



TOWARDS A MORE 'POWER'FUL CONNECT



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CORPORATE INFORMATION

Board Of Directors

Mr. Anil Gupta
Chairman-cum-Managing Director

Mrs. Archana Gupta
Director

Mr. Akshit Diviaj Gupta
Director

Mr. Pawan 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
Kotak Mahindra Bank Ltd.
ICICI Bank Ltd.
Indian Overseas Bank
Corporation Bank
IDBI Bank Ltd.
Bank of India
DCB Bank Ltd.
The Lakshmi Vilas Bank Ltd.
United Bank of India
Axis Bank Ltd.
Bank of Bahrain & Kuwait B.S.C.

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

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

Key Management Personnel

Mr. Pawan Kumar Aggarwal
Executive Director (Projects)

Mr. Manoj Kakkar
Executive Director (Sales & Marketing)

Mr. Arvind Shrowty
Executive Director (EHV)

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

Mr. S.L. Kakkar
President

Mr. Lalit Sharma
COO

Mr. K.C. Sharma
Sr. Vice President (Operation-Bhiwadi)

Mr. Manish Mantri
Sr. Vice President (EPC)

Mr. Naval Singh Yadav
Vice President (Technical)

Mr. Dilip Barnwal
Vice President (Operation-Silvassa)

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

Mr. M.V. Gananath
Vice President (Marketing)

Mr. Pawan Kumar Jain
Vice President (EPC)

Mr. Deepak Manchanda
Sr. GM (Business Development)

Mr. Keshav K. Mitra
Sr. GM (Marketing)

Mr. Alok Saha
Sr. GM (Marketing)

Mr. Anand Kishore
Sr. GM (HR & ADM.)

Mr. S.N. Hashmi
GM (Commercial)

Mr. Umesh B. Kank
GM (Marketing)

Mr. Sanjay Mehra
GM (Marketing)

Mr. Anil Kumar J.K.
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 Business)

Mr. Kunal Gupta
GM (International Business)

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.

TOWARDS A MORE 'POWER'FUL CONNECT

Power energizes, and creates a powerful connect.
It electrifies, to drive holistic progress and prosperity.

At KEI, we have meticulously and strategically built such a 'power'ful connect
That helps us touch millions of hearts, and light millions of homes
Every day, in many small and big ways.

A connect that is wired to drive India's exceptional growth story
And to power its teeming masses towards a brighter and better future.

A connect that is rooted in our exceptional abilities and capabilities
Enabling us to deliver exceptional value to all stakeholders.





It is a strong connect that we are constantly nurturing through the creation of more touch points for customers, and more avenues for growth. Across sectors, segments and boundaries – from one end of the value chain to the other, and from one corner of the globe to another.

This annual report narrates the story of how we boosted this connect through the year gone by, to become more and more integral to the lives of the consumers and other stakeholders.



REPORTING 'POWER'FUL NUMBERS



₹ **2,669** Crores
Net sales (against
₹ 2326 Crores in FY16)



₹ **2,835** Crores
Gross revenues (against
₹ 2498 Crores in FY16)



~15%
Growth in turnover



10.67%
Growth in EBIDTA
(against 10.65% in FY16)



59%
Growth in PAT
(from ₹ 62 Crores to
₹ 99 Crores)



41%
Growth in PBT
(from ₹ 95 Crores to
₹ 134 Crores)



₹ **473** Crores
Net worth (against
₹ 367 Crores in
FY16)



23%
ROE



25%
ROCE



₹ **1,700** Crores
Market capitalization



₹ **2,783** Crores
Order book position

Product-wise Net Sales Revenue mix (₹ in Crore)

LT & HT		EHV		HW/WW	
2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1,612	1,399	101	134	428	377
SS WIRE		EPC (WITHOUT CABLE)		TOTAL	
2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
104	93	424	321	2,669	2,326

A POWER-PACKED YEAR

Our efforts to strengthen our connect across our business segments translated into many significant and powerful initiatives and achievements during FY17.

- Completed the expansion of House Wires and Flexible Wires for Retail & Distribution
- Scaled up EHV Cable segment with completion of up to 400 kV line
- Completed the process of expansion in the existing product range of HT & LT cables
- Expanded the Dealer/Distributor network multi-fold to reach out to more consumers in more regions
- Notched major expansion and growth to drive revenues in the exports market
- Credit Analysis & Research Ltd (CARE) upgraded Rating assigned to Long Term Bank Facilities from CARE BBB+ (Triple B Plus) to CARE A- (Single A Minus) & Short Term Bank Facilities from 'CARE A3+' (A Three plus) to CARE A2+ (A Two Plus).
- Credit Analysis & Research Ltd (CARE) upgraded Rating assigned to Corporate Governance Rating from CARE CGR 3 (three) to CARE CGR 3+ (three plus).
- ICRA Ltd assigned Rating [ICRA] A- (Pronounced ICRA A minus) to Long Term Bank Facilities & [ICRA] A2+ (pronounced ICRA A two plus) to Short Term Bank Facilities.



CMD'S MESSAGE



“ Our retail business got a major boost during the year from our focused initiatives to expand our dealer / distributor network, coupled with aggressive branding and marketing campaigns ”

Dear Stakeholders

It gives me immense pleasure to report another year of excellent growth, underpinned by an overall positivity across the entire business fabric of your Company. Amid a favorable external environment, we notched many milestones of success during FY17 at the back of our continued efforts to strengthen our connect with all our stakeholders, especially consumers. This powerful connect steered our growth across verticals, and has laid the foundation for further expansion and progress through the entire value chain of our business. The dynamically-evolving industry landscape, with its burgeoning opportunities in the form of the government's development schemes across sectors and the growing private industry demand for cables, offers an exceptionally robust platform for our future growth, which we are well-placed to leverage.

Macro-economic overview

Notwithstanding certain challenges in the global environment and the demonetization blip on the domestic economic horizon, the Indian economy continued to consolidate the gains it had achieved in the previous year to further restore macro-economic stability. The global sluggishness did not impact the Indian growth story, with inflation remaining on a stable wicket and fiscal deficit and current account deficit improving further as percentage of GDP. The government's push to the infrastructure,

construction, power, ports, oil & refinery sectors, as well as its decision to revive the stalled fertilizer projects, continues to boost industry and consumer confidence, auguring well for our business. Further boosting our growth prospects is the strong demand for cables unleashed by the private sector, especially in power transmission & distribution.

Financial & operational performance

Amid the positive macro environment, and led by a growing consumer connect, your Company posted strong performance during FY17 to report 15% overall growth in turnover, with net sales going up from ₹ 2,326 Crores in FY16 to ₹ 2,669 Crores in FY17. PAT for the year increased a whopping 59% - going up from ₹ 62 Crores to ₹ 99 Crores. What is particularly satisfying about this performance is that it came across verticals and regions, with the domestic and exports business contributing equally to our LT&HT cable revenues. Exports, in particular, has emerged as a major growth propeller for your Company, with revenues in this segment almost doubling over the previous year. The slight decline in EHV revenues was attributable to the infrastructural development at the Chopanki plant, where we have added a new 400 kV production line to strengthen our client connect in this business to facilitate its future growth.

Finding new ways to strengthen retail connect

Our strategic focus on continuously strengthening the connect we have successfully built with the consumers has augmented our performance in both, the retail and the institutional segments. Our retail business got a major boost during the year from our focused initiatives to expand our dealer/distributor network, coupled with aggressive branding and marketing campaigns. This two-pronged approach not only helped strengthen our relationships with the end consumers but had a direct impact on our retail sales, which grew 12.90% over the previous year, as we continued to scale-up our brand salience, while taking proactive measures to harness the emerging opportunities across the key sectors of national growth.

We see the dealers emerging as our strongest link in this business as we move towards amplifying our consumer-centricity, especially in the rural and semi-urban areas, where our channel partners will enable us to service client requirements in a timely manner, with no fixed cost to the Company.

Powering to greater heights in institutional business

Even as we continue to move strategically towards a more consumer-oriented business approach, we have not lost focus of our B2B or institutional business, which remains a significant driver of our remarkable performance, year-on-year. Led by a strong positivity in business sentiment, this business got a major fillip during FY17, especially in the EPC segment, where we are already firmly entrenched with a large and exciting pipeline of projects.

With new projects added to our EPC portfolio during the year under review, we see immense potential for partnering India's progress through our presence in this segment, as we bring in greater efficiencies and connect more deeply with our clients. Addition of more than 300 people to handle our growing portfolio of EPC projects pan India has equipped us even better to harness our strength in turnkey execution to take on bigger projects going forward. On the radar are the EPC projects under the rural/urban electrification schemes of the government, along with metro rail and the high-potential solar & wind projects, where we see immense potential for future growth.

At the same time, we have enhanced our capabilities in the EHV segment to equip ourselves better to take on the growth opportunities opening up across the country. With our new production line at Chopanki, we are getting to cater to the demand for cables upto 400 kV, which, I am confident, will enlarge the platform for our growth multifold in the years to come.

Expanding in the global arena

I am also happy to report exemplary performance in the international markets, where we are continually building our reputation as a credible player with high-quality products

and services to meet the niche demands of clientele across industries. With revenues in export almost doubling during FY17, we are looking at a huge fillip to this segment in the coming year as our new offices move forward to augment our connect with clients in the geographies of our presence.

Though the Middle East has traditionally been our most dominant market, we are fast diversifying our global presence to de-risk the business and currently also have presence in Singapore, Australia, and many nations of West and South Africa. As we strengthen our presence in these regions and explore new opportunities for expansion in other parts of the world, I see our exports business further enhancing our ranking as a global market leader in the cables and wires business.

Road ahead

The opportunity matrix, as evident, is huge, indeed, and your Company is well prepared to grab a large chunk of the growing pie. Moving forward, we shall continue to invest in further nurturing our people power and scaling-up our manufacturing & technological prowess to empower ourselves to meet the demand that we see opening up across sectors, segments and regions.

Our diversified portfolio of products has emerged as a key strength, which we shall focus even more on expanding in the years ahead to meet the niche needs of our growing clientele. Training and empowerment of people to take on the future opportunities is also high on our agenda, as we move responsibly forward on our strategic roadmap with an increasing focus on CSR activities aimed at holistic value creation for all our stakeholders, and the community at large.

On a concluding note

On this positive note, I would like to thank all stakeholders, including our vendors, customers, bankers, financial institutions, Central and State government bodies, dealers, business associates and employees, for their continued trust and support. We are committed to enhancing the connect we have built with you over the years to continue to make our business a win-win proposition for all of us.

Sincerely,

Anil Gupta

Chairman-cum-Managing Director



A 'POWER'FUL ENTITY

At the heart of our growing connect with our clients and consumers is our ability to understand their aspirational needs, which are continuously and dynamically evolving in tandem with the transforming industrial landscape. Our strategic efforts are focused on remaining engaged and connected with consumers across segments through innovative expansions and futuristic growth plans. This has led to our emergence as one of India's leading and most 'power'ful business entities, engaged in the manufacture of a range of world-class wires and cables designed to meet diverse needs of clients across sectors, globally.

Headquartered in New Delhi (India), the Company offers an extensive range of cabling solutions. KEI manufactures and markets Extra-High Voltage (EHV), Medium Voltage (MV) and Low Voltage (LV) power cables. Serving both retail and institutional segments, KEI has emerged as a one-stop shop for products and services, with its growing presence in the Engineering, Procurement and Construction (EPC) services domain further strengthening its leadership position

As an industry and market leader in India, and a preferred supplier for private and public sector clients in many parts of the world, we are much more than just a cables and wires manufacturer and supplier. We are an end-to-end solutions provider, equipped with a product showcase that encompasses the complete range of cables and wires designed to meet the unique and niche needs of our diverse clients in Retail, Institutional (EHV + EPC) and Exports segments.

Our product showcase

Extra-High Voltage Cables up to 220 kV (expanded upto 400 kV)		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



Connecting on a platform of strengths

Driving our initiatives to strengthen our connect with the stakeholders, especially consumers, is our exceptional core of strengths, led by a diversified and de-risked approach to business, which gives us a strong industry-edge, besides insulating us from the cyclicity of any one business segment.

- **Wide product range:** Extra High Voltage cables (up to & including 400 kV), High & Medium Voltage cables, Low Tension cables, Control and Instrumentation cables, Specialty cables, Rubber cables, Winding, Flexibles and house wires, Submersible cables, OVC/poly wrapped winding wires, Stainless steel wires
- **Sectoral & geographical diversification:** Presence in 45 countries across Power, Oil Refineries, Railways, Automobiles, Cement, Steel, Fertilizers, Textiles, Real Estate, that gives KEI a strong de-risked value proposition
- **World-class manufacturing facilities:** Strategically located at Bhiwadi (Rajasthan), Chopanki (Rajasthan) & Silvassa (D & NH)
- **Quality focus:** Adhering to the most stringent quality standards laid down by various institutions
- **R&D capabilities:** Regular investments in R&D, leading to niche product offerings with the ability to deliver customized solutions to clients, with expertise in speciality cables, including braided cables, fire survival and zero halogen cables
- **People power:** Approximately 1,200 employees, 480 Fixed Term Assignment (FTA) & 2,500 contract laborers across the country
- **Well-entrenched distribution network:** Covering all major metros, Tier I & Tier II cities to connect with clients pan-India
- **Visionary promoters & management:** Focused on strategic growth to leverage future opportunities

₹ **380** Crores
 HT Power cables
 sold (against ₹ 435
 Crores in FY16)

₹ **1,232** Crores
 LT Power cables sold
 (against ₹ 964 Crores in
 FY16)



Building innovative connects

Our robust relationships with our customers are built on the bedrock of innovation, powerfully steered by our strong Research & Development (R&D) capabilities. Facilitating this connect is our state-of-the-art R&D facility and laboratory, which enables us to deliver innovative solutions customized to client needs. The R&D facility, accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), is aligned to the highest benchmarks of quality and the best global industry practices.

Regular investments in R&D, coupled with third-party inspection of products before their dispatch, have helped us maintain the highest standards of quality excellence, which translates into sustained growth across our business segments. Our products are tested as per the stringent standards laid down by various global institutions, including 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.

 KEI is ISO 9001:2000, ISO 9001:2008, OHSAS 18001:2007 and OHSAS 14001:2004 certified 

Towards more 'power'ful manufacturing processes

Our state-of-the-art manufacturing plants, located at Bhiwadi, Chopanki (Rajasthan) and Silvassa (Dadra and Nagar Haveli), are a vital engine of our growth strategy. Equipped with modern machines, and benchmarked to the best-in-class manufacturing processes and systems, these facilities lend us a high level of agility, further facilitating our efforts to augment our customer connect. Operational and cost efficiencies, backed by speed-to-market, are inbuilt in the manufacturing systems, helping us deliver cost-effective and quality products and solutions to customers to meet their evolving needs across sectors and segments.

Our total installed capacity currently stands at:

- 900 kms of EHV Cables
- 7500 kms of HT Cables
- 84000 kms of LT Cables
- 3600 kms of Rubber Cables
- 677000 kms of Winding, Flexibles & House Wires
- 6000 MT of Stainless Steel Wire

 During FY 2016-17, our capacity utilization in Cable division stood @77%, in House wire @50% of increased capacity of wire, and SS division @84% 

In the transforming industrial milieu, we are perpetually striving to align ourselves closer and better to the demands of our clients. With their ever-evolving needs defining our strategic agenda, we are continuously exploring new avenues to enhance the connect that we share with the consumers, to deliver greater value and drive increased growth.

POWERING AHEAD IN EHV BUSINESS

Centered on bringing us many steps closer to our clients, every step of the way! That sums up our business philosophy in the institutional EHV segment, in which we have created a strong niche through our customer-centric focus and turnkey approach. And have thus emerged more 'power'ful and more connected with our clients, to whom we provide high-end designs and process back-ups benchmarked to the highest standards of global excellence.

Aided by our technological collaboration with Switzerland-based M/s Brugg Kabel AG, which enjoys over 100 years of experience and ability to manufacture cables up to 550 kV, we have created an unparalleled niche as a market leader in this segment, catering to a growing clientele that encompasses transmission companies, mega power plants, metro cities, industries such as steel, cement, refineries, petrochemicals, large realty projects such as IT Parks, large residential complexes, etc.

 We have a strong pipeline of ₹ 229 Crores of pending orders for EHV Cables, including Accessories and Erection & Commissioning 

Strengthening the EHV connect

During the year under review, we strengthened our EHV segment presence with the completion of a new 400 kV line at our Chopanki plant. Though the expansion process impacted production for part of the year, it is expected to open new vistas of growth by equipping us to leverage the huge burgeoning opportunity in this segment in the coming quarters and years. We are currently in the process of getting productions done on the new line, and sending the products for type testing and pre-qualification testing to some international laboratories. We expect sale of the 400 kV cables to begin next year.

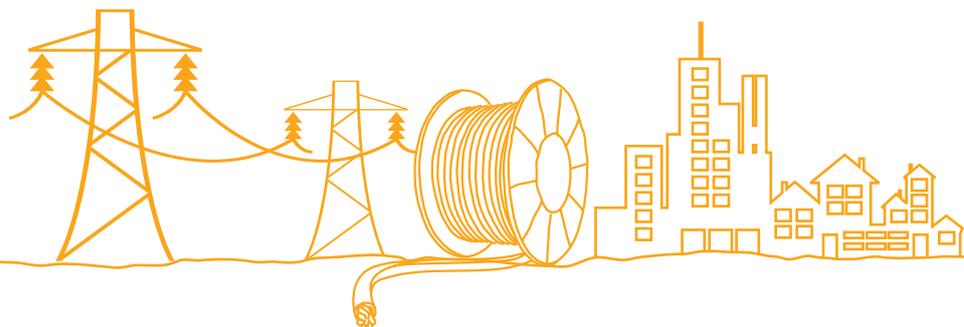
Key Highlights FY17:

- Executed 220 kV EHV Project of ₹ 62 Crore of DMRC
- Executed 220 kV EHV Project of ₹ 45 Crore of PGCIL
- Expanded Chopanki plant capacity for the production of 400 kV cables
- Executed order of KPTCL worth ₹ 45 crore
- EHV cabling solutions upto 220KV for PGCIL, DTL, UPPTCL, TNEB, PSPCL, KPTCL

Powered for future growth

The Chopanki expansion will facilitate our future growth as we climb further up the value chain to make the most of the opportunity matrix in the EHV and 400 kV segment. With several Indian states going in for aggressive EHV forays, the potential for growing this business is humungous. Armed with the new capacities, which will help pre-qualify us to participate in large utility tenders, we are now ideally positioned to further boost our EPC business, which consumes a significant chunk of EHV, HT and LT cables. Our backward integration through in-house PVC/XLPE Compound Manufacturing is another strong propeller of our imminent growth in this segment, which is expected to get a significant order boost from State Electricity Boards (SEBs).

With the foundation now set for further deepening our consumer connect in this segment, we see our EHV business scaling new frontiers of growth in the years ahead. What we are scripting is a 'power'ful success story, dotted with new opportunities that shall inspire many more empowering solutions for our clients.



TOUCHING MORE LIVES, IN MORE WAYS



It is our belief that powerful growth requires a powerful strategic growth agenda. At KEI, our strategic mandate is an ever-evolving charter of innovative solutions that can touch and illuminate the lives of our customers in more and more ways, 24x7 and 365 days a year.

With the retail opportunity growing at an unprecedented pace on the back of government initiatives in the infrastructure and power sectors, we see an exceptional landscape to nurture and grow our Retail business, which we expanded significantly during FY17 through a slew of branding and marketing initiatives aimed at furthering our consumer connect and augmenting our share of this business.

Empowered with strong credentials as a specialist cable manufacturer, and armed with a comprehensive portfolio of quality products and solutions, we have emerged in the retail industry as the 'power behind the power', and continue to make huge strides in this fast-growing business segment, comprising House Wires, HT and LT cables.



Deepening the customer connect

Keeping pace with the progressively changing aspirational and functional requirements of our customers, we took our Retail (Domestic Wires) business to a whole new level of distinctiveness during FY17. The business, which has achieved phenomenal success in the past four years, is built on the three pillars of trust & quality, brand awareness and customer service, which we are continuously strengthening to drive sales and growth.

“ We were awarded the Super brand status, a testimony to our consistent ability to deliver quality products, for the fifth consecutive year ”

“ While the Retail sales in House Wires and Winding Wire cables grew to ₹ 382 crores in FY17, from ₹ 319 crores in FY16, and also the Retail LT & HT sales went up by 12.43% in the same period ”

Enhancing the dealer/retailer connect

Our efforts to strengthen our consumer connect found strong resonance in our expanding dealer and retailer network, which we further strengthened during the year. We added 221 new dealers/distributors to our network to take their strength to 1,147, creating a more enabling environment to boost visibility and presence in the retail trade.

We continued to keep our dealers/distributors incentivized and motivated to steer our brand-building efforts through a slew of performance-linked schemes and initiatives.

These included:

- Dealer Incentive Trips – international & domestic
- Electricians Factory Visits
- Electricians, Retailer & Dealers Meet
- Gold coin scheme to reward target achievement
- Turnover discounts on set targets
- SMS scheme for retailers (Faydaka Partner) for product authentication
- Felicitation of dealer and channel financing



It is a large and dynamic landscape of opportunity on which we are building new bridges to take us closer to our customers' homes and deeper into their hearts. With products and solutions matched to the emerging opportunities of a new aspirational class of consumers, we are well equipped to deliver excellent growth in this business, going forward.



ENHANCING THE BRAND CONNECT

As a brand that echoes their sentiments and reverberates with their needs, KEI holds a special place in the hearts of its customers, with whom we are continually looking for new and exhilarating ways to remain engaged. Our brand and marketing initiatives reflect our efforts to connect more closely with the consumers across multi-media platforms, in order to drive greater traction in our Retail business.

