252,000 Equity shares of ₹ 2/- each (Previous Year Nil) are reserved for the issue under KEI Employees Stock Option Scheme 2015 (KEI ESOS 2015).

(Refer Note 24.2)

## 3 Reserves & Surplus:

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Capital Reserve</b>				
Balance as at the beginning of the year		28.00		28.00
Securities Premium Account				
Balance as at the beginning of the year	726.06		684.06	
Add: On allotment of Equity Shares	-	726.06	42.00	726.06
<b>General Reserve</b>				
Balance as at the beginning of the year	21.10		41.37	
Less: Adjustment due to depreciation on Fixed Assets whose useful life already exhausted as on 1st April, 2014 (Refer Note 3.1)	-	21.10	20.27	21.10
<b>Surplus</b>				
Balance as at the beginning of the year	2,128.56		1,823.24	
Add: Net Profit for the year	625.50		342.50	
Less: Appropriations				
— Proposed Dividend on Equity Shares [Dividend per share ₹ 0.50 (Previous Year ₹ 0.40)]	38.62		30.89	
— Dividend Distribution Tax on Proposed Dividend	7.86	2,707.58	6.29	2,128.56
Foreign Currency Monetary Item				
Translation Difference Account (FCMITDA)				
Balance as at the beginning of the year	(19.69)		(37.57)	
Add: Additions during the Year	(15.71)		(12.44)	
Less: Written off during the Year (Refer Note 3.2)	29.12	(6.28)	30.32	(19.69)
Exchange Fluctuation Reserve				
Balance as at the beginning of the year	-		-	
Add: Additions during the year * ₹ (158)	0.00*	(0.00)	-	-
<b>Employee Stock Option Outstanding</b>				
Balance as at the beginning of the year	-		-	
Add: Employee Compensation Expense during the year	38.79	38.79	-	-
<b>Total</b>		<b>3,515.25</b>		<b>2,884.03</b>

3.1 Written Down Value of Assets whose useful life is already exhausted as on 1<sup>st</sup> April, 2014, amounting to Nil

( Previous Year ₹ 20.27 Millions ) has been recognised in the opening balance of General Reserve.

3.2 Are amortised over period of foreign currency monetary item or upto 31<sup>st</sup> March 2020, whichever is earlier.

#### 4 Long-Term Borrowings:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Secured</b>				
Term Loans				
- From Banks	<b>457.70</b>		618.75	
- Foreign Currency Loans from Banks	<b>238.41</b>		117.68	
- From Others (Non-Banking Financial Company)	<b>1,120.00</b>	<b>1,816.11</b>	454.65	1,191.08
Finance Lease Obligations		<b>22.31</b>		13.17
<b>Unsecured</b>				
Loans and Advances from Related Parties				
- Loan from Related Parties		<b>4.50</b>		-
- Deposits from Related Parties		<b>3.35</b>		3.50
Deposits from Others				
- Public Deposits		<b>35.22</b>		1.20
<b>Total</b>		<b>1,881.49</b>		<b>1,208.95</b>

##### 4.1 Nature of Security:

- Term Loans from Banks and Non- Banking Financial Company (NBFC) are Secured by a first pari passu charge over Land & Building, Plant & Machinery and other movable fixed assets located at the Company's Plants at Plot No. A-280-284, Chopanki, SP-919, Bhiwadi and 99/2/7, Madhuban Industrial Estate, Silvassa. Further, they are secured by personal guarantee of Shri Anil Gupta, Chairman-cum-Managing Director of the Company.

4.2 Finance Lease Obligations are secured against leased assets.

4.3 Maturity Profile and rate of interest of Secured Term Loans are as set out below:

(₹ in Millions)

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
LIBOR +81 BPS	-	23.88	52.46	26.23
LIBOR +90 BPS	-	20.32	44.64	22.32
12.05%	97.10	52.90	-	-
12.30%	125.00	62.50	46.88	-
12.60%	360.00	390.00	370.00	-
12.80%	18.75	-	-	-
13.50%	37.50	37.50	28.13	-
<b>Total</b>	<b>638.35</b>	<b>587.10</b>	<b>542.11</b>	<b>48.55</b>

4.4 Unsecured Deposits are repayable within 3 years from the date of acceptance.

#### 5 Deferred Tax Liability (Net):

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Deferred Tax Liabilities</b>				
Arising on account of timing difference in				
- Depreciation		403.47		391.95
<b>Deferred Tax Assets</b>				
Arising on account of timing difference in				
- Unabsorbed Depreciation	-		(131.19)	
- Expenses & Others	(41.03)	(41.03)	(25.40)	(156.59)
<b>Total</b>		<b>362.44</b>		<b>235.36</b>

## 6 Long Term Provisions:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Employee Benefits (Refer Note 24.1)				
- Provision for Leave Encashment	40.02		31.97	
<b>Total</b>	<b>40.02</b>		<b>31.97</b>	

## 7 Short Term Borrowings:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Secured				
Working Capital Loans from Banks		2,481.85		2,543.70
Loans and Advances from Related Parties				
- Deposits	-		-	
- Inter Corporate Deposits	2.60	2.60	-	-
Deposits from Others				
- Inter Corporate Deposits	5.50		5.50	
- Public Deposits	-	5.50	-	5.50
<b>Total</b>		<b>2,489.95</b>		<b>2,549.20</b>

**7.1** Working Capital facilities from banks are secured by 1st pari-passu charge by way of hypothecation on the entire current assets including raw material, stock in process, finished goods, consumable stores & spares and receivables of the Company, 1st pari-passu charge on present and future fixed assets at SP-920 & SP-922, RIICO Industrial Area Phase III, Bhiwadi, Distt. Alwar (Rajasthan) and movable fixed assets at D-90, Okhla Industrial Area, Phase I, New Delhi, 2nd pari-passu charge by equitable mortgage of property of the Land and Building at 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa (D & N H), Plot No. A 280-284, Chopanki and SP-919, RIICO Industrial Area Phase III, Bhiwadi, Distt. Alwar (Rajasthan) both present and future. Further, they are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum-Managing Director



of the Company.

## 8 Trade Payables :

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Micro, Small and Medium Enterprises	-		-	
Acceptances	<b>1,803.57</b>		2,604.12	
Others	<b>2,534.11</b>		2,205.93	
	<b>4,337.68</b>		4,810.05	

**8.1** In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 and the Companies Act, 2013, the outstanding, Interest due thereon, interest paid etc to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In absence of information about registration of the enterprises under the above Act, the required information could not be furnished.

## 9 Other Current Liabilities :

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Current Maturities of Long Term Debts				
- From Banks	<b>236.05</b>		574.99	
- Foreign Currency Loans from Banks	<b>124.89</b>		156.90	
- From Others (Non-Banking Financial Company) (Refer Note 4.1)	<b>240.00</b>	<b>600.94</b>	30.00	761.89
Current Maturities of Finance Lease Obligations (Refer Note 4.2)		<b>9.42</b>		4.98
Interest on Borrowings				
- Accrued but not due	<b>1.10</b>		0.39	
- Accrued and due	<b>7.20</b>	<b>8.30</b>	15.76	16.15
Unearned Revenue		<b>855.93</b>		209.24
Unpaid Dividend (Refer Note 9.1)		<b>1.21</b>		1.21
Security Deposits Received		<b>14.94</b>		15.00
Employee Benefits Payable		<b>73.70</b>		51.72
Sundry Creditors -Capital Goods		<b>77.01</b>		10.43
Advance from Customers / Payable to Customers		<b>173.33</b>		251.93
Statutory Dues Payable		<b>183.45</b>		159.55
Other Payables		-		1.06
<b>Total</b>		<b>1,998.23</b>		1,483.16

9.1 No amount is due for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to Fund.

## 10 Short Term Provisions:

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Employee Benefits (Refer Note 24.1)				
- Provision for Leave Encashment	5.25	32.57	4.23	29.33
- Provision for Gratuity	27.32		25.10	
Others				
- Proposed Dividend on Equity Shares	38.62		30.89	
- Dividend Distribution Tax on Proposed Dividend	7.86		6.29	
- Provision for Wealth Tax	-		0.15	
- Provision for Income Tax [Net of Advance Tax ₹ 185.41 Millions and (Previous Year ₹ 90.14 Millions)]	146.58		22.76	
- MAT Credit Entitlement	(124.62)	68.44	-	60.09
<b>Total</b>		<b>101.01</b>		<b>89.42</b>

10.1 Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ 124.62 Millions (Previous Year ₹ NIL)

## 11. Fixed Assets:

### 11.1 Tangible Assets:

(₹ in Millions)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTIZATION					NET BLOCK	
	As At 01.04.2015	Addi- Tions	Dedu- Ctions	As At 31.03.2016	As At 01.04.2015	Transfer To General Reserve	For The Year	Dedu- Ctions	As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
<b>Own Assets:</b>											
Land											
-Free Hold	3.66	-	-	3.66	-	-	-	-	-	3.66	3.66
-Lease Hold	156.80	160.65	-	317.45	-	-	-	-	-	317.45	156.80
Building	1,063.38	84.65	-	1,148.03	225.94	-	31.68	-	257.62	890.41	837.44
Plant & Equipment	2,897.31	226.81	4.59	3,119.53	1,073.34	-	172.70	3.20	1,242.84	1,876.69	1,823.97
Furniture & Fixtures	103.49	10.20	0.80	112.89	59.96	-	12.98	0.73	72.21	40.68	43.53
Leasehold Building Improvement	90.40	17.84	-	108.24	38.48	-	14.61	-	53.09	55.15	51.92
Vehicles	33.14	0.19	4.09	29.24	19.43	-	3.21	2.86	19.78	9.46	13.71
Office Equipment	16.63	3.34	0.36	19.61	10.40	-	2.68	0.31	12.77	6.84	6.23
Computers	28.25	17.88	0.29	45.84	18.49	-	7.16	0.23	25.42	20.42	9.76
<b>Assets taken on Finance Lease</b>				-						-	
Hire Purchase				-						-	
-Vehicles	27.71	24.12	-	51.83	3.54	-	4.34	-	7.88	43.95	24.17
	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL :</b>	<b>4,420.77</b>	<b>545.68</b>	<b>10.13</b>	<b>4,956.32</b>	<b>1,449.58</b>	<b>-</b>	<b>249.36</b>	<b>7.33</b>	<b>1,691.61</b>	<b>3,264.71</b>	<b>2,971.19</b>
<b>PREVIOUS YEAR</b>	4,331.75	104.01	15.39	4,420.77	1,198.75	20.27	242.40	11.84	1,449.58	2,971.19	3,133.01

**11.2 Intangible Assets:**

(₹ in Millions)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTIZATION					NET BLOCK	
	As At 01.04.2015	Addi- tions	Dedu- ctions	As At 31.03.2016	As At 01.04.2015	Transfer To General Reserve	For The Year	Dedu- ctions	As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
Own Assets (Acquired)											
.-Software	30.50	11.47	-	41.97	20.86	-	3.94	-	24.80	17.17	9.64
<b>TOTAL :</b>	<b>30.50</b>	<b>11.47</b>	<b>-</b>	<b>41.97</b>	<b>20.86</b>	<b>-</b>	<b>3.94</b>	<b>-</b>	<b>24.80</b>	<b>17.17</b>	<b>9.64</b>
<b>PREVIOUS YEAR</b>	25.17	5.33	-	30.50	17.41	-	3.45	-	20.86	9.64	7.76

**11.3 Capital Work In Progress:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Building	<b>69.37</b>	9.27
Machinery	<b>213.18</b>	32.53
Furniture	<b>0.43</b>	2.09
Construction period expenses pending allocation	<b>10.38</b>	-
<b>Total</b>	<b>293.36</b>	43.89

**Construction period expenses pending allocation**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Bank Charges	<b>6.00</b>	-
Interest on Term Loan	<b>4.32</b>	-
Other Expenses	<b>0.06</b>	-
	<b>10.38</b>	-

**11.4** Carrying value of Assets acquired under hire purchase as on 31.03.2015 exclude the amount related to hire purchase agreement settled during the current year.

## 12 Non-Current Investments:

(Long Term Investments)

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Other Investments(Valued at Cost unless stated otherwise)				
Quoted				
Equity Shares				
- State Bank of India 670 ( Previous Year 670) Equity Shares of ₹ 1/- each fully paid	0.04		0.04	
- PNB Gilts Limited 8,000( Previous Year 8,000) Equity Shares of ₹ 10/- each fully paid	0.18		0.18	
- Punjab National Bank 11,000 ( Previous Year 11,000) Equity Shares of ₹ 2/- each fully paid	0.07		0.07	
- Dena Bank 2,595 ( Previous Year 2,595 ) Equity Shares of ₹ 10/- each fully paid	0.07		0.07	
- ICICI Bank Limited 4,500 ( Previous Year 4,500) Equity Shares of ₹ 2/- each fully paid	0.47		0.47	
- YES Bank Limited 254 ( Previous Year 254 ) Equity Shares of ₹ 10/- each fully paid	0.01		0.01	
- Jaypee Infratech Limited 5,000 ( Previous Year 5,000 )Equity Shares of ₹ 10/- each fully paid	0.51		0.51	
- Technofab Engineering Limited 104,228 ( Previous Year 104,228 ) Equity Shares of ₹ 10/- each fully paid	27.27		27.27	
		28.62		28.62
Unquoted				
Mutual Funds				
- UTI-Opportunities Fund-Growth 11,770.711 ( Previous Year 11,770.711 ) Units of ₹ 10/- each fully paid	0.30		0.30	
- PNB Principle Mutual Fund- Growth Nil ( Previous Year 3,940.759 ) Units of ₹ 10/- each fully paid	-		0.24	
- L192D SBI PSU Fund-Regular Plan-Dividend 212,944.872 ( Previous Year 212,944.872 ) Units of ₹ 10/- each fully paid	2.00		2.00	
- SBI Dual Advantage Fund- Growth 20,000 ( Previous Year 20,000) Units of ₹ 10/- each fully paid	0.20		0.20	
		2.50		2.74
<b>Total</b>		31.12		31.36
Quoted Investments				
- Aggregate of Book Value		28.62		28.62
- Aggregate of Market Value		17.98		21.23
Unquoted Investments				
- Aggregate of Book Value		2.50		2.74