During FY17, we embarked on aggressive marketing and brand promotion campaigns to strengthen our brand connect with the consumers. We adopted a targeted brand awareness activity plan, a key highlight of which was a new ad campaign with actor Irrfan Khan as the brand ambassador. IPL sponsorship further helped boost our brand visibility, and augmented our brand prowess in the House Wires segment by positioning us as a manufacturer of choice.

Jode Dilon Ke Taar

Aimed at touching more hearts, 'Jode Dilon Ke Taar' - our new ad campaign for house wires – struck the right chord with the consumers, shining through the clutter of other brand campaigns in this segment. Leveraging Irrfan Khan's stature, credibility and eminence, the campaign reached out to customers with an emotional message, communicated through a soft and endearing approach, in contrast with the raucous functional messages that in other similar campaigns. Our campaign - a series of two short films – portrays Irrfan as the protagonist who is his neighbourhood's lifeline. It effectively transforms the dilemma of poor quality wires into an opportunity to bring together people of all ages.



Lead Arm Sponsorship

Partnering with Kings XI Punjab Players in the IPL, we took our brand visibility to new levels, deriving exceptional and extended media value in the process. On-ground presence blended with high-value TVC media value to create a lifetime opportunity for us to raise our brand awareness and connect to new and more powerful levels. An attractive feature of this activity was photo shoot opportunity with top cricketers.

Campaigning in regional languages

Our Cable TV campaign in Assam, Manipur, Bihar, Jharkhand, and Odisha was an electrifying package, with messaging that came straight from the heart. In-shop branding through festive banners in local languages at the retail counters brought the KEI brand power closer within the reach of our customers, while outdoor campaigning in several states (Rajasthan, Assam, Manipur, Mizoram, Bihar Jharkhand, Uttar Pradesh & Odisha) gave our brand a larger-than-life look and feel.

Region-wise distribution-led branding activity proved to be a key propeller of our brand promotion strategy, with our expanding distributor/dealer base helping us further boost our consumer brand connect.

Other initiatives to enhance brand awareness and reach included participation in several national and international exhibitions during the year.

Powering our way forward through digital connect

In an overarching digitally growing business environment, 'digital' has emerged as the new power mantra to promote advertisement and marketing initiatives. Engaging digital conversations are thus a key to our strategic digital brand promotion initiatives, as we reach out to our target audiences through online marketing and social media. Moving aggressively forward on the digital platform, we are looking at strategic digital touch points for B2B and B2C branding activities, with optimized content marketing to reach out more effectively to our consumers.

Going forward, we have planned a series of branding initiative on digital platforms. While digital video platforms will help amplify our TVC launch to reinforce our celebrity brand endorsement impact, website engagement will enable us to drive more traffic and build brand salience. YouTube, Facebook and Hotstar are some of the video platforms we are exploring for to build a video connect, with Search Engine Marketing an important tool to boost website engagement. In addition, we have also planned some static branding properties on Dainik Jagran, TOI, Money Control & Hotstar, etc.

International Exhibitions

- Wire Dusseldorf 2016
- Electra Mining Africa
- Hassi Messaoud Algeria
- Expo-2016 at Philippines

National Exhibitions

- Switch Global 2016 (India)
- Technical Exhibition-cum-Seminar on Highway and other Infrastructure Sectors
- CEEAMATECH 2017, Pune
- Technical Seminars at Various Cities



Driven by a strong ambition to be the universal brand of choice for consumers across the spectrum of our business segments and beyond boundaries, we are continuously looking for new touch point to connect with them. We are committed to building a brand that lives their ethos and delivers to their aspirations.



CONNECTED ON THE EPC PLATFORM

Connecting the dots along the value chain of a complex EPC project requires deep understanding of the client needs and strong grasp of the project intricacies. Having been propelled into EPC by our strong EHV connect, we are now firmly positioned as a niche player of repute, equipped to deliver end-to-end turnkey solutions in the execution of power transmission projects in the range of 66 kV to 400 kV, in addition to EPC of EHV and HV cable systems, electrical balance-of-plant for power plants, and electrical industrial projects.

Our growing presence in this high-margin segment underlines the strength of our institutional consumer connect, which continues to inspire our strategic agenda in EPC. Growth in this business is driven by our ability to execute large and complex projects through the deployment of specialized and sophisticated technology, backed by the expertise of our project teams.

“ Our EPC division closed FY17 at ₹ 592 Crores to notch a 18.88% increase over FY16 sales of ₹ 498 Crores ”

“ Our EPC order book stands at ₹ 1,994 Crores, of which ₹ 1,817 Crores is from EPC and ₹ 177 Crores is service station business, with the bulk of ₹ 1,700 Crores coming from Uttar Pradesh ”

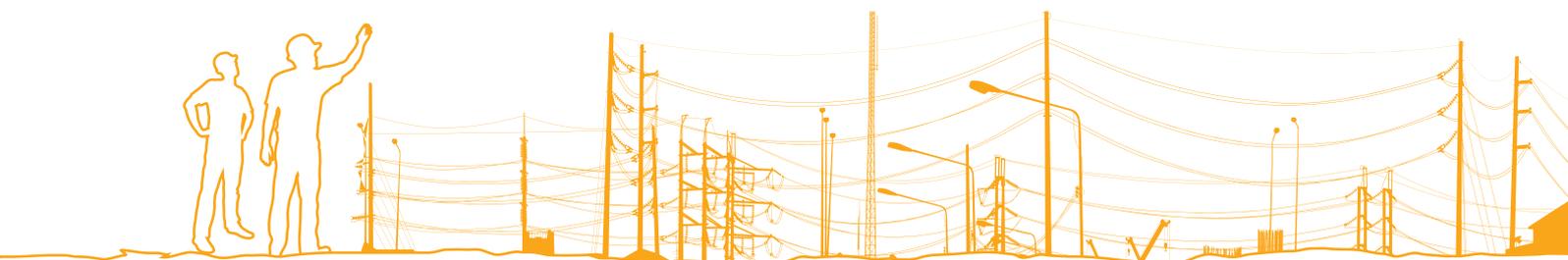


Key Highlights FY17

- Sub stations projects upto 400KV for PGCIL, UPPTCL, HPSEB, etc.
- 33KV/11KV/LT underground cabling package for complete town for Varanasi, Mathura, Vrindavan, Bareilly, etc.
- IPDS/RAPDRP projects in various states e.g. U.P., M.P., Goa, etc.
- DDUGVY/ RGGVY Projects in U.P. and M.P.
- Feeder Separation Projects in U.P. and M.P.



As an EPC player of repute, we are proud to partner the nation in its progressive journey through our execution prowess, which we shall continue to enhance as we prepare ourselves to take on the future opportunities in this growing segment. Our client connect will continue to empower us with the necessary expertise to scale new levels of excellence across sectors and regions.



ESTABLISHING A GLOBAL CONNECT



Our emergence on the global platform as a powerful player is not a coincidence but a consequence of our continued efforts to develop and sustain a strong global connect in the niche areas of our business. Our ability to offer customized solutions and speciality cables designed to their specific needs, coupled with our competitive pricing policy, has facilitated our phenomenal growth in the international markets.

In the exports business, we offer a wide range of cables, including EHV cables, MV (11kV to 33kV) and LV (< 11kV) cables, with focus on the vital segments of Oil & Gas, and Utilities.

With an extensive international footprint spanning 45 countries, we continued to strengthen our global presence during the year under review, with growth boosted by new orders received from Oil and Gas utilities in Kuwait, Abu Dhabi, and Oman, and also many utilities in Africa, SAARC region and Middle East.

98% 
Growth in
exports market

Moving strategically forward into new markets in the global arena, we see our global connect getting bigger and stronger in the years ahead. On a conservative count, we are targeting 15-20% growth in exports year-on-year.

Key Highlights FY17

- Strengthened prequalification parameters & secured approvals for large projects with local companies in Middle East and Africa
- Participated in various international exhibitions to establish new linkages and showcase our strong commitment to growing our presence in the overseas market
- Having overseas offices in Singapore, Nigeria, Dubai/ Abu Dhabi
- Established presence in Korea and Australia through Agent
- Having a subsidiary company in Australia

Future forward

With a ₹ 128-Crore strong order book, we are looking at further scaling growth in the international business in the coming year to reach out to more customers with more innovative products and solutions. While the Middle East region continues to be our biggest contributor in this segment, we are looking at the burgeoning opportunities in other regions into which we are also expanding aggressively.

STRENGTHENING OUR PEOPLE CONNECT

Keeping our people motivated, and constantly aligned to our business vision is a vital aspect of our growth strategy as we move towards further broadbasing our consumer-led focus to get closer to their hearts and homes.

Our Human Resource philosophy is centered on continuous efforts to scale-up our people connect to endow them with the capabilities needed to understand the evolving needs and aspirations of our customers. At the same time, it is focused on empowering them with the essential skills for addressing those aspirations effectively.

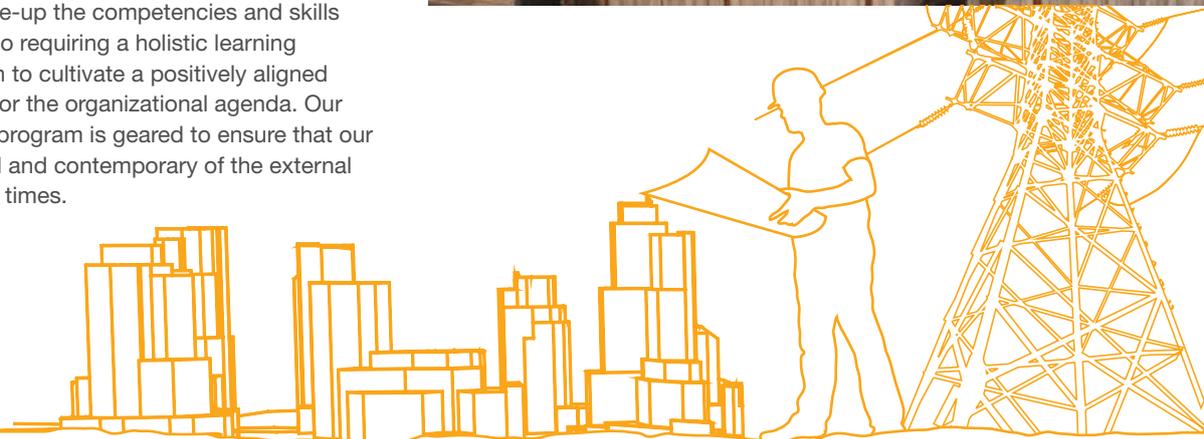
Active and regular investments in our human capital is an important part of our people policies as we work towards enabling the various departments/functions across the Company to recruit and retain the best of talent. Employee diversification is also ensured in this process in order to more effectively achieve the Company's mission and its strategic objectives, both in the short and long term.

We are cognizant of the importance of ensuring the placement of the right competencies and skills at the right place, at the right time, to meet the organizational goals as well as the future demands of the business. Employee planning is thus integral to our HR agenda, which we are continually evolving and strengthening to match the transforming consumer requirements.

Consumer understanding and alignment necessitates continuous learning to scale-up the competencies and skills of the employees, while also requiring a holistic learning and development approach to cultivate a positively aligned mindset and commitment for the organizational agenda. Our learning and development program is geared to ensure that our employees remain updated and contemporary of the external and internal changes, at all times.

While internal programs constitute the core enabler of employee growth and development, we have also formed several strategic alliances with various stakeholders to promote and secure support for employee/organizational excellence.

With people central to our consumer-oriented business model and a strong propeller of our growth strategy, we remain committed to implementing the best HR practices to ensure collaborative progress in a spirit of nurturance, enabled by an employee-friendly environment.



NURTURING A COMMUNITY CONNECT

We are of the opinion that there is an underlying connect that binds all of us, beyond business. This community connect, as we like to call it, is as central to our corporate philosophy as our operational ethos. Nurturing this connect remains high on our progressive agenda, as we work on translating our CSR agenda into on-ground programs and initiatives.

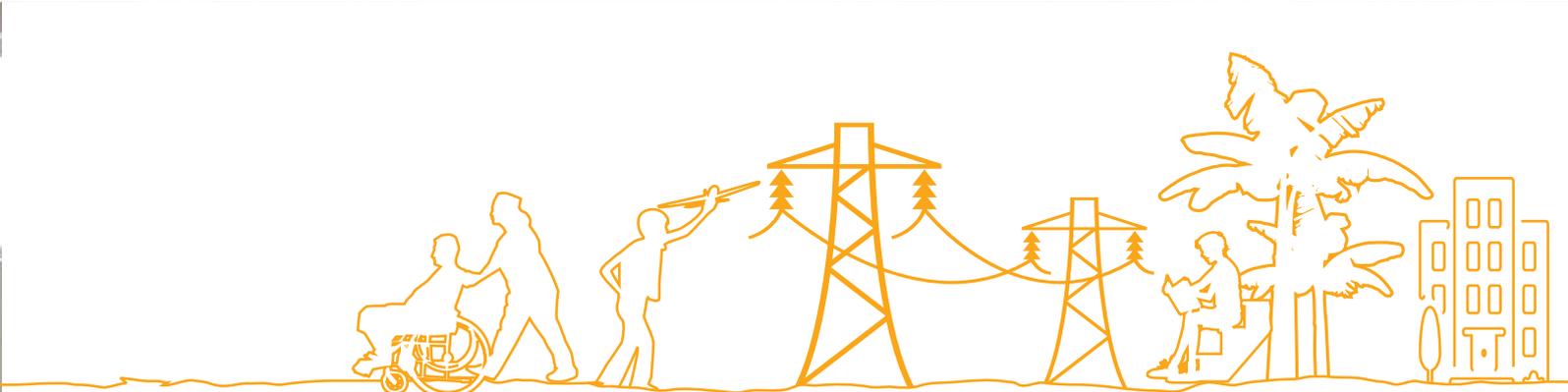
While corporate social responsibility is, for us, an ongoing campaign, we continue to strengthen our community connect through proactive measures year after year. Our CSR initiatives span several critical areas of human progress, including healthcare, education, environmental sustainability and poverty alleviation.





Key Highlights FY17

- Contributed towards healthcare promotion and education through various implementing agencies
- Contributed towards promotion of art and culture, and education by building a library in Bhaktivedanta Gurukula and International School (BGIS), Mathura, UP through International Society for Krishna Consciousness (ISKCON)
- Contributed towards environmental sustainability in certain states through agencies
- Contributed towards setting up shelter facility for women, orphans and elderly people, and launched hunger eradication campaigns



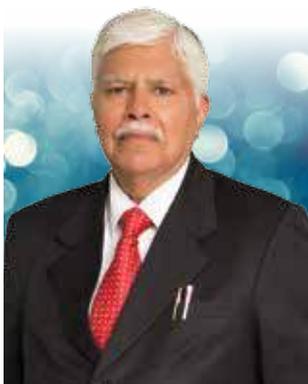
BOARD OF DIRECTORS



Mr. Anil Gupta
Chairman-cum-Managing Director

Mr. Anil Gupta is a recognized 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 36 years' of experience at the helm of KEI, 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 Bholusaria
*Non Executive &
Independent Director*

Mr. Pawan 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 as also the Chairman of Federation of Indian Stock Exchanges representing 20 Stock Exchanges from 2002- 04. 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 31 years of experience in the Engineering Industry.



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, organizing and optimizing 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.



Mr. Rajeev Gupta
Executive Director (Finance) &
CFO

Mr. Rajeev Gupta is B.Com. (Hons.) and a Chartered Accountant. Mr. Gupta has about 24 years experience in Corporate Finance and is presently heading the Finance & Accounts Department of **KEI Industries Limited**.



Mr. Akshit Diviaj Gupta
Director (w.e.f. May 10, 2017)

Mr. Akshit Diviaj Gupta is a young and dynamic professional with a strong entrepreneurial background. He has got personality with diversified business interests with BBA degree in Management and Honorary Graduate Fellowship.



FINANCIAL HIGHLIGHTS

FIVE-YEAR FINANCIALS

(₹ in Crores)

PARTICULARS	2013	2014	2015	2016	2017
PAID-UP CAPITAL	14.05	14.75	15.45	15.45	15.56
CAPITAL EMPLOYED	441.75	455.57	498.84	613.51	694.36
SALES	1812.28	1753.47	2170.92	2498.02	2835.20
LESS: EXCISE DUTY	153.93	134.56	139.97	172.44	166.11
NET SALES	1658.35	1618.91	2030.95	2325.58	2669.09
PBDIT	172.87	154.32	197.87	247.60	284.74
PBIT	152.43	133.35	173.28	222.32	256.70
PBT	43.08	21.82	52.88	95.34	133.77
NET PROFIT	26.34	11.60	34.25	62.20	98.63
PROFITABILITY RATIOS					
PBDIT	10.42	9.53	9.74	10.65	10.67
PBIT	9.19	8.24	8.53	9.56	9.62
PBT	2.60	1.35	2.60	4.10	5.01
NET PROFIT	1.59	0.72	1.69	2.67	3.70
ROCE (PAT / CAPITAL EMPLOYED)	5.96	2.55	6.87	10.14	14.20
GROWTH RATIOS (PERCENT)					
NET SALES	-3.71	-2.38	25.45	14.51	14.77
PBDIT	13.96	-10.73	28.22	25.13	15.00
PBIT	15.34	-12.52	29.94	28.30	15.46
PBT	19.67	-49.35	142.35	80.30	40.30
NET PROFIT	8.26	-55.96	195.26	81.61	58.57
CAPITAL EMPLOYED					
FIXED ASSETS	314.15	314.38	304.21	376.31	409.76
CURRENT ASSETS	859.92	926.04	1034.39	1107.59	1398.10
LESS: CURRENT LIABILITIES	437.40	443.75	561.85	585.96	581.70
LESS: BANK BORROWING	284.36	325.07	254.37	248.19	489.08
LESS: DEFERRED TAX LIABILITY	10.56	16.03	23.54	36.24	42.72
CAPITAL EMPLOYED	441.75	455.57	498.84	613.51	694.36
NET WORTH	255.57	273.08	303.85	366.62	473.46

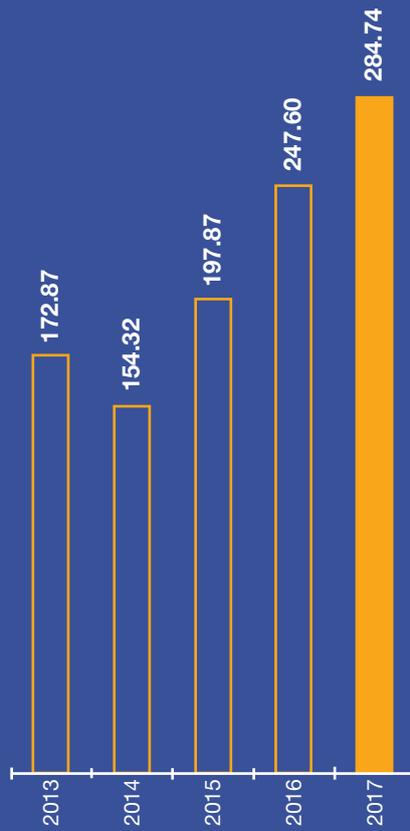
SALES

(₹ in Crores)



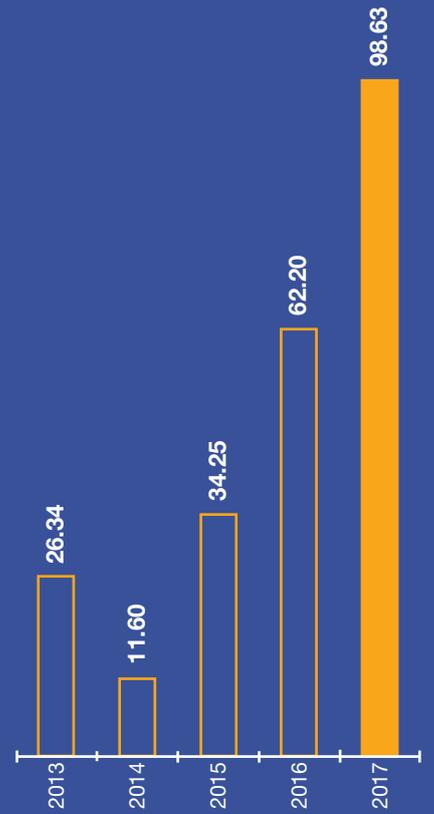
PBDIT

(₹ in Crores)



PAT

(₹ in Crores)



Directors' Report

To The Members

Your Directors have pleasure in presenting their 25th Annual Report, together with the Audited Annual Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2017.

FINANCIAL SUMMARY

The Company's financial performance for the year ended March 31, 2017 along with previous year's figures are summarized below:

(₹ in Millions)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations (Gross) and Other Income	28471.30	25,261.97	28,456.09	25,033.63
Profit before Finance Costs, Depreciation and Amortisation Expenses and Tax Expenses	2,845.43	2,483.35	2,847.42	2,476.04
Less: Finance Cost	1,229.32	1,271.56	1,229.25	1,269.74
Less: Depreciation and Amortisation Expenses	280.44	253.30	280.44	252.86
Profit before Exceptional Items and Tax	1,335.67	958.49	1,337.73	953.44
Profit before Tax	1,335.67	958.49	1,337.73	953.44
Tax Expenses				
-Current Tax (*Net of MAT Credit Entitlement)	286.44*	205.91*	286.44*	204.34*
- Deferred Tax	64.77	127.08	64.77	127.08
Short/(Excess) Provision-Earlier Years (Standalone * ₹ 3,739) and (Consolidated * ₹ 3,789)	1.44	0.00*	0.17*	0.00*
Profit for the Year	983.02	625.50	986.35	622.02
Add: Balance brought forward from last year's account	2,707.58	2,128.56	2,704.10	2,128.56
Amount available for Appropriations	3,690.60	2,754.06	3,690.45	2,750.58
Appropriations#:				
Proposed Dividend on Equity Shares	-	38.62	-	38.62
Dividend Distribution Tax on Proposed Dividend	-	7.86	-	7.86

Note No. 1:

The Board of Directors of the Company has recommended a dividend of ₹ 0.60/- per equity share on the Equity shares of face value of ₹ 2/- each. The dividend, if declared at the ensuing Annual General Meeting, will result in cash outflow of ₹ 46.68 Millions.