**13 Long Term Loans And Advances :**

(Unsecured, Considered Good)

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Capital Advances		190.35		17.37
<b>Security Deposits:</b>				
Related Parties				
- Projection Financial & Management Consultants Private Limited	2.40		2.40	-
- Anil Gupta HUF (Refer Note 13.1)	0.15		-	
Others	27.21	29.76	26.27	28.67
Loans & Advances to workers & staff		2.10		2.55
<b>Total</b>		<b>222.21</b>		<b>48.59</b>

**13.1 Disclosure pursuant to clause 32 of the Listing Agreement with Stock Exchanges is given below :**

a) Loans and Advances in the nature of Loans given to Related Parties:

(₹ in Millions)

Name	As at 31 <sup>st</sup> March, 2016	Maximum Balance 2015-16	As at 31 <sup>st</sup> March, 2015	Maximum Balance 2014-15
Projection Financial & Management Consultants Private Limited	2.40*	2.40	2.40	2.40
Anil Gupta HUF	0.15*	0.15	-	-

\* Security deposit for premises taken on rent by the Company.

b) Investments by the Loanee in the shares of the company ₹ 127.82 Millions (Previous Year ₹ 114.20 Millions)

(₹ in Millions)

Name	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Projection Financial & Management Consultants Private Limited	114.20	114.20
Anil Gupta HUF	13.62	-

**14 Inventories :**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Raw Materials [Includes In Transit ₹ 217.88 Millions (Previous Year ₹ 161.29 Millions )]		946.64		703.76
Project Materials [Includes In Transit ₹ Nil (Previous Year ₹ 1.46 Millions )]		30.67		3.91
Work -in- Progress		1,935.77		2,437.91
Finished Goods		1,176.64		1,121.78
Stock in Trade		6.80		12.50
Stores & Spares [Includes in Transit ₹ 3.88 Millions (Previous Year ₹ 1.66 Millions)]		66.68		46.13
Packing Materials		50.67		63.21
Scrap		11.61		13.97
<b>Total</b>		<b>4,225.48</b>		<b>4,403.17</b>

**15 Trade Receivables (Current) :**

(Unsecured, Considered good)

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Outstanding for a period exceeding six months from the date due for payment		469.92		424.85
Others		5,211.50		4,308.00
<b>Total</b>		<b>5,681.42</b>		<b>4,732.85</b>

**16 Cash and Bank Balances :**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Cash on hand		6.04		4.09
Balances with Banks				
- Current Accounts	17.46		12.47	
- Fixed Deposits (Refer Note 16.1)	36.03	53.49	30.66	43.13
<b>Total</b>		<b>59.53</b>		<b>47.22</b>
<b>Balance with Bank in Unpaid Dividend Accounts</b>		<b>1.21</b>		<b>1.21</b>
<b>Fixed Deposit with more than twelve month maturity</b>		<b>17.79</b>		<b>14.43</b>

**16.1** Fixed Deposits with Banks ₹ 32.95 Millions (Previous Year ₹ 19.48 Millions) are under lien/custody with Banks /Others.

**17 Short Term Loans & Advances :**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Balance with Excise Authorities		67.25		103.09
Others				
- Advances to Suppliers	135.44		129.34	
- Advances Recoverable	19.97		14.69	
- Prepaid Expenses	41.33		69.25	
- Earnest Money Deposits	107.18		33.49	
- Security Deposits	5.11		2.29	
- Loans to Workers & Staff	4.85		2.83	
- Claims Recoverable from Government	183.11	496.99	311.45	563.34
<b>Total</b>		<b>564.24</b>		<b>666.43</b>

**18 Other Current Assets :**

(Unsecured, Considered good)

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Project Work in Progress		283.39		246.18
Unbilled Revenue		233.33		242.38
Interest Accrued		4.58		3.71
<b>Total</b>		<b>521.30</b>		<b>492.27</b>



**18.1** Jobs with lump-sum price, where the physical progress of work is less than 25 per cent, the direct costs incurred thereon amounting to ₹ 283.39 Millions (Previous Year ₹ 246.18 Millions) have been carried forward as Project Work In Progress.

**19 Revenue From Operations (Gross) :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Sale of Products			
- Manufactured Goods	19,993.25		18,497.56	
- Traded Goods	19.87	20,013.12	26.43	18,523.99
Income from Turnkey Projects (Refer note 19.3)		5,031.89		3,076.68
Job Work		2.78		0.29
Other operating Revenues				
- Export Benefits	19.00		19.88	
- Scrap	137.66	156.66	100.06	119.94
<b>Total</b>		<b>25,204.45</b>		<b>21,720.90</b>

Revenue from Operations includes in few cases, Excise Duty, VAT & Service Tax, wherever prices, are inclusive of Taxes.

**19.1 Details of Sales (Manufactured Goods) :**

Class of goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Cables		14,931.25	
Stainless Steel Wires		1,003.76		1,133.31
Winding Wire, Flexible & House Wires		4,058.24		3,365.81
<b>Total</b>		<b>19,993.25</b>		<b>18,497.56</b>

**19.2 Details of Sales (Traded Goods) :**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Miscellaneous		19.87	
<b>Total</b>		<b>19.87</b>		<b>26.43</b>

**19.3 Income from Turnkey Projects:**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Income from Turnkey Projects		4,994.68	
Increase / (Decrease) in Work-in-progress :				
- Closing Work In Progress	283.39		246.18	
- Less: Opening Work in Progress	246.18	37.21	21.87	224.31
<b>Total</b>		<b>5,031.89</b>		<b>3,076.68</b>

**20 Other Income :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Dividend from long term investments		0.08		0.03
Interest Income		6.15		4.97
Profit on Long Term Investments		0.04		0.77
Gain on sales of Assets (Net)		0.17		-
Liabilities written back		6.00		2.92
Miscellaneous Income		5.92		2.71
Exchange Fluctuation (Net)		39.16		12.43
<b>Total</b>		<b>57.52</b>		<b>23.83</b>