During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 - 'Contingencies and Events' occurring after the Balance sheet date (AS4). However, as per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/ declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2017. Had the Company continued with the creation of provision of proposed dividend, as at the balance sheet date, its balance in Surplus would have been lower by ₹ 56.18 Millions and Short Term Provision would have been higher by ₹ 56.18 Millions (including dividend distribution tax ₹ 9.50 Millions).

REVIEW OF BUSINESS OPERATIONS ON STANDALONE BASIS

During the year, your Company's turnover increased to ₹ 28,352.03 millions as against ₹ 24,980.15 millions in FY 2015-16 showing a strong growth of 13.50%. During the year under review, turnover from Cables stood at ₹ 17383.12 millions as compared to ₹ 15203.48 millions in FY 2015-16, showing a growth of 14.34% and Stainless Steel Wire Products contributed a turnover of ₹ 1,123.79 millions as compared to ₹ 1,003.76 millions in FY 2015-16. Winding Wires, Flexible & House Wires contributed a turnover of ₹ 4,511.46 millions as compared to ₹ 4,058.23 millions in FY 2015-16, showing a growth of 11.17% and Income from Turnkey Projects also had a great contribution in the total turnover of the Company showing a growth of 11.35% i.e. from ₹ 4,535.37 millions in FY 2015-16 to ₹ 5,050.30 millions in FY 2016-17. During the year under review, Profit before Tax stood at ₹ 1,337.73 millions as compared to ₹ 953.44 millions in the preceding year and Net Profit stood at ₹ 986.35 millions as compared to ₹ 622.02 millions in the preceding year.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Company has one wholly owned subsidiary "KEI Cables Australia Pty Ltd" in Australia. 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 ₹ 0.60/- per equity share (i.e. @ 30%) on the Equity Shares of face value of ₹ 2/- each for the Financial Year ended March 31, 2017, subject to the approval of shareholders at the ensuing Annual General Meeting which would result in cash outflow of ₹ 46.68 Million (refer note no. 1 above). 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 July 19, 2017 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. July 12, 2017.

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 the 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) CORPORATE GOVERNANCE RATING BY CARE:

Credit Analysis & Research Limited (CARE) has upgraded/revised the rating assigned to the Corporate Governance practices of the Company to "CGR3+" (CGR three plus) from "CGR 3" (CGR three) vide its letter dated April 03, 2017.

"The corporate governance rating of KEI Industries Limited (KEI) factors in the extensive Management Information Systems (MIS) and enterprise-wide risk management (ERM) framework put in place by the Company, thereby improving operational oversight and strengthening the overall risk management function of the Company. The rating continues to factor in the robust corporate governance practices being followed by the Company including qualified and experienced Board of Directors, satisfactory functioning of various committees of the Board and clearly identifiable ownership pattern with well defined organization structure, overall compliances by the Company with statutory and regulatory requirements, adequate performance monitoring by the management, prudent disclosures to shareholders and improving credit risk profile of KEI.

The rating continues to factor in the scope for improvement in the level of strategic oversight and performance monitoring by the Board."

(B) BANK FACILITIES RATING BY ICRA:

During the year, ICRA Limited has assigned [ICRA] A- (pronounced ICRA A minus) rating to the Long Term Bank Facilities availed by the Company. 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. 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.

(C) BANK FACILITIES RATING BY CARE:

During the year, Credit Analysis & Research Limited (CARE) has upgraded/revised the rating assigned to the Long Term Bank facilities availed by the Company from 'CARE BBB+ (Triple B Plus)' to 'CARE A- (Single A Minus)'. Facilities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such facilities / instruments carry low credit risk.

Credit Analysis & Research Limited (CARE) has also upgraded/revised the rating assigned to the Short Term Bank facilities availed by the Company from 'CARE A3+ (A Three Plus)' to 'CARE A2+ (A Two Plus)'. Facilities with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such facilities / instruments carry low credit risk.

(D) FIXED DEPOSIT RATING BY CARE:

ICRA Limited has assigned [ICRA] MA (pronounced as ICRA MA) for the Fixed Deposit Scheme of the Company and Credit Analysis & Research Ltd (CARE) has upgraded / revised the rating assigned to the Medium Term Instrument i.e. Fixed Deposits Scheme of the Company to "CARE A- (FD)" [Single A Minus (Fixed Deposit)] from 'CARE BBB+ (FD)' [Triple B Plus (Fixed Deposit)].

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 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 6th September, 2016 (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 2008-09 to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to the provisions of Section 125 of the Companies Act, 2013.

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. However, the Board of Directors of the Company at its meeting held on May 10, 2017, has appointed Mr. Akshit Diviaj Gupta as an Additional Director and also appointed him as a Whole Time Director of the Company for a term of 5 (Five) years w.e.f. May 10, 2017 to May 09, 2022, subject to approval of shareholders at the ensuing AGM. As on date, Company has 8 Directors with an Executive Chairman. Of the 8 Directors, 3 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 31st March, 2017 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, Mr. Rajeev Gupta (holding DIN: 00128865), Director of the Company, who retires by rotation at the ensuing Annual

General Meeting and being eligible offers himself for re-appointment.

- b. Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 10th May, 2017 has appointed Mr. Akshit Diviaj Gupta (DIN:07814690) as an Additional Director and also appointed him as a Whole Time Director of the Company for a term of 5 (Five) years w.e.f. 10th May, 2017 to 9th May, 2022, subject to approval of shareholders at the ensuing AGM, in accordance with the provisions of Section 161, 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.

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 2016-17 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 5 (Five) times during the financial year from 1st April, 2016 to 31st March, 2017 on May 21, 2016, July 20, 2016, September 22, 2016 November 05, 2016 and February 02, 2017.

Further, during the year, a separate meeting of the Independent Directors of the Company was also held on 29th March, 2017 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, Share Allotment Committee of the Board has issued and allotted 5,60,000 equity shares of face value of ₹ 2/- each to eligible employees under KEI Employees Stock Option Scheme 2015. Accordingly, the paid-up share capital of the Company has increased from 77,237,438 equity shares of face value of ₹ 2/- each to 77,797,438 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 10th May 2017 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 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 31st March, 2017 fixed deposit aggregating to ₹ 62.01 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.

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 for the financial year 2016-17 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 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 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 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 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, Share Allotment Committee of the Board has allotted 5,60,000 Equity Shares of face value ₹ 2/- each to eligible employees of the Company at an Exercise Price of ₹ 35/- per share, out of 22,52,000 Options granted under KEI Employee Stock Option Scheme 2015.

AUDITORS

a) Statutory Auditors:

M/s. PAWAN SHUBHAM & CO., Chartered Accountants (Firm Registration number 011573C) are recommended for 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 for a period of five years from the conclusion of the ensuing Annual General Meeting to be held in 2017 till the conclusion of 30th AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), in place of M/s. JAGDISH CHAND & CO., Chartered Accountants (Firm Registration number 000129N) who will vacate their office at the conclusion of the 25th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013.

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 2017-18 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 2015-16 was filed on October 20, 2016.

c) Secretarial Auditors

The Board of Directors has re-appointed Mr. Baldev Singh Kashtwal, Practicing 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 2017-18.

Secretarial Audit Report

The Secretarial Audit Report for the FY 2016-17 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 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 Axis Bank Ltd. against Dealer Financing Facility / Channel Financing Facility provided to the Dealers of the Company for a further period of one year.	350.00
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	Loan of AUD 6000 given to Wholly Owned Subsidiary (WOS) "KEI Cables Australia Pty Ltd."	0.30
Total		500.30

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

Place: New Delhi
Date: May 27, 2017

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 Directors' 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 the 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/ ESOS 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.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
 as on the financial year ended on 31st March, 2017
 [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	L74899DL1992PLC051527
ii)	Registration Date	31/12/1992
iii)	Name of the Company	KEI INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	Public Listed Company / Limited by Shares
v)	Address of the Registered office and contact details	D-90, Okhla Industrial Area, Phase-1, New Delhi-110020 Tel: 011-268188440/ 8642/ 0242 Fax: 011-26817225, 26811959 E-mail: info@kei-ind.com / cs@kei-ind.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Mas Services Limited T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020 Tel: 011- 26387281/82/83 Fax: 011- 26387384 E-mail: info@masserv.com

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	61.31
2	Winding Wires, Flexible & House Wires	27320	15.91
3	Turnkey Projects	42202	17.81

* 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:

Sl. 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 (Tellam & Cassady, 141 Warry Street, Fortitude Valley, QLD-4006)	609804551	Subsidiary	100*	2(87) of the Companies Act, 2013

The Company has 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 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 100% towards initial 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 01/04/2016)				No. of Shares held at the end of the year (as on 31/03/2017)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/ HUF	21068466	0	21068466	27.28	19168466	0	19168466	24.64	-2.64
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	21.95	-0.16
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
Sub- Total (A)(1)	38148466	0	38148466	49.39	36248466	0	36248466	46.59	-2.80
(2) Foreign									
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
Sub- Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	38148466	0	38148466	49.39	36248466	0	36248466	46.59	-2.80

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2016)				No. of Shares held at the end of the year (as on 31/03/2017)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	12184341	0	12184341	15.78	14472102	0	14472102	18.60	2.82
b) Banks / Financial Institutions	301410	0	301410	0.39	42804	0	42804	0.06	-0.33
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	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) FII	2368369	0	2368369	3.07	96724	0	96724	0.12	-2.95
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Foreign Portfolio Investors)	933712	0	933712	1.21	3255462	0	3255462	4.18	2.97
Sub-Total (B)(1)	15787832	0	15787832	20.44	17867092	0	17867092	22.97	2.53
2. Non-institutions									
a) Bodies Corporate									
i) Indian	6936671	28000	6964671	9.02	3868343	28000	3896343	5.01	-4.01
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11783717	286888	12070605	15.62	11189531	266492	11456023	14.73	-0.89
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2838856	0	2838856	3.68	6589166	0	6589166	8.47	4.79
c) Others									
(i) NRIs / OCBs	321341	52000	373341	0.48	598381	52000	650381	0.84	0.36
(ii) Clearing Members	681990	0	681990	0.88	617042	0	617042	0.79	-0.09
(iii) Trust	0	500	500	0.00	0	500	500	0.00	0.00
(iv) Director's & their relatives	108510	0	108510	0.14	261010	0	261010	0.34	0.20
d) NBFCs registered with RBI	262667	0	262667	0.34	211415	0	211415	0.27	-0.07
Sub-Total (B)(2)	22933752	367388	23301140	30.16	23334888	346992	23681880	30.44	0.28

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2016)				No. of Shares held at the end of the year (as on 31/03/2017)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	38721584	367388	39088972	50.61	41201980	346992	41548972	53.41	2.80
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	76870050	367388	77237438	100	77450446	346992	77797438	100	0.00

* One of the reason for change in % of shareholding is - increase in share capital due to allotment of equity shares under "KEI-ESOS 2015" during the FY 2016-17.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year (01/04/2016)			Shareholding at the end of the Year (31/03/2017)			% 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	Mr. Anil Gupta	15580776	20.17	0.00	13680776	17.59	0.00	-2.59
2	Anil Gupta (HUF)	4650375	6.02	0.00	4650375	5.98	0.00	-0.04
3	Mrs. Archana Gupta	837315	1.08	0.00	837315	1.08	0.00	-0.01
4	Shubh Laxmi Motels & Inns Pvt. Ltd.	3480000	4.51	0.00	3480000	4.47	0.00	-0.03
5	Soubhagya Agency Pvt. Ltd.	3125000	4.05	0.00	3125000	4.02	0.00	-0.03
6	KEI Cables Pvt. Ltd.	1575000	2.04	0.00	1575000	2.02	0.00	-0.01
7	Projection Financial & Management Consultants Pvt. Ltd.	7900000	10.23	0.00	7900000	10.15	0.00	-0.07
8	Dhan Versha Agency Pvt. Ltd.	1000000	1.29	0.00	1000000	1.29	0.00	-0.01
	Total	38148466	49.39	0.00	36248466	46.59	0.00	-2.80

* One of the reason for change in % of shareholding is - increase in share capital due to allotment of equity shares under "KEI-ESOS 2015" during the FY 2016-17.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Promoter's Name	Shareholding at the beginning of the year (01/04/2016)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+) / Decrease (-) in No. of Shares]*	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017 / end of the year 31/03/2017)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Anil Gupta	15580776	20.17	1-Apr-16				
				17-Feb-17	-1900000	Sale of shares	13680776	17.59
				31-Mar-2017			13680776	17.59
2	Promoters (other than above)	22567690	29.22	1-Apr-16			22567690	29.00
				31-Mar-2017			22567690	29.00

* During the year, except Mr. Anil Gupta, no change occurred in the total shareholding of the Promoters. Further, change in % of shareholding is on account of increase in share capital due to allotment of Equity Shares under "KEI-ESOS 2015" during the FY 2016-17.

(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 (01/04/2016)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017 / end of the year 31/03/2017)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Pickup Electronics Private Limited	1379741	1.79	1-Apr-2016				
				9-Sep-2016	-500000	Sell	879741	1.13
				23-Sep-2016	-500000	Sell	379741	0.49
				30-Sep-2016	-379741	Sell	0	0.00
				31-Mar-2017			0	0.00
2	Ajay Upadhyaya	1200000	1.54	1-Apr-2016				
				20-May-2016	-1193557	Sell	6443	0.01
				30-Aug-2016	+1193557	Buy	1200000	1.54
				10-Mar-2017	-7256	Sell	1192744	1.53
				17-Mar-2017	-27945	Sell	1164799	1.50
				24-Mar-2017	-58673	Sell	1106126	1.42
3	Subhkam Ventures (I) Pvt Ltd#	700000	0.90	1-Apr-2016		Nil		
					0	Movement during the year		
				31-Mar-2017			700000	0.90

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2016)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017 / end of the year 31/03/2017)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
4	Surya Laxmi Contractors LLP	1426507	1.85	1-Apr-2016				
				13-May-2016	-200000	Sell	1226507	1.58
				24-Jun-2016	-300000	Sell	926507	1.19
				20-Jan-2017	-70000	Sell	856507	1.10
				27-Jan-2017	-14276	Sell	842231	1.08
				3-Feb-2017	-115000	Sell	727231	0.93
				10-Feb-2017	-217000	Sell	510231	0.66
				17-Feb-2017	-85125	Sell	425106	0.55
				24-Feb-2017	-50000	Sell	375106	0.48
				17-Mar-2017	-375106	Sell	0	0.00
				31-Mar-2017			0	0.00
5	L and T Mutual Fund Trustee Ltd- L and T India Prudence Fund	1390100	1.80	1-Apr-2016				
				3-Jun-2016	+10000	Buy	1400100	1.80
				8-Jul-2016	+25000	Buy	1425100	1.83
				15-Jul-2016	+25000	Buy	1450100	1.86
				19-Aug-2016	-100000	Sell	1350100	1.74
				26-Aug-2016	+30596	Buy	1380696	1.77
				2-Sep-2016	+75000	Buy	1455696	1.87
				11-Nov-2016	-200000	Sell	1255696	1.61
				2-Dec-2016	+95000	Buy	1350696	1.74
				30-Dec-2016	+28480	Buy	1379176	1.77
				10-Feb-2017	+100000	Buy	1479176	1.90
				17-Feb-2017	+150000	Buy	1629176	2.09
						31-Mar-2017		
6	L & T Mutual Fund Trustee Ltd- L & T Emerging Businesses Fund	719400	0.93	1-Apr-2016				
				19-Aug-2016	-100000	Sell	619400	0.80
				11-Nov-2016	-100000	Sell	519400	0.67
				23-Dec-2016	-35000	Sell	484400	0.62
				30-Dec-2016	+50000	Buy	534400	0.69
				6-Jan-2017	+20000	Buy	554400	0.71
				27-Jan-2017	+50000	Buy	604400	0.78
				17-Feb-2017	+25000	Buy	629400	0.81
				31-Mar-2017	-629400	Sell	0	0.00

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2016)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017 / end of the year 31/03/2017)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
7	Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund	2104773	2.73	1-Apr-2016				
				15-Apr-2016	+395227	Buy	2500000	3.21
				6-May-2016	+60946	Buy	2560946	3.29
				13-May-2016	+439054	Buy	3000000	3.86
				27-May-2016	+300000	Buy	3300000	4.24
				24-Jun-2016	+200000	Buy	3500000	4.50
				22-Jul-2016	+73160	Buy	3573160	4.59
				29-Jul-2016	+43761	Buy	3616921	4.65
				5-Aug-2016	+283079	Buy	3900000	5.01
				12-Aug-2016	+100000	Buy	4000000	5.14
				19-Aug-2016	+350000	Buy	4350000	5.59
				7-Oct-2016	+50000	Buy	4400000	5.66
				11-Nov-2016	+13092	Buy	4413092	5.67
				25-Nov-2016	+86908	Buy	4500000	5.78
		31-Mar-2017			4500000	5.78		
8	IDFC Sterling Equity Fund	4670571	6.05	1-Apr-2016				
				13-May-2016	-298937	Sell	4371634	5.62
				27-May-2016	-148634	Sell	4223000	5.43
				5-Aug-2016	-244787	Sell	3978213	5.11
				12-Aug-2016	-889058	Sell	3089155	3.97
				19-Aug-2016	-61	Sell	3089094	3.97
				26-Aug-2016	-58424	Sell	3030670	3.90
				30-Sep-2016	-195484	Sell	2835186	3.64
				21-Oct-2016	-18742	Sell	2816444	3.62
				28-Oct-2016	-584200	Sell	2232244	2.87
				4-Nov-2016	-42783	Sell	2189461	2.81
				11-Nov-2016	-124522	Sell	2064939	2.65
				25-Nov-2016	-80027	Sell	1984912	2.55
				2-Dec-2016	-84912	Sell	1900000	2.44
				16-Dec-2016	-4776	Sell	1895224	2.44
				13-Jan-2017	-35278	Sell	1859946	2.39
				20-Jan-2017	-117	Sell	1859829	2.39
		10-Feb-2017	-59829	Sell	1800000	2.31		
		10-Mar-2017	-119729	Sell	1680271	2.16		
		31-Mar-2017	-168027	Sell	1512244	1.94		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2016)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017 / end of the year 31/03/2017)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
9	IDFC Tax Advantage (ELSS) Fund	812000	1.05	1-Apr-2016				
				28-Oct-2016	-5282	Sell	806718	1.04
				4-Nov-2016	-200000	Sell	606718	0.78
				11-Nov-2016	-56718	Sell	550000	0.71
				25-Nov-2016	-70000	Sell	480000	0.62
				2-Dec-2016	-17357	Sell	462643	0.59
				9-Dec-2016	-43061	Sell	419582	0.54
				13-Jan-2017	-10422	Sell	409160	0.53
				10-Feb-2017	-9160	Sell	400000	0.51
				3-Mar-2017	-30000	Sell	370000	0.48
		31-Mar-2017	-370000	Sell	0	0.00		
10	Goldman Sachs (Singapore) PTE	824055	1.07	1-Apr-2016				
				8-Apr-2016	+5106	Buy	829161	1.07
				15-Apr-2016	-12018	Sell	817143	1.05
				22-Apr-2016	-49853	Sell	767290	0.99
				29-Apr-2016	-46406	Sell	720884	0.93
				6-May-2016	-42110	Sell	678774	0.87
				13-May-2016	-50053	Sell	628721	0.81
				3-Jun-2016	-1511	Sell	627210	0.81
				10-Jun-2016	-2778	Sell	624432	0.80
				17-Jun-2016	-12063	Sell	612369	0.79
				24-Jun-2016	-22487	Sell	589882	0.76
				30-Jun-2016	-31082	Sell	558800	0.72
				1-Jul-2016	-5737	Sell	553063	0.71
				8-Jul-2016	-61000	Sell	492063	0.63
				15-Jul-2016	-79117	Sell	412946	0.53
				22-Jul-2016	-60119	Sell	352827	0.45
				29-Jul-2016	-47713	Sell	305114	0.39
				5-Aug-2016	-56997	Sell	248117	0.32
				12-Aug-2016	-9551	Sell	238566	0.31
				26-Aug-2016	-45026	Sell	193540	0.25
				30-Aug-2016	-17053	Sell	176487	0.23
				2-Sep-2016	-21659	Sell	154828	0.20
				6-Sep-2016	-9001	Sell	145827	0.19
		9-Sep-2016	-25467	Sell	120360	0.15		
		16-Sep-2016	-19339	Sell	101021	0.13		
		30-Sep-2016	-35291	Sell	65730	0.08		
		7-Oct-2016	-43785	Sell	21945	0.03		
		14-Oct-2016	-21945	Sell	0	0.00		
		31-Mar-2017				0	0.00	

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2016)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017 / end of the year 31/03/2017)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
11	Copthall Mauritius Investment Limited	1552903	2.01	1-Apr-2016				
				6-May-2016	+140705	Buy	1693608	2.18
				13-May-2016	+188754	Buy	1882362	2.42
				5-Aug-2016	+175531	Buy	2057893	2.65
				12-Aug-2016	+747510	Buy	2805403	3.61
				19-Aug-2016	+34094	Buy	2839497	3.65
				26-Aug-2016	+119260	Buy	2958757	3.80
				30-Aug-2016	+43640	Buy	3002397	3.86
				30-Sep-2016	+227448	Buy	3229845	4.15
				7-Oct-2016	+221485	Buy	3451330	4.44
				23-Dec-2016	-3451330	Sell	0	0.00
		31-Mar-2017			0	0.00		
12	Pick Up Electronics Private Limited*	0	0.00	1-Apr-2016				
				9-Sep-2016	+500000	Buy	500000	0.64
				23-Sep-2016	+500000	Buy	1000000	1.29
				30-Sep-2016	+379741	Buy	1379741	1.77
				11-Nov-2016	-150000	Sell	1229741	1.58
				18-Nov-2016	-4263	Sell	1225478	1.58
				25-Nov-2016	+420259	Buy	1645737	2.12
				24-Feb-2017	-90000	Sell	1555737	2.00
				10-Mar-2017	-302945	Sell	1252792	1.61
				17-Mar-2017	-100000	Sell	1152792	1.48
				24-Mar-2017	-25000	Sell	1127792	1.45
		31-Mar-2017			1127792	1.45		
13	HSBC Global Investment Funds*	0	0.00	1-Apr-2016				
				23-Dec-2016	+3451330	Buy	3451330	4.44
				10-Feb-2017	-164870	Sell	3286460	4.22
				17-Feb-2017	-230727	Sell	3055733	3.93
				24-Feb-2017	-411404	Sell	2644329	3.40
		31-Mar-2017			2644329	3.40		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2016)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017 / end of the year 31/03/2017)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
14	Mirae Asset Emerging Bluechip Fund*	0	0.00	1-Apr-2016				
				24-Jun-2016	+61840	Buy	61840	0.08
				30-Jun-2016	+435640	Buy	497480	0.64
				1-Jul-2016	+66265	Buy	563745	0.72
				8-Jul-2016	+443281	Buy	1007026	1.29
				15-Jul-2016	+365787	Buy	1372813	1.76
				22-Jul-2016	+70487	Buy	1443300	1.86
				5-Aug-2016	+38077	Buy	1481377	1.90
				11-Nov-2016	+400000	Buy	1881377	2.42
				18-Nov-2016	+100000	Buy	1981377	2.55
				25-Nov-2016	+50000	Buy	2031377	2.61
				24-Feb-2017	+90000	Buy	2121377	2.73
				3-Mar-2017	+81836	Buy	2203213	2.83
		31-Mar-2017			2203213	2.83		
15	Ashish Kacholia*	0	0.00	1-Apr-2016				
				24-Feb-2017	+694098	Buy	694098	0.89
				3-Mar-2017	+19806	Buy	713904	0.92
				10-Mar-2017	+19000	Buy	732904	0.94
				17-Mar-2017	+399208	Buy	1132112	1.46
				24-Mar-2017	+69993	Buy	1202105	1.55
		31-Mar-2017	+271125	Buy	1473230	1.89		
16	Ashish Agarwal*	0	0.00	1-Apr-2016				
				24-Feb-2017	+731500	Buy	731500	0.94
				3-Mar-2017	+13655	Buy	745155	0.96
				10-Mar-2017	+22157	Buy	767312	0.99
				31-Mar-2017			767312	0.99
17	L & T Mutual Fund Trustee Ltd - L & T Mid Cap Fund*	0	0.00	1-Apr-2016				
				8-Apr-2016	+698400	Buy	698400	0.90
				19-Aug-2016	-50000	Sell	648400	0.83
				20-Jan-2017	+37800	Buy	686200	0.88
				31-Mar-2017			686200	0.88

Ceased to be in the Top 10 shareholders as on 31-03-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2016.