**21 Cost of Materials Consumed :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Raw Materials Consumed</b>				
Opening Stock	542.47		533.24	
Add : Purchases	14,359.92		14,044.52	
Less : Closing Stock	728.76		542.47	
Less : Captive use	5.98	14,167.65	1.80	14,033.49
<b>Turnkey Project Materials</b>				
Opening Stock	2.45		106.85	
Add : Purchases	1,699.78		1,006.28	
Less: Closing Stock	30.67	1,671.56	2.45	1,110.68
		<b>15,839.21</b>		<b>15,144.17</b>

**21.1 Particulars of Raw Materials consumed :**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Copper		6,163.73		6,874.24
PolyVinyl Chloride & Di-Octyl Phthalate		2,812.70		2,443.30
Galvanized / Stainless Steel Wires / Strips		917.73		980.08
Aluminium Wire Rod		3,368.63		2,786.19
Stainless Steel Rod		616.97		732.45
Others		293.87		219.03
<b>Total</b>		<b>14,173.63</b>		<b>14,035.29</b>
Less: Captive Use		5.98		1.80
<b>Total</b>		<b>14,167.65</b>		<b>14,033.49</b>

**21.2 Turnkey Project Materials :**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Various Project Items		1,671.56		1,110.68
		<b>1,671.56</b>		<b>1,110.68</b>

**22 Purchase of Trading Goods :**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Miscellaneous		9.80	
		9.80		30.96

**23 (Increase) / Decrease in Inventory of Finished Goods, Work in Progress and Stock in trade :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	<b>Opening Stock</b>			
- Finished Goods	1,121.78		1,003.06	
- Stock in Trade	12.50		7.32	
- Work in Progress	2,437.91		2,167.40	
- Scrap	13.97	3,586.16	13.65	3,191.43
<b>Less : Closing Stock</b>				
- Finished Goods	1,176.64		1,121.78	
- Stock in Trade	6.80		12.50	
- Work in Progress	1,935.77		2,437.91	
- Scrap	11.61	3,130.82	13.97	3,586.16
		455.34		(394.73)

**24 Employee Benefits Expense :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Salaries,Wages & Other Benefits	725.41		571.75
Contribution to Provident & Other Funds	37.58		27.63	
Expense on Employee Stock Option Scheme (ESOS)	38.79		-	
Welfare Expenses	26.59	828.37	21.27	620.65
		828.37		620.65

**24.1 Disclosures under Accounting Standard 15 "Employee Benefits":**
**Defined Contribution Plan**

Amount recognized as an expense in defined contribution plans:

(₹ in Millions)

Particulars	Expense recognised in 2015-16		Expense recognised in 2014-15	
	Contributory Provident Fund & Employees Pension Scheme 1995		23.67	

### Defined Benefit Plans

The Company is having following Defined Benefit Plans:

- Gratuity (Partly Funded)
- Leave Encashment (Unfunded)

(₹ in Millions)

Particulars	Gratuity (Partly Funded) 2015-16	Leave Encashment (Unfunded) 2015-16	Gratuity (Partly Funded) 2014-15	Leave Encashment (Unfunded) 2014-15
<b>a) Actuarial Assumptions</b>				
Discount rate	8.00%	7.50%	8.00%	8.00%
Expected rate of return on assets	9.25%	-	9.25%	-
Expected rate of future salary increase	6.00%	6.00%	6.00%	6.00%
<b>b) Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Present value of obligations as at beginning of year	72.82	36.21	59.39	26.98
Interest cost	5.83	2.82	4.78	2.46
Current Service Cost	7.73	7.63	6.71	6.10
Benefits paid	(2.97)	(4.59)	(1.57)	(2.99)
Actuarial (gain)/loss on Obligations	5.65	3.20	3.51	3.66
Present value of obligations as at end of year	89.06	45.27	72.82	36.21
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets as on beginning of year	49.22	-	40.60	-
Expected return on plan assets	4.46	-	4.14	-
Contributions	11.03	-	6.05	-
Benefits paid	(2.97)	-	(1.57)	-
Actuarial Gain/(Loss) on Plan assets	0.00	-	-	-
Fair value of plan assets at the end of year	61.74	-	49.22	-
<b>d) Fair value of plan assets</b>				
Fair value of plan assets at beginning of year	49.22	-	40.60	-
Actual return on plan assets	4.46	-	4.14	-
Contributions	11.03	-	6.05	-
Benefits paid	(2.97)	-	(1.57)	-
Fair value of plan assets at the end of year	61.74	-	49.22	-
Funded status	(27.32)	(45.27)	(23.60)	(36.21)
Excess of Actual over estimated return on plan	-	-	-	-
<b>e) Actuarial Gain/Loss recognized</b>				
Actuarial gain/(Loss) for the year – Obligation	(5.65)	(3.20)	(3.51)	(3.66)
Actuarial (gain)/Loss for the year – plan assets	-	-	-	-
Total (gain)/Loss for the year	5.65	3.20	3.51	3.66
Actuarial (gain)/Loss recognized in the year	5.65	3.20	3.51	3.66
<b>f) The amounts recognized in the balance sheet</b>				
Present value of obligations as at the end of year	89.06	45.27	72.82	36.21
Fair value of plan assets as at the end of the year	61.74	-	49.22	-
Funded status	(27.32)	(45.27)	(23.60)	(36.21)
Net (Asset)/liability recognized in balance sheet	27.32	45.27	23.60	36.21
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>				
Current Service Cost	7.73	7.63	6.71	6.10
Interest cost	5.83	2.82	4.78	2.46
Expected return on plan assets	(4.46)	-	(4.14)	-
Net Actuarial (gain)/Loss recognized in the year	5.65	3.20	3.51	3.66
Expenses recognized in statement of Profit & Loss	14.75	13.65	10.86	12.22

**24.2 Employee Stock Options :**

- a) During the year, the Company has approved "KEI Employees Stock Option Scheme" (KEI ESOS 2015 or Scheme) for granting Employees Stock Options in the form of Equity Shares to eligible employees and the same was approved by special resolution passed by the members of the Company on September 16, 2015. The plan is administered under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company ("Committee") in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions for the time being in force. During the year Nomination and Remuneration Committee has granted 2,252,000 Options on September 23, 2015 which will vest over a period of four years from the date of grant in the following manner:

Vesting Particulars	Options Vested
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	560000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	564000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	564000
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	564000

- b) The above said options can be exercised any time within a period of 30 days from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid scheme. Details of scheme are as under:

Particulars	KEI ESOS 2015	
	2015-16	2014-15
Date of grant	23.09.2015	Nil
Options outstanding at the beginning of the year	Nil	Nil
Options granted during the year	2,252,000	Nil
Option forfeited / lapsed during the year	Nil	Nil
Option Vested	Nil	Nil
Option Exercised	Nil	Nil
Options outstanding at the end of the year	2,252,000	Nil
Options exercisable at the end of the year	Nil	Nil
Fair value of the options based on Black and Scholes Model (₹ per share)	71.12	Nil
Intrinsic Value of the options granted (₹ per share)	63.75	Nil
Expense amortised during the year on the basis of intrinsic value of the option (₹ in Millions)	38.79	Nil