* Not in the list of Top 10 Shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 Shareholders as on 31-03-2017.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01/04/2016)		As on Benpos Date	Increase (+) / Decrease (-) in No. of Shares	Reason for [Increase (+) / Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017 / end of the year 31/03/2017)*	
		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-2016		Sale of shares		
				17-Feb-2017	-1900000			
				31-Mar-2017			13680776	17.59
2	Rajeev Gupta (Director and KMP)	18910	0.02	1-Apr-2016		Allotment of equity shares under KEI ESOS-2015		
				24-Sep-2016	+150000			
				31-Mar-2017			168910	0.22
3	Kishore Kunal (KMP)	45	0.00	1-Apr-2016		Allotment of equity shares under KEI ESOS-2015		
				24-Sep-2016	+42000			
				31-Mar-2017			42045	0.05
4	Archana Gupta (Director)	837315	1.08	1-Apr-2016		Nil Movement during the year		
				31-Mar-2017	0		837315	1.08
5	Vijay Bhushan (Director)	0	0.00	1-Apr-2016		Nil Movement during the year		
				31-Mar-2017	0		0	0.00
6	Vikram Bhartia (Director)	10000	0.01	1-Apr-2016		Nil Movement during the year		
				31-Mar-2017	0		10000	0.01
7	Pawan Bholusaria (Director)	7500	0.01	1-Apr-2016		Nil Movement during the year		
				31-Mar-2017	0		7500	0.01
8	Kishan Gopal Somani (Director)	1000	0.00	1-Apr-2016		Nil Movement during the year		
				31-Mar-2017	0		1000	0.00

* One of the reason for change in % of shareholding is - increase in share capital due to allotment of equity shares under "KEI-ESOS 2015" during the FY 2016-17.

V. INDEBTEDNESS:

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

(₹ in Millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
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
Total (i+ii+iii)	4,938.93	12.60	38.57	4,990.10
Change in Indebtedness during the financial year				
• Addition	4,296.31	250.00	24.14	4,570.45
• Reduction	(2,417.23)	(3.30)	(0.70)	(2,421.23)
Net Change	1,879.08	246.70	23.44	2,149.22
Indebtedness at the end of the financial year				
i) Principal Amount	6,809.71	259.30	62.01	7,131.02
ii) Interest due but not paid	21.76	-	-	21.76
iii) Interest accrued but not due	4.10	-	-	4.10
Total (i+ii+iii)	6,835.57	259.30	62.01	7,156.88

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	28.52	7.43	35.95
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	4.08	0.02	4.10
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	12.89	12.89
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	37.94 *	-	37.94
	- others, specify			
5.	Others, please specify			
	Total (A)	70.54	20.34	90.88
	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 his 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 Bholusaria (ID)	Mr. Kishan Gopal Somani (ID)	Mrs. Archana Gupta (NED)	
1	Independent Directors (ID)						
	• Fee for attending board committee meetings (including board meetings)	0.28	0.40	0.45	0.15	N.A	1.28
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (1)	0.28	0.40	0.45	0.15	-	1.28
2	Other Non-Executive Directors (NED)						
	• Fee for attending board committee meetings (including board meetings)	-	-	-	-	0.40	0.40
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	-	-	-	-	0.40	0.40
	Total (B)=(1+2)	0.28	0.40	0.45	0.15	0.40	1.68
	Total Managerial Remuneration						92.56 [#]
	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		2.23		2.23
	(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		3.61		3.61
3.	Sweat Equity		-		0.00
4.	Commission		-		0.00
	- as % of profit		-		0.00
	- others, specify		-		0.00
5.	Others, please specify		-		0.00
	Total		5.86		5.86

* 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)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For KEI Industries Limited

 Place : New Delhi
 Date : 27/05/2017

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

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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

The Members

KEI Industries Limited
L74899DL1992PLC051527
D-90, Okhla Industrial Area,
Phase-1, New Delhi -110020

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's 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, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliances – 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 31st March, 2017 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 2016-2017);
 - (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 2016-2017);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; (Not applicable to the Company during the Financial Year 2016-2017); and
- (vi) Employees Provident Fund and Miscellaneous Provisions 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) Industrial Dispute Act, 1947;
- (xii) Minimum Wages Act, 1948;
- (xiii) Payment of Bonus Act, 1965;
- (xiv) Payment of Gratuity Act, 1972;
- (xv) Payment of Wages Act, 1936;
- (xvi) Contract Labour (Regulation & Abolition) Act, 1970;
- (xvii) Maternity Benefit Act, 1961;
- (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 Uniform Listing Agreement entered into by the Company with BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and The Calcutta Stock Exchange Limited ("CSE").
- (iii) Securities and Exchange Board of India (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.

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 :-

- (i) The Company has made allotment of 560000 equity shares to eligible employees under "KEI – Employees Stock Option Scheme – 2015" pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014.
- (ii) The Company has signed Technical Collaboration Agreement with M/s Brugg Kabel AG, Switzerland to manufacture Extra High Voltage (EHV) cables above 220KV and upto 400KV at its manufacturing plant / facility located at Chopanki, District Alwar (Rajasthan).

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

- (i) Redemption / Buy-back of Securities;
- (ii) Major decisions taken by the members pursuant to Section 180 of the Companies Act, 2013;
- (iii) Merger / Amalgamation / Reconstruction etc.

CS BALDEV SINGH KASHTWAL
PARTNER
RSM & CO.
COMPANY SECRETARIES
FCS NO. 3616, C. P. NO. 3169

Place : Delhi

Dated : May 15, 2017

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

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.

CS BALDEV SINGH KASHTWAL
PARTNER
RSM & CO.
COMPANY SECRETARIES
FCS NO. 3616, C. P. NO. 3169

Place : Delhi

Dated : May 15, 2017

Annexure - D

ANNUAL REPORT ON CSR ACTIVITIES (FY: 2016-17)

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 08.08.2014 in accordance with the provisions of Section 135 of the 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 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, 2014 is as under:

Sl. No.	Name of the Director	Category	Profession
1.	Mr. Pawan Bholusaria	Independent Director (Chairman)	Chartered Accountant
2.	Mr. Anil Gupta	CMD (Member)	Business
3.	Mr. Rajeev Gupta	E D (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: 570.25
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): 11.40
5. Details of CSR spent during the financial year :
- a) Total amount to be spent for the financial year: 11.40
- b) Amount unspent, if any: 3.72
- c) Manner in which the amount spent during the financial year is provided as below:

S. 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 (i)	Art & Culture	CI (v)	Delhi	1.00	0.55	0.55	Through International Society for Krishna Consciousness (ISKCON)

S. 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
(ii)	Contribution to eligible institutions, universities for promoting education of underprivileged children	CI (ii)	Mathura (Uttar Pradesh)	2.50	2.50	2.50	Through International Society for Krishna Consciousness (ISKCON)
2.	Promoting health care	CI (i)	Kamrup (Assam)	0.50	0.20	0.20	Through Centre for North East Studies And Policy Research
3.	Promoting Education	CI (ii)	Valsad (Gujarat)	0.05	0.02	0.02	Through Maheshwari Seva Samiti
4.	Environmental Sustainability	CI (iv)	Alwar (Rajasthan)	0.30	0.25	0.25	Through Mukhyamantri Jal Swavlamban Abhiyan
5.	Promoting Education	CI (ii)	Valsad (Gujarat)	0.20	0.10	0.10	Through Shanti Mandir
6 (i)	Setting up shelter facility for Women, Orphans and old age	CI (iii)	Telangana (Andhra Pradesh)	2.50	1.60	1.60	Through Sri Vidya Saraswati Sri Shani Temple
(ii)	Eradicating Hunger	CI (i)		1.20	0.75	0.75	
7.	Environmental Sustainability	CI (iv)	Gurugram (Haryana)	1.00	0.21	0.21	Through the Earth Saviours Foundation
8.	Promoting Health Care	CI (i)	Tirupati (Andhra Pardesh)	2.00	1.50	1.50	Through Tirumala Triupati Devastharam Services
	Total			11.25	7.68	7.68	

6. In case the Company has failed to spend the two percent 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 finalizing 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 BHOLUSARIA)
Chairman of CSR Committee
DIN: 00092492

Date : May 27, 2017

Place : New Delhi

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 2016-17
Mr. Anil Gupta (Chairman-cum-Managing Director)	1:60	25%
Mr. Rajeev Gupta (Executive Director (Finance) & CFO)	1:15	12%
Mr. Kishore Kunal (Company Secretary & Compliance Officer)	1:40	16%

Clause under Rule 5(1)	Prescribed Requirement	Particulars
(iii)	Percentage increase in the median remuneration of employees in the financial year	10%
(iv)	Number of permanent employees on the rolls of Company	1184
(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 point out 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 - 8% ii) Average percentage increase in the salaries of managerial personnel - 22%
(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:

Sr. No	Name and Designation	Total Gross Remuneration (In Millions)**	Nature of Employment	Qualification	Experience (in years)	Date of commencement of employment in the Company	Age (in years)	Last Employment held before joining the Company
1	Mr. Anil Gupta, CMD	70.54	Permanent	B. Com	36	31/12/1992	58	NA
2	Mr. Rajeev Gupta, ED (Finance) & CFO	20.34	Permanent	B. Com (Hons.), CA	24	13/12/1993*	53	NA

Sr. No	Name and Designation	Total Gross Remuneration (In Millions)**	Nature of Employment	Qualification	Experience (in years)	Date of commencement of employment in the Company	Age (in years)	Last Employment held before joining the Company
3	Mr. Pawan Kumar Aggarwal, Executive Director (Projects)	17.47	Permanent	B.Sc., Diploma (Electronics)	35	01/10/1982	58	NA
4	Mr. Manoj Kakkar, Executive Director (Sales & Marketing)	10.93	Permanent	B.com, PGDM (Marketing)	28	18/12/1990	48	Premier Cable
5	Mr. Lalit Sharma, COO	8.44	Permanent	B.Tech., (E&C)	21	10/09/2007	42	Plaza Group
6	Mr. K C Sharma, Sr. VP (Operations)	7.48	Permanent	Diploma (Electrical)	35	18/01/1994	57	Victor Cables
7	Mr. Manish Mantri, Sr. VP (EPC)	7.33	Permanent	B.E. (Chemical)	22	24/01/2012	47	RR Kabel Ltd.
8	Mr. Adarsh Jain, GM (Finance)	7.06	Permanent	B.Sc., CA	20	16/09/2002	42	Jagdish Chand & Co.
9	Mr. Kishore Kunal, GM (Corporate) & Company Secretary	5.86	Permanent	B.com, CS, LLB	14	15/12/2004	35	Shri Rathi Steel Limited
10	Mr. Dilip Kumar Barnwal, VP (Operations)	5.48	Permanent	B.E (Electrical)	24	24/08/2005	50	Ruchika Cables Pvt. Ltd.

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

Except Mr. Anil Gupta, none of the above employees holds more than 2% of the paid-up capital of the Company.

* Appointed as Director w.e.f. April 21, 2006. However, he is working with the Company w.e.f. December 13, 1993.

** Total Gross remuneration also includes value of Stock Option to employees.

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 for impact on conservation of energy, steps taken by the Company for utilizing alternate sources of energy and capital investment on energy conservation equipment:

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:

- Roof top of Solar Power of 2 MW has been installed & is operating successfully.
- Transmission Line upgraded from 11KV to 33KV with dedicated feeder where Transit losses are minimal.

- Big capacity machines are being converted from DC motors and drives to AC motors and drives which will result in good energy saving.
- Use of latest energy efficient technology like solar powered systems, high efficiency VFD based motors, inverter based air conditioners and drives.
- Modification of rubber CCV lines & curing tanks. It saved steam of boilers.
- 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.
- Installation of Variable Frequency Drives based Motors & energy efficient UPS.
- Heating of hot water of curing tank is now done directly by LPG gas burner instead of boiler steam thus saving energy.
- 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, equipment, plants and machinery.

B. TECHNOLOGY ABSORPTION -

a) Efforts made towards technology absorption:

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

b) The benefits derived like product improvement, cost reduction, product development or import substitution:

c) 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. Installed a new PVC Compounding machine at Silvassa facility, thereby increasing the compounding capacity by 500 metric tons.
- Rubber compounds: Developed and modified compounds chemically as per European Standards for special applications for the Indian market's requirements.

d) Product Improvements:

- Diamond dies introduced for manufacturing compacted conductor.
- 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 equipment 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.

e) 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.
- Worked on increasing the productivity in Stainless steel plant by increased pipe-line lengths and improving the existing furnaces and wire drawing machines.
- Increased the productivity of lead extruder by 25%.
- Installed real-time cloud connected monitoring systems that are linked to motors of critical machines to sense and detect the frequency and speed, thereby enable live monitoring and thus reduce downtime and increase production.

f) 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 Resulted in Cost reduction and quality enhancement.
- Fine-tuned the existing tinning equipment and machines mechanically resulting in increased production capacity by 25%.

g) Future Plan of Action:

- Replace the maximum of existing energy consumption capacity with solar power with 17MW capacity.
- Since industrial water discharge and need for fresh water is an ecological crisis, we shall orient towards Zero Liquid Discharge, whereby waste water shall be purified and treated using ultrafiltration, reverse osmosis, evaporation/crystallization, and fractional electrode ionization.
- Facility generation for flexible house wire in Bhiwadi.
- Strengthening of EPC division.
- Development of Loca proof cables, elastomeric locomotive cables.
- Produced 400 kV Cable and shall be certified for type test and prequalification test by internationally accredited testing agency.
- 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.

h) 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.

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 2016-17, export sales of the Company increased to ₹ 3,793.19 millions from ₹ 1,909.80 millions in the financial year 2015-16. Your Company is continuing its sustained efforts to retain old customers and add new customers in various export markets. With management's focus, marketing strategies and dedicated efforts of Company's International Business Team, the Company is hopeful to make improvement in its export sales in the coming year.

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	₹ 3,793.19 millions
Outgo	₹ 5,523.53 millions

Place: New Delhi
Date: May 27, 2017

FOR AND ON BEHALF OF THE BOARD
(ANIL GUPTA)
Chairman-cum-Managing Director
DIN: 00006422

Management Discussion and Analysis

COMPANY OVERVIEW

KEI Industries Limited (hereinafter “the Company” / “KEI”) is a leading Indian manufacturer and supplier of power and other industrial cables. KEI is known for its unique product range with its portfolio of over 400 products backed by a widespread distribution network. The Company has strong brand equity and a robust business model that has continuously steered its growth over the years. It is one of the most trusted brands providing wiring solutions to both retail and institutional clients spread across the country. Through various operating excellence drives, KEI has substantially enhanced the value of its core offerings and is well positioned to tap the upcoming growth opportunities.

The Company is into three business divisions namely Cables, Stainless Steel Wires and Turnkey Projects. It offers wiring solutions and turnkey services to reputed private and public sector clients viz. Companies engaged in the power sector, oil refineries, railways, automobile manufacturers, cement manufacturers, steel, fertilizers, textile and real estate. It'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 wide mix of products, ranging from Extra High Voltage (EHV), High Tension and Low Tension (HT & LT), Control and Instrumentation Cables, Specialty Cables, Rubber Cables, Flexible and House Wires to Submersible Cables. It also offers many niche products like fire survival cables, zero halogen cables and braided cables.

The Company had entered in EHV cables business in 2010, with a technical collaboration with Switzerland based BruggKabel AG for producing EHV cables (ranging from 66kV to 400kV) at its Chopanki (Rajasthan) facility. It has other state-of-the-art manufacturing facilities located at Bhiwadi, Chopanki, and Silvassa.

Through its Stainless Steel Wire Division, it manufactures a distinctive range of specialty wires, which are used for critical applications across different industries.

The Company had entered into Engineering, Procurement and Construction (EPC) business in 2008 unfolding another area for growth.

In this segment, it proffers extensive turnkey solutions including design, engineering, material procurement, field services, construction and project management services. The offerings 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.

During the last Financial Year, CARE upgraded rating assigned to Long Term Bank Facilities availed by the Company from ‘CARE BBB+’ (Triple B Plus) to ‘CARE A-’ (Single A Minus) & Short Term Bank Facilities from ‘CARE A3+’ (A Three Plus) to ‘CARE A2+’ (A Two Plus). ICRA Ltd. assigned rating ‘[ICRA] A-’ (pronounced ICRA A Minus) to Long Term Bank Facilities & ‘[ICRA] A2+’ (pronounced ICRA A Two Plus) to Short Term Bank Facilities availed by the Company.

ECONOMIC REVIEW

World Economy:

Global economic activity is picking up with a long awaited cyclical recovery in investment, manufacturing, and trade. Economic activity gained some momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth after five quarters of a drag. Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit).

World growth is projected to increase to 3.5% in CY 2017 and 3.6% in CY 2018. Together with amodest change in the forecast for the overall global growth rate, projections of the strength of economic activity across country groups have also shifted. Economic activity in advanced economies is forecasted to grow by 2% in CY 2017 and at the same rate in CY 2018. The stronger outlook in advanced economies reflects a projected cyclical recovery in global manufacturing.

Economic performance across emerging market and developing economies has remained mixed. China's growth remained strong, reflecting continued policy support, whereas, India witnessed a slowdown in activities owing to the impact of

the currency exchange initiative. Emerging market and developing economies is forecast to grow by about 4.5% and 4.8%, respectively, in 2017 and 2018. This reflects a stabilisation or recovery in a number of commodity exporters, some of which underwent painful adjustments following the drop in commodity prices, and strengthening growth in India, partially offset by a gradual slowdown of the Chinese economy.

Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs in early 2016. Oil prices increased by almost 20% between August 2016 and February 2017, in part due to the agreement by the OPEC and other producers to cut oil production. (Source: World economic outlook Report dated April 2017)

Indian Economy:

By passing the risk of slowdown due to demonetisation, the Indian economy is estimated to have grown at 7.1% in FY17 according to the CSO. However, this growth rate would still be lower compared with the impressive 7.9% growth recorded in FY16. The GDP growth of FY17 is expected to be supported by the agricultural sector growth of 4.4% vis-à-vis 0.8% growth recorded in FY16 and a subdued growth recorded for industry (5.8% as against 8.2% in FY16) and service (7.9% compared to 9.8% growth in FY16) verticals.

In the fiscal year FY17, the Gross Fixed Capital Formation (GFCF) recorded a decline to 26.9% of GDP as against 29.2% of GDP recorded in FY16. Lower private sector spending led to low capacity utilisation which in turn hampered the overall investment in the economy. Also private sector investment in infra has not yet picked up.

Inflation displayed a mixed picture in FY17. While CPI inflation moderated during the course of the year, from 5.4% in April 2016 to 3.8% in March 2017, aided by lower food prices, the WPI inflation increased continuously during the year from 0.8% in April 2016 to end the year at 5.7% in March 2017 with an increase in fuel and manufactured goods prices. In FY18, there is an upside risk to the inflation due to a possible increase in global crude oil prices and firming up of commodities. Back home, any disturbance in spread of monsoon, impact of the 7th Pay Commission allowances and GST implementation could exert an upward pressure on the prices.

The Indian economy is expected to embark on a higher economic growth trajectory in FY18 owing to many proactive measures taken by the government, complimented by favourable economic conditions expected to prevail during the course of the year. The economy is expected to grow at 7.5% in FY18 on

the back of increased agricultural production, owing to prediction of near normal monsoons this fiscal, increased government spending in infrastructure, expected surge in consumer spending with pent up demand being satiated and implementation of the Goods and Services Tax (GST).

Investment is likely to be driven in FY 18 mainly by the Central Government which is expected to concentrate on spending on roads, railways and urban development. With more than 92% of the power consumption states adopting UDAY, these state Distribution companies (discoms) are expected to improve their T&D infrastructure through renewed capex. Private sector investment in infra may come with a lag while that in manufacturing would be contingent on links between higher consumption and capacity utilisation across sectors. Although, overall investments are likely to see an improvement, it could be marginal in nature and as a percent of GDP is expected to continue to be below the levels seen during FY 12-FY 16 (34.3% to 29.2%)(Source: CARE report dated May 8, 2017).

Indian Railways has unveiled Mission 41k initiative, aimed at saving ₹ 41,000 crore on its expenditure on energy consumption over the next 10 years by doubling the annual rate of electrification from 2,000 km to 4,000 km in the next two years.

The Ministry Of Urban Development has approved investment of ₹ 2,863 crore (US\$ 433 million) in six states under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, for improving basic urban infrastructure over FY 2017-20.

The growth of government infrastructural spending, increasing residential and commercial construction activities, and industrial production are expected to propel the demand in India manifold, thus offering new opportunities. The growth of residential and commercial construction and the growth in infrastructure development in the country are expected to spur growth for this segment over the coming years.

INFRASTRUCTURE & POWER SECTOR SCENARIO

Infrastructural sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world-class infrastructure in the country. In the Union Budget 17-18, the government has allocated ₹ 3.96 Lakh crore towards infrastructure development of the country as against ₹ 3.48 Lakh crore in the previous budget. Railway expenditure allocation has increased by 8 per cent to ₹ 1,31,000 crore for laying down 3,500 km of railway lines in FY 2017-18.

Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

Indian power sector is undergoing a significant change that has redefined the outlook of the industry. Sustained economic growth continues to

drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower). Total installed capacity of power stations in India stood at 3,26,848.53 Megawatt (MW) as of March 2017 and is well diversified as under:

All India Installed Capacity (MW) Region – wise as on 31.03.2017

Region	Thermal				Nuclear	Hydro	RES	Grand Total
	Coal	Gas	Diesel	Total				
Northern	51329.20	5781.26	0.00	57110.46	1620.00	19311.77	11539.36	89581.59
Western	68293.62	11203.41	0.00	79497.03	1840.00	7447.50	18304.43	107088.96
Southern	43382.02	6473.66	761.58	50617.26	3320.00	11739.03	26132.07	91808.36
Eastern	28578.02	100.00	0.00	28678.02	0.00	4738.12	990.74	34406.87
North-East	580.02	1771.05	36.00	2387.07	0.00	1242.00	281.12	3910.19
Islands	0.00	0.00	40.05	40.05	0.00	0.00	12.52	52.57
ALL INDIA	192162.88	25329.38	837.63	218329.88	6780.00	44478.42	57260.23	326848.53

(Source: http://www.cea.nic.in/reports/monthly/executivesummary/2017/exe_summary-03.pdf)

The Ministry of Power has set a target of 1,229.4 billion units (BU) of electricity to be generated in the FY 17-18, which is 70 BU's higher than FY 16-17 achievement. In line with the Government's commitment to reduce carbon emission and enhance its renewable portfolio, for the financial year 2017, the growth rate in renewable energy generation and conventional energy generation has been estimated at 27% and 18% respectively (Source-<https://www.ibef.org/industry/power-sector-india.aspx>).

During FY 16-17, the government has added 11,551 MW of thermal capacity, 1,659 MW of Hydro capacity and 1,000 MW of Nuclear capacity. Also, for the first time since Independence, India exceeded the Five Year Plan target. Under the 12th Five Year Plan (FY 12-17), the Government has added 99.2 GW of power generation capacity, thereby surpassing its target of 88.5 GW during the period.

(Source: http://www.cea.nic.in/reports/monthly/executivesummary/2017/exe_summary-03.pdf)

Between April 2000 and December 2016, the industry attracted US\$ 11.4 billion by way of Foreign Direct Investment (FDI). Around 293 global and domestic companies have committed to generate 266 GW of solar, wind, mini hydel and biomass-based power in India over the next 5–10 years. The initiative would entail an investment of about US\$ 310–350 billion.

The Central Electricity Authority (CEA) expects investment in India's power transmission sector to reach ₹ 2.6 lakh crore (US\$ 38.85 billion) and to enhance the transmission capacity of the inter-regional links by 45,700 megawatt (MW), during the 13th FYP (2017-22).

Below are some the facts about the 12th plan which clearly signifies the growth of power sector in India:

Capacity Addition Targets and Achievements in the 12th Plan

Type/Sector	Targets (MW)				Achievements upto March, 2017 (MW)			
	Central	State	Private	Total	Central	State	Private	Total
Thermal	14,878.0	13,922.0	43,540.0	72,340.0	15,868.6	22,201.4	53,660.5	91,730.5
Hydro	6,004.0	1,608.0	3,285.0	10,897.0	2,584.0	2,276.0	619.0	5,479.0
Nuclear	5,300.0	-	-	5,300.0	2,000.0	-	-	2,000.0
Total	26,182.0	15,530.0	46,825.0	88,537.0	20,452.6	24,477.4	54,279.5	99,209.5
Achievement %					78.1	157.6	115.9	112.1

(Source: http://www.cea.nic.in/reports/monthly/executivesummary/2017/exe_summary-03.pdf)

Renewable Energy-growing significance:

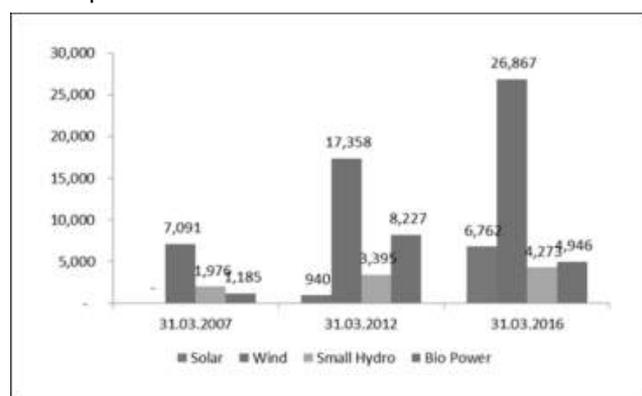
The International Energy Agency's World Energy Outlook projects a growth of renewable energy supply from 1,700 GW in 2014 to 4,550 GW in CY 2040 across the world.

Global renewable generation capacity at the end of 2016 stood at 2006 GW. 161GW renewable generation capacity was added in 2016. The growth in renewable capacity addition during 2015 was 8.7%. Share of Asia in renewable capacity addition in 2015 was 58%. (Source: IRENA) (http://www.irena.org/DocumentDownloads/Publications/RE_stats_highlights_2017.pdf)

In order to arrest the climate change and in view of the depleting conventional energy sources, India is taking firm steps towards development of renewable energy. India has significant potential of electricity generation from Renewable Energy Sources. The Renewable Energy (RE) potential in India is estimated as 896,602 MW comprising of 748,990 MW of Solar Power, 102,772 MW of Wind Power, 19,749 MW of Small Hydro Power and 25,090 MW of Bio-Energy.

The Government of India, in pursuit of energy security and minimizing impact on environment, has been prioritising the development of RE sector through its policies and programmes. Wind, Solar and Small Hydro are three emerging renewable energy sources.

Development of RE in India



(Source: DNEP Dec, 16)

Power Transmission-on a firm footing:

The central sector had planned to add 9,751 ckm of lines over the course of FY16-17, and actual line additions by the central sector were 11,669 ckm. Similarly, the private players have also achieved a higher quantum of 4,578 ckm of transmission line addition, as compared to the planned 2,075 ckm for FY16-17. This outlines the impetus to the sector, where private entities are also actively participating

through the Tariff Based Competitive Bidding (TBCB) route and gradually increasing their share in the transmission sector.

Below table Target and Achievement of Transmission Lines during FY16 and FY17:

Particulars	FY16		FY17	
	Programme	Achievement	Programme	Achievement
Central	9,014	14,238	9,751	11,669
State	11,975	11,474	11,558	10,053
Private	2,723	2,402	2,075	4,578
Total	23,712	28,114	23,384	26,300

At the end of the 11th FYP, the inter-regional transmission capacity (132kV and above) stood at 27,750 MW. During the 12th FYP, 29,700 MW of inter-regional transmission capacity has been added, taking the total inter-regional transmission capacity (132kV and above) to 57,450 MW as on March 31, 2016. The total inter-regional capacity addition planned in the 13th FYP (2017-18 till 2021-22) is 47,500 MW, to increase the present inter-regional capacity of 63,650 MW (as on November 2016) to 118,050 MW by 2021-22. This is to be done through several Interregional corridors and system strengthening projects.

In order to increase competitiveness in the sector, tariff based competitive projects have propelled the private sector additions as well. So far 35 projects have been put up for bidding through this route and four additional projects are expected to be bid out soon.

Transmission Lines Added during Apr '15 to Mar'16 & Apr '16 to Mar'17 (Ckms):

Voltage level	Apr 15 – Mar 16	Apr 16 – Mar 17
+/- 500 KV HVDC	0	0
+/- 800 KV HVDC	3506	2618
765 KV	5601	6995
400 KV	11181	10657
220 KV	7826	6030
All India	28114	26300

(Source: http://www.cea.nic.in/reports/monthly/executivesummary/2017/exe_summary-03.pdf)

Rural electrification gets a boost

In order to provide a boost to the power sector, the Government has set a target of electrifying 18,452 villages by May 2018 under 'Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)'. Of the 18,452 unelectrified villages in the country, 13,563 have been electrified up to 25th May 2017(that constitutes to about 73% of the total unelectrified villages) and

the remaining are expected to be electrified by May 2018. During FY16-17, 6,105 unelectrified villages were electrified which was very high as compared to last few years. (Source: <https://garv.gov.in/garv2/dashboard/garv/>)

UDAY Scheme

Government of India announced the UDAY scheme in Nov-15 with an aim to turnaround the finances of state discoms. Unlike earlier restructuring packages, UDAY focused more on improving the operational efficiencies than merely increasing tariffs. As on March 2017, 25 states have signed MoUs to join the UDAY program.

Despite several states joining the UDAY program, the power demand continues to be weak across the country. Weak power demand is a confluence of several factors like weak IIP and poor financial health of Discom. However, it is important to note that states have already issued UDAY bonds to the tune of ₹ 2.23tn till date, which is substantial, considering ₹ 3.96tn of Discom debt. The same would certainly help in easing Discom finances for FY18E. (Source: https://www.uday.gov.in/images/UDAYJourneyppt_29032017.pdf)

Substantial progress has already been made on feeder metering and going ahead, the government is committed to installing smart meters as well, which would also help in reducing AT&C losses. As per data released, AT&C losses have come down to 19.68% in March, 2017 from about 24% a year ago. At the end of March, 2017, the ACS-ARR gap stood at ₹ 0.49/unit, down from ₹ 0.56/unit on March 31, 2016. Given that 1,134,631 million units of electricity were consumed in FY17, the narrowing of the ACS-ARR gap translates into savings of over ₹ 7,900 crores. Additionally, continued government thrust on rural electrification as well as '24x7 - Power for all' should help in driving power demand over next 1-2 years. (Source: <http://www.financialexpress.com/economy/uday-points-a-brighter-picture-saves-rs-7900cr-for-discoms/684521/>)

Key Highlights of budget:

- With a target to achieve 100% electrification by May 2018, the allocation under Deendayal Upadhyaya Gram Jyoti Yojana has been increased to 4.8 billion in FY18.
- Government aims at connecting 7,000 railway stations through solar power. Currently, India produces around 9,000 MW of solar energy, which had been pledged to increase to 20,000 MW by 2020. Also, 50 special solar parks would be established, such that each of these parks generate a minimum of 500 MW power every year.

- The Budget 2017-18 endeavors to encourage solar power generators by reducing custom duty from 5% to Nil on solar tempered glasses used in manufacturing of solar cells/panels/modules and excise duty from 12.5% to 6% on parts/raw material used in manufacturing of solar tempered glasses.
- Railway lines of 3,500 kms will be commissioned in 2017-18 as against 2,800 kms in 2016-17. During 2017-18, at least 25 stations are expected to be awarded for station redevelopment.
- The Government of India will be spending ₹ 850,000 crore over the next five years to modernise Indian Railways for which they have received a 30 year loan from LIC. The Cabinet also cleared the ₹ 82,000 crore (US\$ 12.3 billion) dedicated freight corridor for decongesting existing network.
- Government proposes to construct 1 crore houses by CY 2019 for the houseless and those living in kutcha houses. The total outlay for Pradhan Mantri Awaas Yojana - Gramin has surged from ₹ 15,000 crores in 2016-17 to ₹ 23,000 crore in 2017-18 which will lead to a significant off-take in demand in the sector.
- The budget for 2017-18 projected an estimate of nearly ₹ 30,000 crore being collected in the form of Clean Environment Cess and transferred to the National Clean Environment Fund. The overall objective of the NCEF is financing and promoting clean energy initiatives, 'funding research and innovative projects in clean energy technologies'.

Thrust on renewable energy:

The Government of India is taking a number of steps and initiatives to promote the renewable energy sector viz:

- 10-year tax exemption for solar energy projects.
- Targeted of adding 175 GW of renewable energy, including addition of 100 GW of solar power by the year 2022.
- The government has also sought to restart the stalled hydro power projects.
- Increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

Challenges:

Thermal capacity addition is plagued by the growing fuel availability concerns faced by the Industry. While a significant gas based capacity of ~25GW is facing severe issues due to non-availability of gas. Due to aggressive tariff bids by the private sector and the

recent Hon'ble Supreme Court order rejecting the compensatory tariff, lot of thermal power capacity are incurring huge losses due to significant under-recoveries.

Years of populist tariff schemes, mounting AT&C losses and operational inefficiencies have adversely affected the financial health of State Discoms which are currently plagued with humongous outstanding debts.

Over the last 4-5 years, the lending rates have increased significantly from the time of project appraisal resulting in project cost overrun and hence higher end tariffs. Increasing power generation costs, poor financial health of State Discoms, high AT&C losses have contributed in suppressed demand projections by State Discoms.

The current micro level policies governing the fuel cost pass-through viz. mega power policy and competitive bidding guidelines are not in consonance with the macro framework like The Electricity Act 2003 and the National Electricity Policy. This is likely to result into execution challenges for the sector. ([http://smartinvestor.business-standard.com/market/ipoNews-235942-Indias Power Sector Five key challenges and solutions.htm](http://smartinvestor.business-standard.com/market/ipoNews-235942-Indias-Power-Sector-Five-key-challenges-and-solutions.htm)).

Outlook:

Global electricity consumption is expected to increase at a CAGR of about 4.3 per cent over the next decade. This is being driven by rapid economic and population growth, primarily in developing countries.

Globally, around 1,760 GW of new capacity is planned or proposed to be added over the ten-year period of 2016–25.

About 1,351,920 km of lines at the 100 kV and above voltage levels are estimated to be added across the globe by 2025. Of this, about 8 per cent is expected to be based on DC technology. Underground and under sea cables will account for 1.4 per cent and 0.8 per cent, respectively. Most of the lines (30 per cent) shall be at 220–287kV, while 6.7 per cent shall be constituted by UHV lines. During 2016–25, Asia will account for close to three-fourths of the total new line length addition, with plans to add over 970,537 km of transmission lines. Around 5,752 GVA of transformer capacity will be added globally between 2016 and 2025. (Source: Global transmission report)

The Indian power sector has an investment potential of ₹ 15 trillion (US\$ 225 billion) in the next 4–5 years, thereby providing immense opportunities in power

generation, distribution, transmission - equipment. The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling from the current level of electricity generation to provide 24x7 power for residential, industrial, commercial and agriculture customers. The Government is taking a number of steps and initiatives in order to achieve the set targets which will unfold a bright future for sector.

The wires and cable segment comprises nearly 40 per cent of the electrical industry in India. The increasing demand for power, light and communication has kept demand for wires and cables high, growing at a CAGR of 15 per cent, boosted by momentum in the power and infrastructure segments. Size of High Voltage cable > 132 kV is estimated at USD 300 million. Size of MV cable (11kV to 66kV) and LV cable is estimated at USD 900 million & USD1.8 billion respectively. Size of house / building wires is conservatively estimated at USD 800 million with a planned addition in 12th FYP at 78,700 MW. The present estimated per capita consumption is only about 0.5 kg. As Government is focusing on 'Make in India', the industry can grow at similar rate for the next five years. (Source: <http://www.powertoday.in/News/The-wires-and-cable-industry-in-India/101106>)

BUSINESS OVERVIEW

The Company's gross revenue stood at ₹ 2835.20 crores growing 13.50 % from ₹ 2498.02 crores in FY 2015-16. This was backed by volume growth of 15 % during the year under review. Net profit for the year was at ₹ 98.63 crores witnessing a healthy uptick of 58.57%.

During the year under review, KEI achieved a robust topline growth which was driven by a strong performance across domestic, export and strong demand in T&D division. While the exports sales doubled during the year, domestic sales also did well on the back of increasing dealer network. Favourable macroeconomic developments, strong order book, growing distribution network and new projects provided further boost to the revenue growth in FY 2016-17.

Cable division grew by 12.09% and clocked a revenue of 2141 crores in FY 2016-17 as against ₹ 1910 crores reported in FY 2015-16. Within the cable segment, EHV declined from ₹ 134 crores to ₹ 101 crores owing to an upgradation at Chopanki plant. The production has returned to normalcy and the segment has a healthy order book and is well equipped to cater future demand from FY 18 onwards. Moreover, sales of LT cable and HT cable jumped 15.3% over the last year.

The Company's clocked a revenue of ₹ 592 crores in FY 16-17 as against ₹ 498 crores as reported in FY 15-16, in the EPC division, thereby growing at 18.88%.

Given the Government's thrust on renewable energy projects and rural electrification Transmission and Distribution sector, remained primary growth drivers for the Company. FY 15-16 saw an addition of around 28,114 Ckm of transmission lines (220kV and above) and in FY16-17 another 23,384 Ckm of transmission lines (220kV and above) is expected to be further achieved. Apart from this, Investment of ₹980 billion is planned by state transmission utilities of 17 states over the next three years.

Transmission and distribution sector should see sustained investments from PGCIL and the state transmission utilities. PGCIL has incurred a maintained capital expenditure between ₹ 200 - 220 billion since FY13 until FY16. For the current fiscal, capital expenditure allocation from the erstwhile ₹ 225 billion has been revised to ₹ 240 billion and another ₹ 250 billion is planned over FY17-18 for the construction of transmission lines. EHV segment has benefited immensely from these developments and is likely to continue delivering robust performance even in future.

Going forward, the Company expects strong growth emanating from the sector in coming years and is well prepared to cater the demand with its expanded capacities.

Retail Division:

The Company's retail business comprises House Wires, HT, and LT Cables and contributes nearly 30.50 % of the Company's total revenue. Retail sales reported a growth of 12.90 % rising from ₹ 721 crores in FY 2015-16 to ₹ 814 crores in FY 2016-17.

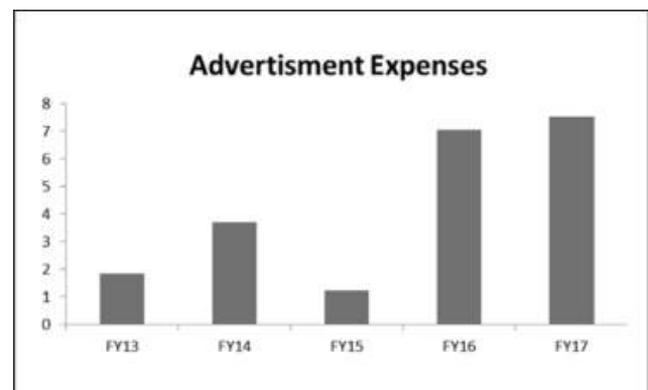
Among various products, house wires are sold through dealer networks. Within cables, 23% of LT+HT cables are sold through the retail network. KEI has strategically increased its focus on the retail segment. The Company aims at achieving half of the revenue from the retail segment by FY20.

The Company is aggressively adding dealers and distributors across the country, especially in tier 1 and tier 2 cities. It has added more than 221 New Dealer/ Distributor in the current financial year taking the total to 1,147 dealer network as on March 2017, growing 9 folds since 2011. Product and quality offering, specialist positioning and brand enhancing activities and strengthening of the distribution and dealership network led to sales growth in FY 2016-17. As a fair remuneration policy, the Company formulated attractive incentive schemes for dealers.

KEI has embarked on a brand-building exercise for the past several years and has spent ₹ 7.53 crores in FY17 on advertising in both print and TV, which has been much higher than past few years. KEI's brand recognition has substantially improved due to aggressive advertisement campaigns, outdoor marketing, and high-profile sponsorships. The Company has been continuously spending in ads across the Media-Print, Air, Audio visual and Digital medium. Further, the Company has also taken other initiatives such as sponsoring IPL team - Kings XI Punjab, association with regional exhibitions held by reputable bodies. The Company promoted its brand aggressively in the overseas market also like Middle East, South East Asia and Europe, etc.

After catering to various industries for five decades, it is the first time that KEI has collaborated with a celebrity -Irrfan Khan- to take its vision forward. Now, as a brand KEI has decided to get more aggressive in the house wire segment. In the coming years, the Company wants to find a place in every Indian household. For the first time, the brand has undertaken a multimedia campaign that will harness the reach of social media channels, along with TV and print.