- c) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	2015-16 (KEI ESOS 2015)				2014-15
	1 <sup>st</sup> Vesting	2 <sup>nd</sup> Vesting	3 <sup>rd</sup> Vesting	4 <sup>th</sup> Vesting	
1. Risk Free Interest Rate	7.44%	7.63%	7.73%	7.77%	NA
2. Expected Life of options granted	1.04	2.04	3.04	4.04	NA
3. Expected and historical Volatility	59.40%	63.55%	56.93%	54.93%	NA
4. Dividend Yield	0.27%	0.27%	0.27%	0.27%	NA
5. Price of the underlying share in market at the time of the option grant (₹)	98.80				NA

d) Other information regarding Options granted under KEI ESOS 2015 are as below:

Particulars	2015-16 (KEI ESOS 2015)				2014-15
	1 <sup>st</sup> Vesting	2 <sup>nd</sup> Vesting	3 <sup>rd</sup> Vesting	4 <sup>th</sup> Vesting	
Exercise price (₹)	35	35	35	35	NA
Weighted average exercise price (₹)	35	35	35	35	NA
Weighted average remaining contractual life (in years)	1.04	2.04	3.04	4.04	NA

e) The Company has measured the stock-based compensation cost using the intrinsic value method. Had the Company used the fair value model to determine the compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)
Profit after tax as reported	625.50	342.50
Add: Intrinsic value employees compensation cost	38.79	-
Less: Fair value employee compensation cost	43.27	-
Proforma profit after tax	621.02	342.50
Earnings per share: Basic		
As reported (₹)	8.10	NA
Proforma (₹)	8.04	NA
Earnings per share: Diluted		
As reported (₹)	7.98	NA
Proforma (₹)	7.92	NA

## 25 Finance Costs :

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Interest Expense				
- Interest On Income Tax	4.13		2.36	
- Interest (Others)	1,018.27	1,022.40	987.40	989.76
Other Borrowing Costs		249.16		222.57
<b>Total</b>		<b>1,271.56</b>		<b>1,212.33</b>

## 26 Sub Contractor expense for turnkey projects :

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Sub Contractor's Expenses		638.77		419.06
		638.77		419.06



**27 Other Expenses :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Stores, Spares & Consumables		<b>82.53</b>		62.44
Packing Expenses		<b>617.30</b>		512.62
Excise Duty (Refer Note 27.1)		<b>327.27</b>		193.56
Job Work Charges		<b>370.24</b>		295.84
Power, Fuel & Lighting		<b>354.09</b>		324.39
Repairs & Maintenance				
- Plant & Machinery	<b>101.35</b>		79.73	
- Building	<b>8.48</b>		7.23	
- Others	<b>17.20</b>	<b>127.03</b>	<b>12.66</b>	99.62
Freight, Handling and Octroi (Net) [(Net of recovery ₹ 2.79 Millions) (Previous Year ₹ 128.67 Millions)]		<b>353.15</b>		255.98
Rebate, Discount, Commission on Sales		<b>229.89</b>		243.64
Bad Debts Written off		<b>64.47</b>		55.92
Rates & Taxes [Includes Wealth Tax ₹ NIL (Previous Year ₹ 0.15 Millions)]		<b>90.96</b>		25.75
Rent		<b>42.79</b>		39.14
Insurance (Net) [Net of recovery ₹ 0.96 Millions (Previous Year ₹ 0.89 Millions)]		<b>32.52</b>		25.26
Travelling & Conveyance		<b>89.61</b>		73.49
Advertisement & Publicity		<b>70.41</b>		12.29
Auditor's Remuneration (Refer Note 27.2)		<b>4.80</b>		4.73
Loss on sales of Assets (Net)		-		1.51
Fixed Assets Written off		<b>1.69</b>		0.67
Communication Expenses		<b>23.80</b>		20.08
Donations		<b>1.35</b>		0.38
Director's Meeting Fee		<b>1.73</b>		1.22
Professional & Consultancy Charges		<b>54.80</b>		43.86
Miscellaneous Expenses		<b>336.53</b>		248.21
Corporate Social Responsibility Expenditure (Refer Note 27.3)		<b>6.84</b>		2.14
FCMITDA written off		<b>29.12</b>		30.32
<b>Total</b>		<b>3,312.92</b>		2,573.06

**27.1** Represents excise duty borne by the Company and difference between excise duty on opening stock and closing stock of finished goods.

**27.2 Auditor's Remuneration\* :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Audit Fee		3.12		3.00
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
Certification		0.48		0.53
		4.80		4.73

\* Excludes service tax

**27.3** Gross amount required to be spent on Corporate Social Responsibility by the company during the year ₹ 7.94 Millions (Previous Year ₹ 6.82 Millions )

**27.4 Value of Imports on CIF basis :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
Raw Materials purchases		2,186.28		1,151.32
Packing Materials		6.52		5.01
Project Materials		98.01		4.50
Traded Goods		-		6.32
Stores, Spares & Consumables		42.98		8.26
Capital Goods		99.24		6.73

**27.5 Expenditure in Foreign Currency (on Accrual Basis) :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>Manufacturing Selling &amp; Other Expenses</b>				
Rebate, Discount, Commission on Sales	38.77		16.16	
Rent	2.15		1.32	
Travelling & Conveyance	8.90		3.21	
Communication Expenses	0.48		0.50	
Miscellaneous Expenses	53.42	103.72	41.23	62.42
<b>Employee Benefits Expense</b>				
Salaries, Wages & Other Benefits	19.14		14.71	
Welfare Expenses	0.02	19.16	0.09	14.80
<b>Financial Charges</b>				
Interest (Others)	13.24		23.42	
Others Borrowing Costs	2.13	15.37	4.65	28.07

**27.6 Value of Imported and Indigenous materials consumed :**

Class of Goods	Percentage		₹ in Millions	
	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Materials</b>				
- Indigenous	86.44	92.67	13,669.92	14,034.88
- Imported	13.56	7.33	2,169.29	1,109.29
<b>Total</b>	<b>100.00</b>	100.00	<b>15,839.21</b>	15,144.17
<b>Stores, Spares &amp; Consumables</b>				
- Indigenous	47.68	86.77	39.55	54.18
- Imported	52.32	13.23	42.98	8.26
<b>Total</b>	<b>100.00</b>	100.00	<b>82.53</b>	62.44
<b>Packing Materials</b>				
- Indigenous	92.36	90.88	570.13	465.87
- Imported	7.64	9.12	47.17	46.75
<b>Total</b>	<b>100.00</b>	100.00	<b>617.30</b>	512.62

**27.7 Remittance in foreign currency on account of dividends :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	The year to which dividend relates		2014-15	
Amounts of dividend remitted (₹ in Millions)		0.61		0.24
Number of Non-Resident Shareholders / OCBs / FIIs		313		256
Number of Equity Shares		1,532,262		1,222,778

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders for the year 2014-15 & 2013-14 are as above.

**27.8 Earnings in Foreign Exchange (on Accrual Basis) :**

Particulars	Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2015 (₹ in Millions)	
	Sales (Exports)		1,909.80	

**28 Earnings Per Share ('EPS') pursuant to Accounting Standard-20 ('AS-20') has been calculated as follows:**

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Profit after taxation (₹ in Millions)		625.50	
Number of Equity shares at the beginning of the year		77,237,438		73,737,438
Add: Weighted average number of equity shares issued during the year		-		3,078,082
Weighted average number of Equity shares for Basic EPS		77,237,438		76,815,520
Add: Adjustment for Warrant outstanding upto 15.05.2014		-		421,918
Add: Adjustment for Employee Stock Options outstanding		1,175,224		-
Weighted average number of equity shares for Diluted EPS		78,412,662		77,237,438
Basic Earnings Per Share (₹)		8.10		4.46
Diluted Earnings Per Share (₹)		7.98		4.43
Face Value Per Equity Share (₹)		2.00		2.00

**29 In terms of provision of AS -7 on "Construction Contracts" for Lump Sum Turnkey Projects for contract in progress as on 31.03.2016 :**

- i) The aggregate amount of cost incurred and recognised profit upto 31.03.2016 ₹ 9,799.01 Millions (Previous year ₹ 4,444.95 Millions)
- ii) The amount of advances received ₹ 85.57 Millions (Previous year ₹ 174.36 Millions)
- iii) The amount of retention ₹ 841.15 Millions (Previous year ₹ 444.58 Millions)
- iv) Gross amount due to customers ₹ 616.28 Millions (Previous year ₹ 145.94 Millions)
- v) Gross amount due from customers ₹ 277.05 Millions (Previous year ₹ 425.26 Millions)

**30 Related party Disclosures as required by Accounting Standard (AS-18):**

**a) Name of Related Parties :**

**i) Associate of the Company**

KEI International Limited (up to 20/06/2014)

**ii) Venturer of Joint Venture**

Brugg Kabel A.G. Switzerland

**iii) Other related parties in the group where common control exists:**

Anil Gupta (HUF)

Projection Financial & Management Consultants Pvt. Ltd.

Shubh Laxmi Motels & Inns Pvt. Ltd.

Soubhagya Agency Pvt. Ltd.

Dhan Versha Agency Pvt. Ltd.

KEI Cables Pvt. Ltd.

KEI Power Ltd.

**iv) Key Managerial Personnel:**

Shri Anil Gupta, Chairman-cum-Managing Director

Shri Rajeev Gupta, Executive Director Finance

Shri Kishore Kunal, Company Secretary (w.e.f. 01/10/2014)

**v) Relatives of Key Managerial Personnel with whom transaction have taken place:**

Shri Sunil Gupta

Smt. Archana Gupta (Director)

Smt. Varsha Gupta

Smt. Sumitra Devi Gupta

Smt. Shashi Gupta

Smt. Vimla Devi

Smt. Veena Agarwal

**vi) Enterprises over which person mentioned in (iv) above are able to exercise significant control and transactions have taken place:**

Sunil Gupta (HUF)

Ashwathama Constructions Pvt. Ltd.

**b) Details of transactions relating to parties referred to in items (i), (ii), (iii), (iv), (v) and (vi):**

(₹ in Millions)

Particulars	Year	(i)	(ii)	(iii)	(iv)	(v)	(vi)	Total
Interest expense on deposits/Unsecured Loan	<b>2015-2016</b>	-	-	<b>1.04</b>	-	<b>0.08</b>	<b>0.07</b>	<b>1.19</b>
	2014-2015	-	-	0.64	-	0.13	0.03	<b>0.80</b>
Deposits/Unsecured Loan received during the year	<b>2015-2016</b>	-	-	<b>19.60</b>	-	<b>1.75</b>	<b>2.50</b>	<b>23.85</b>
	2014-2015	-	-	3.50	-	-	-	<b>3.50</b>
Deposits/Unsecured Loan paid during the year	<b>2015-2016</b>	-	-	<b>16.00</b>	-	<b>0.90</b>	-	<b>16.90</b>
	2014-2015	-	-	10.70	-	2.60	1.00	<b>14.30</b>
Credit balance outstanding as at the year end	<b>2015-2016</b>	-	-	<b>7.10</b>	-	<b>0.85</b>	<b>2.50</b>	<b>10.45</b>
	2014-2015	-	-	3.50	-	-	-	<b>3.50</b>
Rent paid for use of assets	<b>2015-2016</b>	-	-	<b>4.45</b>	-	<b>11.46</b>	-	<b>15.91</b>
	2014-2015	-	-	3.72	-	11.94	0.56	<b>16.22</b>
Security Deposit Given	<b>2015-2016</b>	-	-	<b>2.55</b>	-	-	-	<b>2.55</b>
	2014-2015	-	-	2.40	-	-	-	<b>2.40</b>
Managerial remuneration	<b>2015-2016</b>	-	-	-	<b>57.09</b>	-	-	<b>57.09</b>
	2014-2015	-	-	-	33.96	-	-	<b>33.96</b>
Employee Benefits Expense	<b>2015-2016</b>	-	-	-	<b>1.77</b>	-	-	<b>1.77</b>
	2014-2015	-	-	-	0.74	-	-	<b>0.74</b>
Expenses payable	<b>2015-2016</b>	-	-	-	<b>17.19</b>	-	-	<b>17.19</b>
	2014-2015	-	-	-	6.59	-	-	<b>6.59</b>
Director's meeting fees	<b>2015-2016</b>	-	-	-	-	<b>0.34</b>	-	<b>0.34</b>
	2014-2015	-	-	-	-	0.26	-	<b>0.26</b>
Dividend Paid	<b>2015-2016</b>	-	-	<b>8.69</b>	<b>6.24</b>	<b>0.36</b>	<b>0.00*</b>	<b>15.29</b>
	2014-2015	-	-	4.35	3.12	0.18	0.00**	<b>7.65</b>
Equity Share Allotment	<b>2015-2016</b>	-	-	-	-	-	-	-
	2014-2015	-	-	7.00	-	-	-	<b>7.00</b>
Security Premium on share allotment	<b>2015-2016</b>	-	-	-	-	-	-	-
	2014-2015	-	-	42.00	-	-	-	<b>42.00</b>
Money received against share warrants	<b>2015-2016</b>	-	-	-	-	-	-	-
	2014-2015	-	-	4.75	-	-	-	<b>4.75</b>
Purchase	<b>2015-2016</b>	-	<b>42.29</b>	-	-	-	-	<b>42.29</b>
	2014-2015	-	-	-	-	-	-	-
Services	<b>2015-2016</b>	-	<b>0.73</b>	-	-	-	-	<b>0.73</b>
	2014-2015	-	-	-	-	-	-	-
Trade Payable	<b>2015-2016</b>	-	<b>3.67</b>	-	-	-	-	<b>3.67</b>
	2014-2015	-	-	-	-	-	-	-
Advance Given	<b>2015-2016</b>	-	-	-	<b>1.00</b>	-	-	<b>1.00</b>
	2014-2015	-	-	-	-	-	-	-
Advance outstanding	<b>2015-2016</b>	-	-	-	<b>1.00</b>	-	-	<b>1.00</b>
	2014-2015	-	-	-	-	-	-	-
Maximum balance of advance given during the Year	<b>2015-2016</b>	-	-	-	<b>1.00</b>	-	-	<b>1.00</b>
	2014-2015	-	-	-	0.28	-	-	<b>0.28</b>