Below charts demonstrate KEI's focus on retail segment:





Going forward, the retail business will become an important constituent for the Company due to low working capital requirements and better realisations. KEI expects to improve the contribution of this segment to increase from current 30% to 50% in next 2-3 years.

Exports:

Exports account for nearly 14.20% of KEI's earnings. KEI is a trusted name in the International market with presence in over 45 countries, across the globe with a focus on the oil & gas and utilities segment. The Company offers wide range of cables viz. EHV Cables MV (11kV to 33kV) and LV (< 11kV) cables to its overseas customers. It offers competitive pricing and has ability to offer customised solutions. Recently, the Company bagged approvals for large projects in Middle East & Africa. It has opened a new office in Singapore, Nigeria, apart from the existing

office in Dubai/Abu Dhabi. With this, the export market is expected to at grow at rapid pace. The Company has also gained presence in Korea and through its subsidiary company in Australia.

The Company's export revenues jumped to ₹ 379 crores in FY 2016-17 pegging a growth of 98.43%. The export order book is at ₹ 191 crores as on March 31, 2017.

Institutional Business:

The revenues from EPC business pegged a strong growth during the year of 18.88%. Most of the orders in this segment pertain to Integrated Power Development Scheme (IPDS) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY). Also KEI is actively pursuing new tenders in different states. The Company is also witnessing good growth in the metro segment and is supplying to most of the metros in India which are at the execution stage in Delhi, Lucknow, Bengaluru, Chennai and Hyderabad. Further, there are few metros in Maharashtra which are in the tendering stage, the execution of which is expected to take place this year.

A new Line of 400 kV started in January 2017 at Chopanki Plant. With commercial production, KEI is only third Company in India to manufacture EHV cables. The demand for EHV cables in the country has so far been met through imports.

Outlook:

In India, T&D segment offers tremendous opportunity as large scale investment by the Central and State Government is unfolding in the form of higher energy demand, integration of renewable energy in the grid, strengthening sub-transmission and distribution systems, reducing T&D losses and electrifying villages. KEI being a key player is likely to significantly benefit from this. Also, modernisation of Indian Railways and growth in real estate through various government initiatives, oil & gas, and ship building shall drive the growth for the Company in the coming years.

Opportunities in major segments:

Power & Infrastructure: Infrastructure spending is estimated at USD 1 trillion in the next five years. Of this, FDI is estimated at USD 250 billion, while USD 750 billion is expected to be mobilised locally. With this, the demand for cables is estimated at USD 3 billion (including EHV, MV and LV cables), which shall be used for transmission and distribution purposes.

EPC: EPC industry is projected to be a multi-billion-dollar industry. It is on the threshold of an exponential growth due to gigantic scale of infrastructure opportunities. Consumption of cables in turkey EPC

power project account for nearly 70% of the total project cost.

Building and Construction: Demand for Urban Premium housing is set to grow to ₹ 757 billion in FY 20 from ₹ 116 billion in FY 09. Also, office space is forecasted to grow at a CAGR of 29.5% from 19.6 million sq ft in 2009 to 42.6 million sq ft in 2013. Whereas, the demand for wires is expected to register a CAGR of 13% over the next 7-8 years.

With the completion of capacity expansion across the plants during the year, expansion of dealers in retail market and exports on cards, the Company is expected to clock a good growth in FY 2017-18. With expanded capacity, EHV segment is poised do well with high operating margins. Moreover, healthy order book across the business would ensure that capacities are utilised optimally, thereby boosting margins and bottom line.

RISKS AND CONCERNS

The success of the Company is dependent on how it manages the risk inherent to its the business. KEI operates in an environment which is highly dependent on commodities. Additionally, the Company operates in highly competitive segments, which are widely affected by the currency rates and changes in the Government policies. Further in the turnkey projects, longer collection period make the risk management an even more indispensable exercise.

Some of the major risks and the measures in the way the Company mitigates them are as under:

Risk Issues & Concerns Mitigation strategy

Changing Government Policies

Issues & Concerns:

EHV and EPC segment of the business are directly affected by Government policies, thus affecting important divisions of the Company. These segments do well under a steady policy regime and vice-a-versa.

Mitigation strategy:

The Company endeavours to focus on increasing the retail business which as such remains unaffected by the change in the policy.

Cyclical Risk

Issues & Concerns:

The Company's primarily operations cater to the needsofcyclical businesses and thus Company's revenues are subject to volatility in interest rate and capex cycles.

Mitigation strategy:

- The Company reduces this risk by diversifying its areas of operations across sectors.
- Cyclical risk is taken care of by balancing cyclicity risk present in the local market by exploring opportunities overseas.

Competition Risk

Issues & Concerns:

The Company offers the products which are highly competitive and thus faces threat from other players in the market.

Mitigation strategy:

- The Company follows a sound defensive strategy which is incredibly important in the competitive market. Responding to competitors is considered on top priority for business.
- It believes in strengthening its presence through brand building and strengthens existing business by providing high-quality products.
- It has wide spread distributor base and tries reaching out to potential customers through various marketing initiatives targeted at increasing the brand visibility.

Raw Material Price Fluctuation Risk

Issues & Concerns:

- The Company is exposed to volatility in its crucial raw material like copper and aluminium, which can adversely impact the profitability of the Company.
- To mitigate the risk of prices in raw material the Company attempts to recover prices change in key raw material by either passing on the risk to customer or hedging, however, there is no assurance that it can do so successfully in the future.

Mitigation strategy:

- The Company does strict monitoring of prices and adopts appropriate strategies to tackle such volatility.
- The Company has price escalation clauses for large orders and three-month price validity clause for smaller projects to mitigate the risk.

Currency Fluctuations Risk

Issues & Concerns:

- Imported raw material which the Company uses, are exposed to exchange rate fluctuations and can adversely affect the cost thereby impacting margins adversely.

- Exports contribute a key share in the Company's total revenue, thus volatility in the foreign currency rates can have significant impact on the profitability of the Company.

Mitigation strategy

- The Company monitors currency movements closely and adjusts its order book accordingly wherever needed.
- The Company maintains close to 90 days of inventory of raw materials WIP and finished goods and counter balances it with securing orders. This creates a natural hedge in buying and selling.

Human Resource Risk

Issues & Concerns

The Company believes human resources as vital asset and may not be able to execute its ambitious growth plans in the absence of human resources. Quality human resources is critical to its business operations.

Mitigation strategy

The Company has well-established HR policies and follows best in class practices in the industry to develop nurture and retain talent.

HUMAN RESOURCES

As the Company is moving towards consumer centricity, it is vital to keep the people motivated and constantly aligned to the business vision. The Company's human resource philosophy is focused on empowering employees with the essential skills and endow them with aspirations.

The Company regularly invests in human capital and strengthens the HR system by recruiting best talent from the industry. The company motivate and retain the best talent by providing

challenging opportunities. Employee diversification is also ensured in this process in order to be more effectually achieve the Company's mission and its strategic objectives, both in the short and long term.

The Company is cognizant of the importance of ensuring the placement of the right competencies and skills to meet the organizational goals as well as the future demands of the business. Employee planning is done integrally to match the transforming consumer requirements. The Company's learning and development programme is geared to ensure that employees remain updated and abreast of the external and internal changes, at all times. In addition to internal programmes for growth and development of employees, the Company has also formed several strategic alliances with various stakeholders to promote and secure support for employees and organizational excellence.

As people are central to the Company's consumer-oriented business model and a strong propeller of growth strategy, the Company remains committed to implementing the best HR practices to ensure collaborative progress in a spirit of nurturance, enabled by an employee-friendly environment.

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.

Corporate Governance Report

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 31st March, 2017 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, 2017 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.

Note: Board of Directors at its meeting held on 10th May, 2017 had appointed Mr. Akshit Diviaj Gupta as an Additional Director and has also appointed him as a Whole Time Director of the Company for a period of 5 (five) years w.e.f. 10th May, 2017 to 09th May, 2022 subject to the shareholder's approval at the ensuing Annual General Meeting of the Company.

- (B) Details of Directors as on March 31, 2017, their attendance at the Board Meetings and Annual General Meeting during the financial year ended March 31, 2017 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 2016-17	No. of the Board Meetings attended during the Financial Year 2016-17	Attendance at last AGM (September 06, 2016)	No. of Committee positions held in other Public Limited Companies	
						Chairman	Member
Mr. Anil Gupta (DIN: 00006422)	Non-Independent, Executive (Promoter & CMD)	1	5	5	Yes	None	None
Mrs. Archana Gupta (DIN: 00006459)	Non-Independent, Non-Executive	2	5	5	No	None	None
Mr. Pawan Bholusaria (DIN: 00092492)	Independent, Non-Executive	1	5	5	Yes	None	2
Mr. Kishan Gopal Somani (DIN: 00014648)	Independent, Non-Executive	1	5	3	No	None	None
Mr. Vijay Bhushan (DIN: 00002421)	Independent, Non-Executive	4	5	4	No	1	4
Mr. Vikram Bhartia (DIN: 00013654)	Independent, Non-Executive	None	5	5	Yes	None	None
Mr. Rajeev Gupta (DIN: 00128865)	Non-Independent, Executive	None	5	5	Yes	None	None

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

During the financial year 2016-17 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 2016-17.

During the year ended March 31, 2017, 5 (Five) Board Meetings were held and these were on May 21, 2016, July 20, 2016, September 22, 2016, November 05, 2016 and February 02, 2017.

The last Annual General Meeting (AGM) of the Company was held on September 06, 2016.

- (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 as on 31 st March, 2017
Mrs. Archana Gupta	Non-Executive, Director	837,315
Mr. Pawan Bholusaria	Non-Executive, Independent Director	7,500
Mr. Kishan Gopal 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 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, 2017 one meeting of Independent Directors was held on March 29, 2017.

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 Bholusaria	Chartered Accountant	1	1
Mr. Kishan Gopal 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 of 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 2016-17:

During the year ended March 31, 2017, 5 (five) Audit Committee Meetings were held on May 21, 2016, July, 20, 2016, September 22, 2016, November 05, 2016 and February 02, 2017.

Mr. Pawan Bholusaria, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 06, 2016.

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

Name of the Director	Category	Profession	No. of Meetings held	No. of Meetings attended
Mr. Pawan Bholusaria	Independent Director (Chairman)	Chartered Accountant	5	5
Mr. Kishan Gopal Somani	Independent Director (Member)	Chartered Accountant	5	3
Mr. Vikram Bhartia	Independent Director (Member)	Business	5	5

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, 2013 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 2016-17:

During the year ended March 31, 2017, 2 (two) meetings were held on April 30, 2016 and July 26, 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. Vikram Bhartia	Independent Director (Chairman)	Business	2	2
Mr. Vijay Bhushan	Independent Director (Member)	Business	2	2
Mr. Pawan Bholusaria	Independent Director (Member)	Chartered Accountant	2	2

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 2016-17, 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 2016-17, the Company has not paid any remuneration to Non-Executive and Independent Director except sitting fees of ₹ 25,000/- per Board / Committee Meeting.

(₹ in Millions)

Name of the Director	Amount
Mr. Pawan Bholusaria	₹ 0.45
Mr. Kishan Gopal Somani	₹ 0.15
Mr. Vikram Bhartia	₹ 0.40
Mr. Vijay Bhushan	₹ 0.28
Mrs. Archana Gupta	₹ 0.40

- (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 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, 2017:

The aggregate value of salary, perquisites and commission paid for the year ended March 31, 2017 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)	28.50	37.94	0.02	4.08	NIL	NIL	70.54
Mr. Rajeev Gupta (ED (Finance) & CFO)	7.25	NIL	0.02	13.07	NIL	NIL	20.34
Total							90.88

(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, Nomination and Remuneration Committee had granted 6,00,000 Stock Options at an Exercise Price of ₹ 35/- per Option to Mr. Rajeev Gupta, Executive Director (Finance) & CFO of the Company.

Out of the above, during the financial year 2016-17, Share Allotment Committee at its Meeting held on September 24, 2016 has allotted 1,50,000 Equity Shares of face value of ₹ 2/- each at an Exercise Price of ₹ 35/- per Equity Shares 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, 2017, 4 (four) meetings of the Committee were held on May 21, 2016, July 20, 2016, November 05, 2016 and February 02, 2017.

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	4	4
Mr. Vikram Bhartia	Independent Director (Member)	Business	4	4
Mr. Pawan Bholusaria	Independent Director (Member)	Chartered Accountant	4	4

(b) Name and Designation of Compliance Officer:

Mr. Kishore Kunal, General Manager (Corporate) & 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, 2017 are as follows:

Sr. No.	Nature of Grievances	Received	Status/ Pending
1	Non Receipt of Annual Report / Dividend Warrant/ Others	2	Resolved
2	Non Receipt of Transfer / Transmission / Duplicate / Split etc	NIL	NIL
3	Non Receipt of electronic credit / demat	NIL	NIL
4	SEBI / ROC	NIL	NIL
5	Others	NIL	NIL
	Total	02	Resolved

Number of pending Shareholders complaints and Share Transfer as on March 31, 2017 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, 2017, 1 (one) meeting of the Committee was held on September 24, 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. Pawan Bholusaria	Independent Director (Chairman)	Chartered Accountant	1	1
Mr. Vijay Bhushan	Independent Director (Member)	Business	1	1
Mr. Anil Gupta	Non-Independent, Executive (Member)	Business	1	1

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 ₹ 800 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 ₹ 800 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, 2017, 11 (Eleven) meetings were held on May 04, 2016, August 16, 2016, August 24, 2016, September 14, 2016, September 22, 2016, November 22, 2016, December 02, 2016, December 29, 2016, January 06, 2017, February 09, 2017 and March 20, 2017.

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 (Chairman)	Business	11	11
Mrs. Archana Gupta	Non-Independent, Non- Executive (Member)	Business	11	11
Mr. Rajeev Gupta	Non-Independent, Executive (Member)	Chartered Accountant	11	10

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, 2014, 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, 2017, 1 (One) meeting was held on February 02, 2017.

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 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 under Investor Relations Section.

10. GENERAL BODY MEETINGS:

- (a) Location and time where the last three Annual General Meeting was held and special resolution passed thereat:

Year	Day	Date	Time	No. of Special Resolutions passed at AGM	Venue
2016	Tuesday	September 06, 2016	10:00 A.M.	1	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003
2015	Wednesday	September 16, 2015	10:00 A.M.	2	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

- (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. Simultaneously, financial results of the Company are also available at www.bseindia.com and www.nseindia.com.

The website of the Company 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 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 under Corporate Governance.

12. General Shareholders Information:

(i) 25th Annual General Meeting – Date, Day, Time and Venue:

Day	Date	Time	Venue
Wednesday	July 19, 2017	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 st April, 2017 to 31 st March, 2018
Adoption of quarterly results for the quarter ending (tentative and subject to change):	
June, 2017	1 st / 2 nd week of August, 2017
September, 2017	1 st / 2 nd week of November, 2017
December, 2017	1 st / 2 nd week of February, 2018
March, 2018	3 rd / 4 th week of May, 2018

(iii) Dividend Payment:

Dividend payment on or after July 24, 2017 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 2017-18 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, 2016	106.50	96.20	106.45	95.50
May, 2016	120.30	100.10	120.40	100.50
June, 2016	112.70	94.50	112.50	93.80
July, 2016	129.00	111.10	129.00	112.00
August, 2016	121.45	110.50	121.90	111.40
September, 2016	123.35	99.00	123.00	108.00
October, 2016	125.00	112.60	124.20	112.00
November, 2016	139.50	108.10	139.50	106.10
December, 2016	130.30	118.20	130.00	116.80
January, 2017	146.00	124.00	146.40	124.00
February, 2017	186.80	133.75	186.80	134.25
March, 2017	185.80	166.55	186.00	166.70

(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, website : 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 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) Ltd (CDSL) within 7 days.

(xi) Distribution Schedule of Shareholding as on March 31, 2017:

No. of Shareholders	% to Total	Shareholding of Nominal Value of ₹	No. of Shares	Amount in ₹	% of Total
23456	96.147	0001 TO 5000	5998726	11997452	7.711
446	1.828	5001 TO 10000	1673243	3346486	2.151
236	0.967	10001 TO 20000	1790047	3580094	2.301
67	0.275	20001 TO 30000	868052	1736104	1.116
37	0.152	30001 TO 40000	675422	1350844	0.868
23	0.094	40001 TO 50000	532619	1065238	0.685
60	0.246	50001 TO 100000	2104521	4209042	2.705
71	0.291	100001 AND ABOVE	64154808	128309616	82.464
24396	100.00	TOTAL	77797438	155594876	100.00

Shareholding Pattern as on March 31, 2017:

Category	No. of shareholders	No. of Shares (face value of ₹ 2/- each)	No. of shares in demat form	% of shareholding
Promoters	8	36248466	36248466	46.59
Bodies Corporate	322	3896343	3868343	5.01
NRI/OCBs/Clearing Members/Trust	566	1267923	1215423	1.63
Mutual Funds/Bank/ Financial Institutions/ FIs/ Foreign Portfolio Investors	30	17867092	17867092	22.97
Indian Public	23470	18517614	18251122	23.80
Total	24396	77797438	77450446	100.00

(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. 77,450,446 equity shares of ₹ 2/- each forming 99.55 % of the share capital of the Company stands dematerialized as on March 31, 2017. 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 31/03/2017, 7,77,97,438 equity shares of face value of ₹ 2/- each are listed at The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and 7,72,37,438* equity shares of face value of ₹ 2/- each are listed at The Calcutta Stock Exchange Limited (CSE).

*5,60,000 Equity Shares allotted on 24.09.2016 under KEI-Employee Stock Option Scheme -2015 are pending for listing at CSE.

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

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2017.

(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, website : 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, website: 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 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 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 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 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. Also, financial results and shareholding pattern of the Company are available at www.bseindia.com & www.nseindia.com.

- (iii) Modified opinion(s) in audit report :

The Financial Statements of the Company are Un-modified.

- (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) REGULATIONS, 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 Directors and Senior Management, as approved by the Board, for the Financial Year ended March 31, 2017.

Place: New Delhi
Date: May 10, 2017

(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 the 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 e-mail 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/ info@masserv.com quoting your DP ID / Client ID or Folio No. or by sending letter to the Company or Mas Services Ltd (RTA).

(II) Status of Unpaid / Unclaimed Dividend:

Dividend for the Financial Year	Dividend Declaration date(AGM)	Due Date of Transfer to Investor Education & Protection Fund (IEPF)
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
2015-16	06.09.2016	13.10.2023

(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 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, the Company had appointed a firm of Chartered Accountants as the internal auditors of the Company for the financial year 2016-17. 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:

Company has one wholly owned subsidiary in Australia under the name "KEI Cables Australia Pty Ltd". 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, Standalone and Consolidated financial statements and cash flow statement for the year ended on March 31, 2017 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, 2017 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 10, 2017

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

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

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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 31st March 2017, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchange.
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. 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 Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31st March 2017 pursuant to the Listing Agreement of the said Company with Stock Exchange.
4. We further state that such compliance is neither an 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: May 27, 2017

(PRAVEEN KUMAR JAIN)
Partner
M.No. 85629

Independent Auditors' 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 31st March, 2017, 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 31st March, 2017, 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, to the extent applicable that:
- 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.
 - 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.
 - 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.
 - 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.
 - On the basis of written representation received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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.
 - 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:

- The Company has disclosed the impact of pending litigations as at 31st March, 2017 on its financial position in its financial statements – Refer Note No 35.1 to 35.4.
- The Company did not have any long-term contracts including derivative contracts as at 31st March, 2017.
- 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 31st March, 2017.
- The Company has provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company– Refer Note No 36.

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

(PRAVEEN KUMAR JAIN)

Place of signature: New Delhi

Partner

Date: 10th May, 2017

Membership No.: 085629

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 31st March, 2017.

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

- We have audited the internal financial controls over financial reporting of KEI Industries Limited ("the Company") as of 31st March, 2017 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

- 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 31st March, 2017, 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: 10th May, 2017

Membership No.: 085629

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 31st March, 2017.

- 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) has 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 31st March, 2017 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	0.32	2012-13	Income Tax Appellate Tribunal
Sales/ Entry Tax Act	Central Sales Tax	0.42	1999-2000	Tax Board
	West Bengal Tax on Entry of Goods into Local Areas Act, 2012	6.72	2013-14 to 2016-17	Hon'ble High Court
Central Excise Duty	Excise Duty	83.86	2010-11 & 2014-15	CESTAT
	Excise Duty	1.98	2007-08 & 2008-09	Commissioner (Appeals)
Finance Act	Service Tax	0.87	2014-15	Commissioner (Appeals)
	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: 10th May, 2017

Balance Sheet As At 31st March, 2017

Particulars	Note No.	As at 31st March, 2017 (₹ in Millions)		As at 31st March, 2016 (₹ in Millions)	
EQUITY AND LIABILITIES					
Shareholder's funds					
Share Capital	2	155.59		154.47	
Reserves and Surplus	3	4,578.96	4,734.55	3,511.77	3,666.24
Non-Current Liabilities					
Long Term Borrowings	4	1,641.29		1,881.49	
Deferred Tax Liability (Net)	5	427.20		362.44	
Long Term Provisions	6	50.62	2,119.11	40.02	2,283.95
Current Liabilities					
Short Term Borrowings	7	4,898.30		2,489.95	
Trade Payables	8				
-- Micro, Small and Medium Enterprises		-		-	
-- Others		4,805.21		4,321.67	
Other Current Liabilities	9	1,499.93		1,756.69	
Short Term Provisions	10	52.66	11,256.10	110.78	8,679.09
TOTAL			18,109.76		14,629.28
ASSETS					
Non-Current Assets					
Fixed Assets	11				
Tangible assets	11.1	4,026.87		3,262.20	
Intangible assets	11.2	27.26		17.17	
Capital Work -in- Progress	11.3	31.54	4,085.67	293.36	3,572.73
Non- Current Investments	12		31.12		31.12
Long Term Loans and Advances	13		47.65		222.21
Current Assets					
Inventories	14	4,989.24		4,224.68	
Trade Receivables	15	7,392.35		5,673.90	
Cash and Bank Balances	16	369.71		57.67	
Short Term Loans and Advances	17	897.46		565.58	
Other Current Assets	18	296.56	13,945.32	281.39	10,803.22
TOTAL			18,109.76		14,629.28
Significant Accounting Policies And Notes on Financial Statements	1 to 37				

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 : 10th May, 2017

(KISHORE KUNAL)
Company Secretary
M. No. A18495
Place of Signing : New Delhi
Date : 10th May, 2017

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

Statement Of Profit & Loss For The Year Ended 31st March, 2017

Particulars	Note No	Year Ended 31st March, 2017 (₹ in Millions)		Year Ended 31st March, 2016 (₹ in Millions)	
Revenue from Operations(Gross)	19	28,352.03		24,980.15	
Less: Excise Duty		1,661.10	26,690.93	1,724.35	23,255.80
Other Income	20		104.06		53.48
Total Revenue			26,794.99		23,309.28
Expenses					
Cost of Materials Consumed	21		18,686.70		15,682.12
Purchases of Stock in Trade	22		15.96		9.80
(Increase) / Decrease in inventory of Finished goods, Work-in-progress and Stock-in-trade	23		(426.76)		455.34
Employee Benefits Expense	24		1,109.49		828.37
Finance Costs	25		1,229.25		1,269.74
Depreciation and Amortisation Expense					
---Tangible Assets		274.53		248.92	
---Intangible Assets		5.91	280.44	3.94	252.86
Sub Contractor expense for turnkey projects	26		579.29		595.54
Other Expenses	27		3,982.89		3,262.07
Total Expenses			25,457.26		22,355.84
Profit Before Exceptional Items and Tax			1,337.73		953.44
Exceptional Item			-		-
Profit Before Tax			1,337.73		953.44
Tax Expense					
---Current tax		376.62		328.96	
---Mat Credit Entitlement		(90.18)		(124.62)	
---Deferred tax		64.77		127.08	
---Short/(Excess) Provision-Earlier Years * ₹ (3,739)		0.17	351.38	0.00*	331.42
Profit for the Year			986.35		622.02
Earnings per Equity Share:	28				
Equity shares of face value ₹ 2/- each					
--- Basic (₹)			12.72		8.05
---Diluted (₹)			12.41		7.93
Significant Accounting Policies And Notes on Financial Statements	1 to 37				

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 : 10th May, 2017

 Place of Signing : New Delhi
 Date : 10th May, 2017

Cash Flow Statement For The Year Ended 31st March, 2017

Particulars		Year Ended 31st March 2017 (₹ in Millions)	Year Ended 31st March 2016 (₹ in Millions)
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and Extraordinary items	1,337.73	953.44
	Adjustments for :		
	Depreciation	280.44	252.86
	Dividend received	(0.04)	(0.08)
	(Profit)/Loss on Investment	-	(0.04)
	Financial Charges	1,229.25	1,269.74
	Amortisation of Employee Compensation	56.08	38.79
	Provision for leave encashment/ Gratuity	16.56	11.29
	FCMITDA Written Off	8.59	29.12
	Fixed Assets written off	1.71	1.69
	(Profit)/Loss on sale of Assets	0.36	(0.17)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,930.68	2,556.64
	Adjustments for :		
	Trade & Other Receivables	(2,069.30)	(658.86)
	Inventories	(764.56)	178.49
	Trade & Other Payables	245.71	(28.50)
	Cash Generated from operations	342.53	2,047.77
	Direct Taxes paid	(304.22)	(196.11)
	Cash flow before Extra ordinary items	38.31	1,851.66
	Extraordinary Items	-----	-----
	Net Cash from operating activities	38.31	1,851.66
(B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets and other capital expenditure	(623.58)	(976.67)
	Sale of Fixed Assets	6.51	1.29
	Sale of Investments	-	0.28
	Purchase of Investments * ₹ (5,164)	-	0.00*
	Dividend Received	0.04	0.08
	Net Cash from investing activities	(617.03)	(975.02)

Cash Flow Statement For The Year Ended 31st March, 2017 (Contd...)

Particulars		Year Ended 31st March 2017 (₹ in Millions)	Year Ended 31st March 2016 (₹ in Millions)
(C)	CASH FLOW FROM FINANCIAL ACTIVITIES		
	Long term borrowings (Banks)	(348.07)	(426.97)
	Long term borrowings (Others)	(190.00)	875.35
	Finance lease liabilities (Net)	5.87	13.58
	Inter corporate & other deposits (Net of repayments)	270.14	40.97
	Working capital facilities from banks	2,408.95	(61.85)
	Issue of Equity Share Capital (including premium) upon exercise of options	19.60	-
	Financial Charges	(1,229.25)	(1,269.74)
	Dividend paid	(38.62)	(30.89)
	Tax on Dividend	(7.86)	(6.29)
	Net Cash from Financing Activities	890.76	(865.84)
	NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	312.04	10.80
	Cash & Cash Equivalents as at 1st April (Opening Balance)	57.67	46.87
	Cash & Cash Equivalents as at 31st March (Closing Balance)	369.71	57.67

Cash and Bank Balance includes ₹ 44.24 Millions (Previous year ₹ 32.95 Millions) held under lien/custody with banks/others and balance in unclaimed dividend account ₹ 1.28 Millions/- (Previous year ₹1.21 Millions)

Note :

- The Cash flow statement has been prepared under the 'Indirect Method' as set out in AS 3-"Cash Flow Statement" and notified in the Companies (Accounting standard) Ruls, 2006 (as amended).
- Cash and Cash equivalents represent cash and bank balances. (Refer Note 16).
- Figures in brackets represent cash outflow.
- Previous Year's figures have been regrouped and rearranged whenever 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
Place of Signing : New Delhi
Date : 10th May, 2017

(KISHORE KUNAL)
Company Secretary
M. No. A18495
Place of Signing : New Delhi
Date : 10th May, 2017

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

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) Accounting Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from estimates which are recognized in the period in which they are determined.

(c) 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 making the asset ready for its intended use, including interest on borrowed loan are capitalized. Financing Cost incurred on general borrowing used for projects is capitalized 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 capitalized along with cost of hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an asset. These assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.
- iv. Capital work-in-progress represents expenditure incurred in respect of assets under development and is carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure.

(d) Depreciation and Amortization

- i. Cost of capitalized software is amortized over a period of five years from date of its acquisition. Leasehold Improvements are amortized 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 except in respect of following assets, in whose case, life of the assets has been assessed as under based on technical advice, taking into account the nature of assets and the estimated usage of the asset etc.

Plant & Machinery (Other than Project Tools)	20 Years
Project Tools	5 Years

No write off is being made in respect of leasehold land, as the lease is a long lease.

iii. Fixed Assets costing upto ₹ 5000/- each are fully depreciated in the year of its acquisition.

(e) 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.

(f) 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, excise duty and other overheads.

(g) 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.
 - No profit is recognized till a minimum of 10% progress is achieved on the contract.
- iii. If total cost of a contract, based on technical & other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions of estimates is included in the statement of profit & loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue" to the extent amount has not been received from customer. Amount received in excess of work performed has been classified as " Income received in advance" in case where billing is in excess of contract revenue.
- iv. Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.

(h) 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.

(i) Employee Benefits

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to fund maintained by LIC of India 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.
- (j) Foreign Currency Transactions
- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
 - ii. Foreign currency monetary items 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 amortized over period of foreign currency monetary item or upto 31st March, 2020, whichever is earlier.
- (k) Miscellaneous Expenditure
- Public issue expenditure/ 'FCCBs' issue expenditure is being written off against Securities / Share premium, net of taxes, in the year of issue.
- (l) 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.
- (m) 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.
- (n) Contingent Liabilities
- Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.
- (o) 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 31st March, 2017

2 Share Capital:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
<u>Authorised</u>				
11,00,00,000 (Previous year 11,00,00,000) Equity Shares of ₹ 2/- each		220.00		220.00
3,00,000 (Previous year 3,00,000) Preference Shares of ₹ 100/- each		30.00		30.00
Total		250.00		250.00
<u>Issued, Subscribed & paid-up</u>				
77,797,438 (Previous year 77,237,438) Equity shares of ₹ 2/- each fully paid		155.59		154.47
Total		155.59		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 st March, 2017		As at 31 st March, 2016	
	Nos.	(₹ in Millions)	Nos.	(₹ in Millions)
Balance as at the beginning of the year	77,237,438	154.47	77,237,438	154.47
Add: Issued during the Year	560,000	1.12	-	-
Balance as at the end of the year	77,797,438	155.59	77,237,438	154.47

During the year 5,60,000 (Previous Year NIL) Equity Shares of face value ₹ 2/- each were issued to eligible employees of the Company under KEI Employees Stock Option Scheme-2015, at an exercise price of ₹ 35/- per equity share.

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

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	13,680,776	17.59%	15,580,776	20.17%
M/s Anil Gupta HUF beneficiary Mr. Anil Gupta	4,650,375	5.98%	4,650,375	6.02%
M/s Projection Financial and Management Consultants Private Limited	7,900,000	10.15%	7,900,000	10.23%
IDFC Sterling Equity Fund	1,512,244	1.94%	4,670,571	6.05%
Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund	4,500,000	5.78%	2,104,773	2.73%

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

During the year, Share Allotment Committee of the Board has issued and allotted 5,60,000 (Previous Year NIL) Equity Shares of face value of ₹ 2/- each to eligible employees at an exercise Price of ₹ 35/- per share, out of total 22,52,000 Options granted under KEI Employees Stock Option Scheme 2015. Accordingly 16,92,000 Equity shares (Previous Year 22,52,000) of ₹ 2/- each are reserved for the issue under KEI Employees Stock Option Scheme 2015. Refer Note 24.3.

3 Reserves & Surplus:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
<u>Capital Reserve</u>				
Balance as at the beginning of the year		28.00		28.00
<u>Securities Premium Account</u>				
Balance as at the beginning of the year	726.06		726.06	
Add: On allotment of Equity Shares upon exercise of options by the employees	54.18	780.24	-	726.06
<u>General Reserve</u>				
Balance as at the beginning of the year		21.10		21.10
<u>Surplus</u>				
Balance as at the beginning of the year	2,704.10		2,128.56	
Add: Net Profit for the year	986.35		622.02	
Less: Appropriations				
---Proposed Dividend on Equity Shares	-		38.62	
---Dividend Distribution Tax on Proposed Dividend	-	3,690.45	7.86	2,704.10
(Refer Note 3.1)				
Foreign Currency Monetary Item				
Translation Difference Account (FCMITDA)				
Balance as at the beginning of the year	(6.28)		(19.69)	
Add: Additions during the Year	(2.31)		(15.71)	
Less: Written off during the Year	8.59	-	29.12	(6.28)
(Refer Note 3.2)				
Employee Stock Options Outstanding				
Balance as at the beginning of the year	38.79		-	
Add: Employee Compensation Expense during the year	56.08		38.79	
Less: Transfer to Securities Premium Account upon exercise of stock options	35.70	59.17	-	38.79
Total		4,578.96		3,511.77

3.1 The Board of Directors of the Company has recommended dividend of ₹ 0.60 (Previous year ₹ 0.50) per share of the face value of ₹ 2/- each. The dividend, if declared at the ensuing Annual General Meeting, will result in cash outflow of ₹ 46.68 Millions.

During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 - 'Contingencies and Events Occurring after the Balance sheet date' (AS4). However, as per the requirements of revised AS 4, the Company is not

required to provide for dividend proposed/ declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2017. Had the Company continued with the creation of provision of proposed dividend, as at the balance sheet date, its balance in Surplus would have been lower by ₹ 56.18 Millions and Short Term Provision would have been higher by ₹ 56.18 Millions (including dividend distribution tax ₹ 9.50 Millions).

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

4. Long - Term Borrowings:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Secured			
Term Loans				
---From Banks	278.13		457.70	
---Foreign Currency Loans from Banks	233.18		238.41	
---From Others (Non-Banking Financial Company)	791.25	1,302.56	1,120.00	1,816.11
Finance Lease Obligations		24.92		22.31
Unsecured				
Loans and Advances from Related Parties				
---Loan from Related Parties		253.00		4.50
---Deposits from Related Parties		8.42		3.35
Deposits from Others				
---Public Deposits		52.39		35.22
Total		1,641.29		1,881.49

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
6M LIBOR+90 BPS	107.20	-	-	-
6M LIBOR+81 BPS	125.99	-	-	-
9.75%	75.00	75.00	75.00	56.25
10.50%	62.50	46.87	-	-
11.95%	37.50	37.50	28.13	-
12.35%	390.00	120.00	-	-
12.50%	37.50	28.12	-	-
Total	835.69	307.49	103.13	56.25

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

5 Deferred Tax Liability (Net):

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Deferred Tax Liabilities Arising on account of timing difference in ---Depreciation		461.39	
Deferred Tax Assets Arising on account of timing difference in ---Expenses & Others		(34.19)		(41.03)
Total		427.20		362.44

6 Long Term Provisions:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Employee Benefits (Refer Note 24.1) ---Provision for Leave Encashment		50.62	
Total		50.62		40.02

7 Short Term Borrowings:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Secured Working Capital Loans from Banks Buyer's Credit		3,489.60 1,401.20	
Unsecured Loans and Advances from Related Parties ---Inter Corporate Deposits Deposits from Others ---Inter Corporate Deposits ---Public Deposits		0.80 5.50 1.20		2.60 5.50 -
Total		4,898.30		2,489.95

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 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Micro, Small and Medium Enterprises		-	
Acceptances		1,831.13		1,803.57
Others		2,974.08		2,518.10
		4,805.21		4,321.67

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 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Current Maturities of Long Term Debts			
---From Banks	200.00		236.05	
---Foreign Currency Loans from Banks	-		124.89	
---From Others (Non-Banking Financial Company) (Refer Note 4.1)	378.75	578.75	240.00	600.94
Current Maturities of Finance Lease Obligations (Refer Note 4.2)		12.67		9.42
Interest on Borrowings				
---Accrued but not due	4.10		1.10	
---Accrued and due	21.76	25.86	7.20	8.30
Income Received in Advance		14.40		616.27
Unpaid Dividend (Refer Note 9.1)		1.28		1.21
Security Deposits Received		14.74		14.94
Employee Benefits Payable		101.28		73.70
Sundry Creditors -Capital Goods		57.16		77.01
Advance from Customers / Payables to Customer		439.91		173.33
Statutory Dues Payable		253.88		181.57
Total		1,499.93		1,756.69

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 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Employee Benefits (Refer Note 24.1)				
---Provision for Leave Encashment	6.88		5.25	
---Provision for Gratuity	31.65	38.53	27.32	32.57
Others				
---Proposed Dividend on Equity Shares	-		38.62	
---Dividend Distribution Tax on Proposed Dividend (Refer Note 3.1)	-		7.86	
---Provision for Income Tax [Net of Advance Tax and TDS ₹ 275.41 Millions (Previous Year ₹ 175.65 Millions)]	104.31		156.35	
--- MAT Credit Entitlement	(90.18)	14.13	(124.62)	78.21
Total		52.66		110.78

10.1 Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ 90.18 Millions (Previous Year ₹ 124.62 Millions)

11 Fixed Assets:

11.1 Tangible Assets:

(₹ in Millions)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS AT 01.04.2016	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2017	AS AT 01.04.2016	FOR THE YEAR	DEDUC- TIONS	AS AT 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
Own Assets:										
Land										
---Free Hold	3.66	-	-	3.66	-	-	-	-	3.66	3.66
---Lease Hold	317.45	-	-	317.45	-	-	-	-	317.45	317.45
Building	1,148.03	158.48	-	1,306.51	257.62	34.75	-	292.37	1,014.14	890.41
Plant & Equipment	3,116.81	812.16	4.10	3,924.87	1,242.44	182.92	1.81	1,423.55	2,501.32	1,874.37
Furniture & Fixtures	112.69	23.50	0.33	135.86	72.18	12.08	0.32	83.94	51.92	40.51
Leasehold Building Improvement	108.24	-	-	108.24	53.09	20.40	-	73.49	34.75	55.15
Vehicles	38.31	0.09	10.59	27.81	22.09	3.74	4.33	21.50	6.31	16.22
Office Equipment	19.58	8.66	0.27	27.97	12.76	2.72	0.25	15.23	12.74	6.82
Computers	45.84	19.39	0.08	65.15	25.42	10.95	0.08	36.29	28.86	20.42
Assets taken on Finance Lease										
Hire Purchase										
---Vehicles	42.76	25.50	-	68.26	5.57	6.97	-	12.54	55.72	37.19
TOTAL :	4,953.37	1,047.78	15.37	5,985.78	1,691.17	274.53	6.79	1,958.91	4,026.87	3,262.20
PREVIOUS YEAR	4,420.77	542.73	10.13	4,953.37	1,449.58	248.92	7.33	1,691.17	3,262.20	2,971.19

11.2 Intangible Assets:

(₹ in Millions)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS AT 01.04.2016	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2017	AS AT 01.04.2016	FOR THE YEAR	DEDUC- TIONS	AS AT 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
Own Assets (Acquired)										
-----Software	41.97	16.00	-	57.97	24.80	5.91	-	30.71	27.26	17.17
TOTAL :	41.97	16.00	-	57.97	24.80	5.91	-	30.71	27.26	17.17
PREVIOUS YEAR	30.50	11.47	-	41.97	20.86	3.94	-	24.80	17.17	9.64

11.3 Capital Work In Progress:

(₹ in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016
Building	-	69.37
Plant & Equipment	31.54	213.18
Furniture & Fixtures	-	0.43
Construction period expenses pending allocation	-	10.38
Total	31.54	293.36

Construction period expenses pending allocation

(₹ in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016
Bank Charges	-	6.00
Interest on Term Loan	-	4.32
Other Expenses	-	0.06
	-	10.38

11.4

- Carrying value of Assets acquired under hire purchase as on 31.03.2016 exclude the amount related to hire purchase agreement settled during the current year.
- Addition are after adjusting exchange gain (net) ₹ 10.92 Millions (Previous Year ₹ Nil).
- Addition during the Year and Capital work-in-progress include ₹ 39.44 Millions (previous year ₹ 21.59 Millions) being borrowing cost capitalised in accordance with Accounting Standard (AS) 16 on "Borrowing Cost". Assets wise break-up of Borrowing Costs capitalised is as belows:

(₹ in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016
Building	8.18	-
Plant & Equipment	31.26	
Capital Work-in-progress	-	21.59
	39.44	21.59

 12 Non-Current Investments:
(Long Term Investments)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Other Investments(Valued at Cost unless stated otherwise)				
Quoted Equity Shares				
--- State Bank of India	0.04		0.04	

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
670 (Previous Year 670) Equity Shares of ₹ 1/- each fully paid --- PNB Gilts Limited	0.18		0.18	
8,000(Previous Year 8,000) Equity Shares of ₹ 10/- each fully paid --- Punjab National Bank	0.07		0.07	
11,000 (Previous Year 11,000) Equity Shares of ₹ 2/- each fully paid ---Dena Bank	0.07		0.07	
2,595 (Previous Year 2,595) Equity Shares of ₹ 10/- each fully paid ---ICICI Bank Limited	0.47		0.47	
4,500 (Previous Year 4,500) Equity Shares of ₹ 2/- each fully paid ---YES Bank Limited	0.01		0.01	
254 (Previous Year 254) Equity Shares of ₹ 10/- each fully paid ---Jaypee Infratech Limited	0.51		0.51	
5,000 (Previous Year 5,000)Equity Shares of ₹ 10/- each fully paid ----Technofab Engineering Limited	27.27		27.27	
1,04,228 (Previous Year 1,04,228) Equity Shares of ₹ 10/- each fully paid Unquoted Mutual Funds		28.62		28.62
---UTI-Opportunities Fund-Growth 11,770.711 (Previous Year 11,770.711) Units of ₹ 10/- each fully paid	0.30		0.30	
---L192D SBI PSU Fund-Regular Plan-Dividend 2,12,944.872 (Previous Year 2,12,944.872) 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	
Equity Shares of Subsidiary Company ---KEI CABLES AUSTRALIA PTY LTD , AUSTRALIA 100 (Previous Year 100) Equity Shares of 1 AUD each fully paid * ₹ (5,164)		2.50		2.50
Total		31.12		31.12
Quoted Investments				
---Aggregate of Book Value		28.62		28.62
---Aggregate of Market Value		23.83		17.98
Unquoted Investments				
---Aggregate of Book Value		2.50		2.50

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 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Capital Advances		11.98	
Security Deposits: Related Parties				
--- Projection Financial & Management Consultants Private Limited	2.40		2.40	
--- Anil Gupta HUF (Refer Note 13.1)	0.15		0.15	
Others	29.74	32.29	27.21	29.76
Loans & Advances to workers & staff		3.38		2.10
Total		47.65		222.21

13.1 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

a) Loans and Advances in the nature of Loans given to Related Parties:

(₹ in Millions)

Particulars	As at 31 st March, 2017	Maximum Balance 2016-17	As at 31 st March, 2016	Maximum Balance 2015-16
Projection Financial & Management Consultants Private Limited	2.40*	2.40	2.40*	2.40
Anil Gupta HUF	0.15*	0.15	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 ₹ 127.82 millions)

Particulars	As at 31 st March, 2017 (₹ in Millions)	As at 31 st March, 2016 (₹ in Millions)
Projection Financial & Management Consultants Private Limited	114.20	114.20
Anil Gupta HUF	13.62	13.62

14 Inventories:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Raw Materials [Includes In Transit ₹ 85.93 Millions (Previous Year ₹ 217.87 Millions)]		1,274.68		946.64
Project Materials		20.02		29.86
Work -in- Progress		1,766.88		1,935.77
Finished Goods [Includes In Transit ₹ 195.35 Millions (Previous Year ₹ Nil Millions)]		1,778.31		1,176.64
Stock in Trade		6.64		6.80
Stores & Spares [Includes In Transit ₹ 3.69 Millions (Previous Year ₹ 3.88 Millions)]		69.46		66.68
Packing Materials		67.50		50.68
Scrap		5.75		11.61
Total		4,989.24		4,224.68

15 Trade Receivables (Current):
(Unsecured, Considered good)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Outstanding for a period exceeding six months from the date due for payment		733.49		469.92
Others (Refer Note 15.1)		6,658.86		5,203.98
Total		7,392.35		5,673.90

15.1 Due from Joint Venture of M/s KEI Industries Ltd New Delhi & M/s Brugg Kable AG Switzerland (JV) as on 31.03.2017 is ₹ Nil (Previous Year ₹ 52.00 Millions).