\* ₹ 40/-

\*\* ₹ 20/-

**c) Non Financial Transactions :**

- (i) Shri Anil Gupta has given personal guarantee to banks for company's borrowings.
- (ii) The remuneration does not include Gratuity and Provision for leave encashment under Accounting Standard-15 (Revised), mediclaim and personal accident insurance premium, since same is not available for individual employees.

**31 Future lease obligation by way of lease rental :**

(₹ in Millions)

Due	Total Minimum lease payments outstanding		Future Interest on outstanding		Present value of minimum lease payments	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Within one year	12.17	6.66	2.75	1.69	9.42	4.97
Later than one year and not later than five years	25.81	15.11	3.50	1.94	22.31	13.17
More than Five years	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total:</b>	<b>37.98</b>	<b>21.77</b>	<b>6.25</b>	<b>3.63</b>	<b>31.73</b>	<b>18.14</b>

**31.1 Operating Leases - Other than non-cancellable**

The Company has entered into lease transactions during the current financial year mainly for leasing of factory/ office/residential premises/Computers and company leased accommodations for its employees for periods up to 10 years. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit & Loss amount to ₹ 41.02 Millions (Previous year ₹ 38.17 Millions) for the leases which commenced on or after April 1, 2001.

**32. Segment information pursuant to Accounting Standard (AS-17) " Segment Reporting" :**
**32 (a) Information about Primary Business Segments**

(₹ in Millions)

Particulars	Cables		Stainless steel Wire		Turnkey Projects		Unlocated		Inter Segment Elimination		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Revenue (Gross)</b>												
External	17,989.02	17,061.91	1,022.84	1,140.61	6,391.11	3,659.57	0.05	(4.63)	(159.41)	(124.13)	25,243.61	21,733.33
Less: Excise Duty	1,620.84	1,302.31	73.37	88.35	-	-	-	0.00	-	-	1,694.21	1,390.66
Inter-Segment Revenue	2,744.55	1,350.24	-	-	-	-	-	0.00	(2,744.55)	(1,350.24)	-	-
<b>Total Revenue (Net)</b>	<b>19,112.73</b>	<b>17,109.84</b>	<b>949.47</b>	<b>1,052.26</b>	<b>6,391.11</b>	<b>3,659.57</b>	<b>0.05</b>	<b>(4.63)</b>	<b>(2,903.96)</b>	<b>(1,474.37)</b>	<b>23,549.40</b>	<b>20,342.67</b>
<b>Result</b>												
Segment Result	2,245.77	1,978.40	67.11	36.71	818.32	418.95	-	-	(159.41)	(124.13)	2,971.79	2,309.93
Unallocated Expenditure net of unallocated income	-	-	-	-	-	-	(747.97)	(573.80)	-	-	(747.97)	(573.80)
Interest Expenses	-	-	-	-	-	-	(1,271.56)	(1,212.33)	-	-	(1,271.56)	(1,212.33)
Interest Income	-	-	-	-	-	-	6.15	4.97	-	-	6.15	4.97
Dividend Income	-	-	-	-	-	-	0.08	0.03	-	-	0.08	0.03
<b>Profit Before Taxation</b>	<b>2,245.77</b>	<b>1,978.40</b>	<b>67.11</b>	<b>36.71</b>	<b>818.32</b>	<b>418.95</b>	<b>(2,013.30)</b>	<b>(1,781.13)</b>	<b>(159.41)</b>	<b>(124.13)</b>	<b>958.49</b>	<b>528.80</b>
Taxation	-	-	-	-	-	-	-	-	-	-	332.99	186.30
Net Profit	-	-	-	-	-	-	-	-	-	-	625.50	342.50



Other Information												
Segment Assets	10,571.04	10,698.91	483.95	458.88	3,520.81	2,057.76	304.74	231.06	-	-	14,880.54	13,446.61
Segment Liabilities	3,676.53	4,294.94	219.02	220.15	1,723.63	941.43	3,091.69	2,970.25	-	-	8,710.87	8,426.77
Capital Expenditure	881.65	101.97	13.39	4.29	6.52	2.81	67.93	43.51	-	-	969.49	152.58
Depreciation	207.66	200.67	7.40	7.52	2.23	1.15	36.01	36.51	-	-	253.30	245.85
FCMITDA Written off	-	-	-	-	-	-	29.12	30.32	-	-	29.12	30.32

**32(b) Information about Secondary Business Segment**

(₹ in Millions)

Revenue by Geographical Market	India		Outside India		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
External Revenue (Gross)	23,333.81	20,238.28	1,909.80	1,495.05	25,243.61	21,733.33
Less: Excise Duty	1,694.21	1,390.66	-	-	1,694.21	1,390.66
Inter Segment	-	-	-	-	-	-
<b>Total Revenue (Net)</b>	<b>21,639.60</b>	<b>18,847.62</b>	<b>1,909.80</b>	<b>1,495.05</b>	<b>23,549.40</b>	<b>20,342.67</b>
Carrying Amount of Segment Assets	14,856.52	13,421.71	24.02	24.90	14,880.54	13,446.61
<b>Additions to Fixed Assets</b>	<b>969.49</b>	<b>152.58</b>	-	-	<b>969.49</b>	<b>152.58</b>

**32 (c) Notes :**

i) The Company is organised into business segments, namely:

- Cables comprising of EHV, HT & LT Power Cables , Control and Instrumentation Cables, Winding Wires & Flexible and House Wires
- Stainless Steel Wire comprising of Stainless Steel Wire
- Turnkey projects etc

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

ii) Segment Revenue in each of the above domestic business segments primarily includes sales, job work income and export incentives in the respective segments.

(₹ in Millions)

Segment Revenue Comprising of	2015-16	2014-15
Sales	20,150.78	18,624.05
Project Income	5,031.89	3,076.68
Job Work	2.78	0.29
Export Incentives	19.00	19.88
Exchange Fluctuation	39.16	12.43
<b>Total</b>	<b>25,243.61</b>	<b>21,733.33</b>

iii) The Segment Revenue in the geographical segments considered for disclosure are as follows:

- a) Revenue within India includes sales to customers located within India and earnings in India.
- b) Revenue outside India includes sales to customers located outside India and earnings outside India.

iv) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**33 (i) Amount payable in foreign currency :**

Particulars	As at 31 <sup>st</sup> March, 2016			As at 31 <sup>st</sup> March, 2015		
	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency
Imports of Goods & Advance Received	120.58	1.81	USD	159.51	2.54	USD
	62.40	0.82	EURO	1.28	0.02	EURO
	1.28	0.01	GBP	5.01	0.05	GBP
	44.96	0.65	CHF	5.90	0.09	CHF
	0.65	0.01	SGD	0.91	0.02	SGD
Working Capital Loan (Buyer's Credit & PCFC)	765.12	11.49	USD	198.76	3.17	USD
Term Loan	363.30	5.45	USD	274.58	4.38	USD
Royalty / Know How / Licence Fees	8.85	0.12	EURO	4.93	0.07	EURO
Expenses Payable	22.24	0.33	USD	8.57	0.14	USD
	1.99	0.04	SGD	0.65	0.01	SGD
	0.89	0.01	GBP	-	-	GBP
	0.05	0.00*	AUD	-	-	AUD
	0.84	0.05	AED	0.96	0.05	AED

\*AUD 1045

**(ii) Amount receivable in foreign currency :**

Particulars	As at 31 <sup>st</sup> March, 2016			As at 31 <sup>st</sup> March, 2015		
	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency
Exports Of Goods & Advance Paid	479.66	7.18	USD	297.30	4.79	USD
	86.60	1.21	EURO	28.76	0.43	EURO
	4.76	0.07	SGD	11.47	0.25	SGD
	10.26	0.20	AUD	133.78	2.84	AUD
	0.97	0.01	CHF	0.94	0.01	CHF
	3.66	0.04	GBP	-	-	GBP
	-	-	JPY	0.93	1.76	JPY
Recoverable	0.67	0.01	SGD	0.05	0.00*	SGD
Balance With Banks	2.28	0.05	SGD	2.19	0.05	SGD
	0.33	0.00**	USD	1.76	0.03	USD
	0.45	0.03	AED	1.43	0.08	AED

\* SGD 13500

\*\*USD 2568

**34 Contingent Liabilities & Commitments:**

Particulars	As at 31 <sup>st</sup> March, 2016 (₹ in Millions)		As at 31 <sup>st</sup> March, 2015 (₹ in Millions)	
<b>34.1 Contingent Liabilities:</b>				
Claims Against the Company not acknowledged as Debt		0.22		0.22
<b>34.2 Guarantees :</b>				
Financial Bank Guarantees outstanding		1,537.08		1,316.34
<b>34.3 Other money for which company is contingently liable :</b>				
a) Unutilised Letter of Credits	129.72		149.51	
b) Outstanding Bills discounted	551.98		1,233.93	
c) Prorata share of company in channel finance given by banks to others	407.54	1,089.24	349.16	1,732.60
<b>34.4 Duties &amp; Taxes:</b>				
a) Sales Tax / Entry Tax demands under appeal	8.54		5.63	
b) Income tax Matters: - Demand due to Additions / disallowances during Assessments, which are under Appeal	10.24		9.52	
c) Excise / Service tax demands under appeal	406.71		76.87	
d) Labour Cess Demands under appeal	-		13.13	
e) Custom Duty demand under Appeal	-	425.49	395.72	500.87
<b>34.5 Commitments :</b>				
Estimated amount of contracts remaining to be executed on Capital Account		248.12		26.45

**35 Additional Information in pursuant to Schedule III of the Companies Act, 2013 :**

(₹ in Millions)

S. No	Name of the Entity	Ownership Interest	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
			As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	Parent		99.91%	3,666.24	99.44%	622.02
2	Subsidiary Foreign KEI Cables Australia PTY LTD	100%	-0.01%	(0.05)	-0.01%	(0.05)
3	Joint Venture (as per proportionate consolidation) Indian Joint Venture of M/s KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland ( Association of Persons)	100%	0.10%	3.53	0.56%	3.53
	<b>Total</b>		100.00%	3,669.72	100.00%	625.50

- 36 a)** Previous Year's figures are unaudited since consolidated financial statements were not applicable as per the Companies Act, 2013
- b)** Previous Year's figures have been regrouped / rearranged wherever necessary. Previous year figures are not comparable since subsidiary company has been incorporated during the year.

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**  
Firm Registration No. 000129N  
Chartered Accountants

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PRAVEEN KUMAR JAIN)**

Partner  
M.No- 085629

**(KISHORE KUNAL)**

Company Secretary  
M. No. A18495

**(ADARSH JAIN)**

General Manager (Finance)  
M No. 502048

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

Place of Signing : New Delhi  
Date : 21<sup>st</sup> May, 2016

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

**Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures**
**Part "A" : Subsidiaries**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	KEI CABLES AUSTRALIA PTY LTD
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Incorporated on 14.12.2015 First reporting period will be 30.06.2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AUD and Exchange Rate is 50.06 INR= 1 AUD (As on 31.03.2016)
4.	Share Capital	100 AUD
5.	Reserves and Surplus	(1050) AUD
6.	Total Assets	95 AUD
7.	Total Liabilities	1045 AUD
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	1050 AUD
11.	Provision for taxation	-
12.	Profit after taxation	1050 AUD
13.	Proposed Dividend	-
14.	% of shareholding	100%

**Part "B" : Associates and Joint Ventures**
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sl. No	Name of Associates/ Joint Ventures	Joint Venture of KEI Industries Ltd New Delhi &BruggKabel A.G. Switzerland
1.	Latest audited Balance Sheet Date	31.03.2016
2.	Share of Associate/ Joint Ventures held by the Company on the year end	
	No.	-
	Amount of Investment in Associates/ Joint Venture	-
	Extent of Holding %	100% of Profit and Loss
3.	Description of how there is significant influence	Common Management Control
4.	Reason why the associate/joint venture is not consolidated	Not Applicable
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 3.53 Millions
6.	Profit/Loss for the year (PAT)	₹ 3.53 Millions
	i. Considered in Consolidation	₹ 3.53 Millions
	ii. Not Considered in Consolidation	-

For **JAGDISH CHAND & CO.**

Firm Registration No. 000129N

Chartered Accountants

**(ANIL GUPTA)**

Chairman-cum-Managing Director

DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(PRAVEEN KUMAR JAIN)**

Partner

M.No- 085629

Place of Signing : New Delhi

Date : 21<sup>st</sup> May, 2016

**(KISHORE KUNAL)**

Company Secretary

M. No. A18495

Place of Signing : New Delhi

Date : 21<sup>st</sup> May, 2016

**(ADARSH JAIN)**

General Manager (Finance)

M No. 502048



**KEI INDUSTRIES LIMITED**

CIN: L74899DL1992PLC051527

CORPORATE & REGISTERED OFFICE

D-90 Okhla Industrial Area, Phase - I, New Delhi - 110 020

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