16 Cash and Bank Balances:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Cash on hand		3.80		4.89
Balances with Banks				
--- Current Accounts	318.50		16.75	
--- Fixed Deposits (Refer Note 16.1)	47.41	365.91	36.03	52.78
Total		369.71		57.67
Balance with Bank in Unpaid Dividend Accounts		1.28		1.21
Fixed Deposit with more than twelve month maturity		35.60		17.79

16.1 Fixed Deposits with Banks ₹ 44.24 Millions (Previous Year ₹ 32.95 Millions) are under lien/custody with Banks /Others.

17 Short Term Loans & Advances:
(Unsecured, Considered good)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Balance with Excise Authorities		191.32		67.25
Others				
— Advances to Suppliers	253.34		135.44	
— Advances Recoverable				
Advance to Related Party				
— Joint Venture of KEI Industries Limited New Delhi, & Brugg Kabel A.G. Switzerland (Association of Persons)	-		3.18	
— KEI Cables Australia PTY Ltd (Subsidiary Company) [Maximum Balance during the year ₹ 0.29 Millions (Previous Year ₹ Nil)]	0.29		-	
Others	33.09		19.97	
— Prepaid Expenses	58.66		41.33	
— Earnest Money Deposits	36.96		107.18	
— Security Deposits	4.11		5.11	
— Loans to Workers & Staff	6.49		4.85	
— Claims Recoverable from Government	313.20	706.14	181.27	498.33
Total		897.46		565.58

 18 Other Current Assets:
(Unsecured, Considered good)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Unbilled Revenue		290.38		276.81
Interest Accrued		6.18		4.58
Total		296.56		281.39

19 Revenue from Operations (Gross):

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Sale of Products				
---Manufactured Goods	23,018.37		20,265.47	
---Traded Goods	17.44	23,035.81	19.87	20,285.34
Income from Turnkey Projects (Refer note 19.3)		5,050.30		4,535.37
Job Work		4.45		2.78
Other operating Revenues				
--- Export Benefits	18.88		19.00	
---Scrap	242.59	261.47	137.66	156.66
Total		28,352.03		24,980.15

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 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Cables		17,383.12		15,203.48
Stainless Steel Wires		1,123.79		1,003.76
Winding Wire, Flexible & House Wires		4,511.46		4,058.23
Total		23,018.37		20,265.47

19.2 Details of Sales (Traded Goods):

Class of Goods	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Miscellaneous		17.44		19.87
Total		17.44		19.87

19.3 Income from Turnkey Projects:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Income from Turnkey Projects		5,050.30		4,535.37
Total		5,050.30		4,535.37

19.4 Upto March 31, 2016, in respect of contracts wherein the minimum progress of 25% had not been achieved, the Company was not recognising profit on those contracts. During the year the Company has changed this estimate to 10% instead of 25% keeping in view experience of company in executing the contracts and nature of contracts. This has resulted in increase in Profit before Tax by ₹ 3.82 Millions and increase in Revenue by ₹ 3.82 Millions.

20 Other Income:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Dividend from long term investments		0.04		0.08
Interest Income		5.10		6.15
Profit on Long Term Investments		-		0.04
Gain on sales of Assets (Net)		-		0.17
Liabilities written back		4.42		6.00
Miscellaneous Income		3.31		0.50
Insurance Claims		13.56		3.03
Exchange Fluctuation (Net)		77.63		37.51
Total		104.06		53.48

21 Cost of Materials Consumed:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Raw Materials Consumed			
Opening Stock	728.76		542.47	
Add : Purchases	16,822.47		14,359.92	
Less : Closing Stock	1,188.75		728.76	
Less : Captive use	11.87	16,350.61	5.98	14,167.65
Turnkey Project Materials				
Opening Stock	29.86		2.45	
Add : Purchases	2,326.25		1,541.88	
Less: Closing Stock	20.02	2,336.09	29.86	1,514.47
Total		18,686.70		15,682.12

21.1 Particulars of Raw Materials consumed:

Class of Goods	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Copper		7,115.96	
PolyVinyl Chloride & Di-Octyl Phthalate		2,986.98		2,812.70
Galvanized / Stainless Steel Wires / Strips		1,167.35		917.73
Aluminium Wire Rod		3,380.00		3,146.95
Stainless Steel Rod		657.95		616.97
Lead Alloys		636.13		221.68
Others		418.11		293.87
Total		16,362.48		14,173.63
Less: Captive Use		11.87		5.98
Total		16,350.61		14,167.65

21.2 Turnkey Project Materials:

Class of Goods	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Various Project Items		2,336.09	
		2,336.09		1,514.47

22 Purchases of Stock in Trade:

Class of Goods	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Miscellaneous		15.96	
		15.96		9.80

23 (Increase) / Decrease in Inventory of Finished Goods, Work in Progress and Stock in trade:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Opening Stock				
--- 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
Less : Closing Stock				
--- Finished Goods	1,778.31		1,176.64	
--- Stock in Trade	6.64		6.80	
--- Work in Progress	1,766.88		1,935.77	
--- Scrap	5.75	3,557.58	11.61	3,130.82
		(426.76)		455.34

24 Employee Benefits Expense:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Salaries, Wages & Other Benefits	968.14		725.41	
Contribution to Provident & Other Funds	48.54		37.58	
Expense on Employee Stock Option Scheme (ESOS)	56.08		38.79	
Welfare Expenses	36.73	1,109.49	26.59	828.37
		1,109.49		828.37

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 2016-17		Expense recognised in 2015-16	
Contributory Provident Fund & Employees Pension Scheme 1995		31.44		23.67

Defined Benefit Plans

The Company is having following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Unfunded)

(₹ in Millions)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2016-17	2016-17	2015-16	2015-16
	a) Actuarial Assumptions			
Discount rate	8.00%	7.20%	8.00%	7.50%
Expected rate of return on assets	--	--	--	--
Expected rate of future salary increase	6.00%	6.00%	6.00%	6.00%

(₹ in Millions)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2016-17	2016-17	2015-16	2015-16
b) Reconciliation of opening and closing balances of Defined Benefit obligation				
Present value of obligations as at beginning of year	89.06	45.27	72.82	36.21
Interest cost	7.12	3.40	5.83	2.82
Current Service Cost	9.50	9.86	7.73	7.63
Benefits paid	(4.01)	(2.93)	(2.97)	(4.59)
Actuarial (gain)/loss on Obligations	4.92	1.90	5.65	3.20
Present value of obligations as at end of year	106.59	57.50	89.06	45.27
c) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets as on beginning of year	61.74	--	49.22	--
Expected return on plan assets	5.21	--	4.46	--
Contributions	12.00	--	11.03	--
Benefits paid	(4.01)	--	(2.97)	--
Actuarial Gain/(Loss) on Plan assets	--	--	--	--
Fair value of plan assets at the end of year	74.94	--	61.74	--
d) Fair value of plan assets				
Fair value of plan assets at beginning of year	61.74	--	49.22	--
Actual return on plan assets	5.21	--	4.46	--
Contributions	12.00	--	11.03	--
Benefits paid	(4.01)	--	(2.97)	--
Fair value of plan assets at the end of year	74.94	--	61.74	--
Funded status	(31.65)	(57.50)	(27.32)	(45.27)
Excess of Actual over estimated return on plan	--	--	--	--
e) Actuarial Gain/Loss recognized				
Actuarial gain/(Loss) for the year – Obligation	(4.92)	(1.90)	(5.65)	(3.20)
Actuarial (gain)/Loss for the year – plan assets	--	--	--	--
Total (gain)/Loss for the year	4.92	1.90	5.65	3.20
Actuarial (gain)/Loss recognized in the year	4.92	1.90	5.65	3.20
f) The amounts recognized in the balance sheet				
Present value of obligations as at the end of year	106.59	57.50	89.06	45.27
Fair value of plan assets as at the end of the year	74.94	--	61.74	--
Funded status	(31.65)	(57.50)	(27.32)	(45.27)
Net (Asset)/liability recognized in balance sheet	31.65	57.50	27.32	45.27
g) Expenses Recognized in statement of Profit & Loss				
Current Service Cost	9.50	9.86	7.73	7.63
Interest cost	7.12	3.40	5.83	2.82
Expected return on plan assets	(5.21)	--	(4.46)	--
Net Actuarial (gain)/Loss recognized in the year	4.92	1.90	5.65	3.20
Expenses recognized in statement of Profit & Loss	16.33	15.16	14.75	13.65

24.2

Particulars		As at March 31,					
		2017	2016	2015	2014	2013	
a)	Obligations at year end	Gratuity	106.59	89.06	72.82	59.39	49.88
		Leave Encashment	57.50	45.27	36.21	26.98	24.76
b)	Plan assets at year end, at fair value	Gratuity	74.94	61.74	49.31	40.69	37.33
		Leave Encashment	-	-	-	-	-
c)	Funded Status surplus/ (Deficit)	Gratuity	(31.65)	(27.32)	(23.51)	(18.70)	(12.55)
		Leave Encashment	(57.50)	(45.27)	(36.21)	(26.98)	(24.76)
d)	Experience adjustments on plan liabilities	Gratuity	NA	NA	NA	NA	NA
		Leave Encashment	(0.80)	(2.35)	(0.92)	(0.47)	(1.53)
e)	Experience adjustments on plan assets - (Loss)/Gain	Gratuity	NA	NA	NA	NA	NA
		Leave Encashment	-	-	-	-	-

24.3 Employee Stock Options:

- a) The Company had 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. The Nomination and Remuneration Committee had 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 st vesting - at the end of 1 st year from the date of grant	560,000
2 nd vesting - at the end of 2 nd year from the date of grant	564,000
3 rd vesting - at the end of 3 rd year from the date of grant	564,000
4 th vesting - at the end of 4 th year from the date of grant	564,000

- 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. During the year, Share Allotment Committee on September 24, 2016 had allotted 5,60,000 Equity Shares of face value ₹ 2/- each at an exercise price of ₹ 35/- per share to the eligible employees as per KEI Employees Stock Option Scheme (KEI ESOS 2015 or Scheme)

Details of options are as under:

Particulars	KEI ESOS 2015	
	2016-17	2015-16
Date of grant	23.09.2015	23.09.2015
Options outstanding at the beginning of the year	2,252,000	Nil
Options granted during the year	Nil	2,252,000
Option forfeited / lapsed during the year	Nil	Nil

Particulars	KEI ESOS 2015	
	2016-17	2015-16
Option vested	560,000	Nil
Option exercised	560,000	Nil
Options outstanding at the end of the year	1,692,000	2,252,000
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	71.12
Intrinsic Value of the options granted (₹ per share)	63.75	63.75
Expense amortised during the year on the basis of intrinsic value of the option (₹)	56.08	38.79

- c) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	(KEI ESOS 2015)			
	1 st Vesting	2 nd vesting	3 rd vesting	4 th vesting
1. Risk Free Interest Rate	7.44%	7.63%	7.73%	7.77%
2. Expected Life of options granted	1.04	2.04	3.04	4.04
3. Expected and historical Volatility	59.40%	63.55%	56.93%	54.93%
4. Dividend Yield	0.27%	0.27%	0.27%	0.27%
5. Price of the underlying share in market at the time of the option grant (₹)	98.8			

- d) Other information regarding Options granted under KEI ESOS 2015 are as below:

Particulars	(KEI ESOS 2015)			
	1 st Vesting	2 nd vesting	3 rd vesting	4 th vesting
Exercise price (₹)	35	35	35	35
Weighted average exercise price (₹)	35	35	35	35
Weighted average remaining contractual life (in years)	1.04	2.04	3.04	4.04

- 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	Year Ended 31.03.2017	Year Ended 31.03.2016
Profit after Tax as reported	986.35	622.02
Add: Intrinsic value employees compensation cost	56.08	38.79
Less: Fair value employee compensation cost	62.56	43.27
Proforma profit after tax	979.87	617.54
Earnings per share: Basic		
As reported (₹)	12.72	8.05
Proforma (₹)	12.64	8.00
Earnings per share: Diluted		
As reported (₹)	12.41	7.93
Proforma (₹)	12.33	7.88

25 Finance Costs:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Interest Expense				
--- Interest On Income Tax	4.50		4.13	
--- Interest (Others)	928.58	933.08	1,016.61	1,020.74
Other Borrowing Costs		296.17		249.00
Total		1,229.25		1,269.74

26 Sub Contractor expense for turnkey projects:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Sub Contractor's Expenses		579.29		595.54
		579.29		595.54

27 Other Expenses:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Stores, Spares & Consumables		109.96		82.15
Packing Expenses		727.92		617.30
Excise Duty (Refer Note 27.1)		378.59		327.27
Job Work Charges		497.49		370.24
Power, Fuel & Lighting		388.72		353.81
Repairs & Maintenance				
--- Plant & Machinery	137.68		101.35	
--- Building	18.60		8.48	
--- Others	27.64	183.92	17.04	126.87
Freight, Handling and Octroi (Net) [Net of recovery ₹102.64 Millions (Previous Year ₹ 2.79 Millions)]		502.00		350.24
Rebate, Discount, Commission on Sales		245.39		229.89
Bad Debts Written off		52.83		64.47
Rates & Taxes		75.89		54.27
Rent		52.45		40.82
Insurance (Net) [Net of recovery ₹ 0.62 Millions (Previous Year ₹ 0.96 Millions)]		49.05		31.31
Travelling & Conveyance		114.81		88.80
Advertisement & Publicity		75.27		70.41
Auditor's Remuneration (Refer Note 27.2)		4.55		4.68

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Loss on sales of Assets (Net)		0.36		-
Fixed Assets Written off		1.71		1.69
Communication Expenses		29.61		23.77
Donations		1.26		1.35
Director's Meeting Fee		1.67		1.73
Professional & Consultancy Charges		127.20		53.42
Miscellaneous Expenses		345.97		331.62
Corporate Social Responsibility Expenditure (Refer Note 27.3)		7.68		6.84
FCMITDA written off		8.59		29.12
Total		3,982.89		3,262.07

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 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Audit Fee		3.00		3.00
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
Certification		0.35		0.48
		4.55		4.68

* Excludes service tax

27.3 Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 11.40 Millions (Previous Year ₹ 7.94 Millions).

27.4 Value of Imports on CIF basis:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Raw Materials purchases		4,854.67		2,186.28
Packing Materials		18.65		6.52
Project Materials		117.00		55.72
Stores, Spares & Consumables		9.67		42.98
Capital Goods		329.35		99.24

27.5 Expenditure in Foreign Currency (on Accrual Basis):

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Manufacturing Selling & Other Expenses			
Rebate, Discount, Commission on Sales	37.28		38.77	
Rent	1.48		2.15	
Travelling & Conveyance	7.86		8.90	
Communication Expenses	0.55		0.48	
Miscellaneous Expenses	67.86	115.03	53.42	103.72
Employee Benefits Expense				
Salaries, Wages & Other Benefits	12.71		19.14	
Welfare Expenses	0.03	12.74	0.02	19.16
Financial Charges				
Interest (Others)	37.50		13.24	
Others Borrowing Costs	1.62	39.12	2.13	15.37
Sub Contractor expense for turnkey projects				
Engineering & Erection Expenses		27.30		-

27.6 Value of Imported and Indigenous materials consumed:

Class of Goods	Percentage		(₹ in Millions)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Materials				
- Indigenous	73.83	86.44	13,792.92	13,555.12
- Imported	26.17	13.56	4,893.78	2,127.00
Total	100.00	100.00	18,686.70	15,682.12
Stores, Spares & Consumables				
- Indigenous	91.21	47.68	100.29	39.17
- Imported	8.79	52.32	9.67	42.98
Total	100.00	100.00	109.96	82.15
Packing Materials				
- Indigenous	97.44	92.36	709.27	570.13
- Imported	2.56	7.64	18.65	47.17
Total	100.00	100.00	727.92	617.30

27.7 Remittance in foreign currency on account of dividends:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	The year to which dividend relates		2015-16	
Amounts of dividend remitted (₹ in Millions)		2.00		0.61
Number of Non-Resident Shareholders / OCBs/FIIs		342		313
Number of Equity Shares		3,996,035		1,532,262

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 2015-16 & 2014-15 are as above.

27.8 Earnings in Foreign Exchange (on Accrual Basis):

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)	Year Ended 31 st March, 2016 (₹ in Millions)
Sales (Exports)	3,749.64	1,909.80
Income from Turnkey Projects	43.55	-

28 Earnings Per Share ('EPS') pursuant to Accounting Standard-20 ('AS-20') has been calculated as follows:

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Profit after taxation (₹ in Millions)	986.35	622.02
Number of Equity shares at the beginning of the year	77,237,438	77,237,438
Add: Weighted average number of equity shares issued during the year	289,973	-
Weighted average number of Equity shares for Basic EPS	77,527,411	77,237,438
Add: Adjustment for Employee Stock Options outstanding	1,962,027	1,175,224
Weighted average number of equity shares for Diluted EPS	79,489,438	78,412,662
Basic Earnings Per Share (₹)	12.72	8.05
Diluted Earnings Per Share (₹)	12.41	7.93
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 31.03.2017

- i) The aggregate amount of cost incurred and recognised profit upto 31.03.2017 ₹ 12765.05 Millions (Previous Year ₹ 9201.63 Millions).
- ii) The amount of advances received ₹ 270.88 Millions (Previous Year ₹ 85.57 Millions).
- ii) The amount of retention ₹ 1269.51 Millions (Previous Year ₹ 781.64 Millions).
- iv) Gross amount due to customers ₹ 14.4 Millions (Previous Year ₹ 616.27 Millions).
- v) Gross amount due from customers ₹ 290.38 Millions (Previous Year ₹ 276.81 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 (Association of Persons)

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

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

Shri Akshit Diviaj Gupta

Smt. Shweta Jha

vi) Enterprises Over which person mentioned in (v) above are able to exercise significant control and transactions have taken place:

Sunil Gupta (HUF)

Ashwathama Constructions Pvt. Ltd.

b) Transactions during the year

(₹ in Millions)

Particulars	2016-17	2015-16
(i) Investment in subsidiary company equity shares Subsidiary Company KEI Cables Australia PTY Limited -- Wholly owned subsidiary ₹ Nil (Previous Year ₹ 5164/-)	-	0.00
	-	-
(ii) Sales Jointly Controlled entity Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	4.18	242.08
	4.18	242.08
(iii) Services Jointly Controlled entity Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	-	7.80
	-	7.80
(iv) Purchase - Project Material Jointly Controlled entity Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	2.36	-
	2.36	-
(v) Purchase - Fixed Assets Jointly Controlled entity Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	2.52	-
	2.52	-
(vi) Reimbursement of Expenses Jointly Controlled entity Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	5.23	68.18
	5.23	68.18

Particulars		2016-17	2015-16
(vii)	Advance Given		
	Jointly Controlled entity		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	18.90	92.09
		18.90	92.09
	Key Managerial Personnel		
	Shri Kishore Kunal, Company Secretary	0.50	1.00
	0.50	1.00	
(viii)	Subsidiary Company		
	KEI Cables Australia PTY Limited -- Wholly owned subsidiary	0.29	-
		0.29	-
	Advance Outstanding		
	Jointly Controlled entity		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	-	3.18
	-	3.18	
(ix)	Key Managerial Personnel		
	Shri Kishore Kunal, Company Secretary	1.23	1.00
		1.23	1.00
	Subsidiary Company		
	KEI Cables Australia PTY Limited -- Wholly owned subsidiary	0.29	-
		0.29	-
(x)	Maximum balance of advance given during the year		
	Jointly Controlled entity		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	23.54	77.15
		23.54	77.15
	Key Managerial Personnel		
	Shri Kishore Kunal, Company Secretary	1.50	1.00
	1.50	1.00	
(xi)	Subsidiary Company		
	KEI Cables Australia PTY Limited -- Wholly owned subsidiary	0.29	-
		0.29	-
	Debtors Outstanding		
	Jointly Controlled entity		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)	-	52.00
	-	52.00	
(xii)	Interest expense on deposits/ Unsecured Loan		
	Other related parties in the group where common control exists		
	Anil Gupta (HUF)	0.38	0.75
	Projection Financial & Management Consultants Private Limited	-	0.14
	Shubh Laxmi Motels & Inns Private Limited ₹ Nil (Previous Year ₹ 4,219/-)	-	0.00
	Soubhagya Agency Private Limited	0.18	0.10
	Dhan Versha Agency Private Limited ₹ Nil (Previous Year ₹ 844/-)	-	0.00
	KEI Cables Private Limited	0.09	0.05
		0.65	1.04
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Smt. Archana Gupta (Director) ₹ Nil (Previous Year ₹ 1,899/-)	-	0.00
	Smt. Varsha Gupta ₹ 52,017/- (Previous Year ₹ 3,375/-)	0.05	0.00
	Smt. Sumitra Devi Gupta	0.07	0.07
	Shri Sunil Gupta	0.13	-
	Shri Akshit Diviaj Gupta	0.04	-
	Smt. Shweta Jha	0.03	-
	0.32	0.07	
Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place			
Sunil Gupta (HUF)	0.28	0.07	
	0.28	0.07	

Particulars		2016-17	2015-16	
(xii)	Deposits/Unsecured Loan received during the year			
	Other related parties in the group where common control exists			
	Anil Gupta (HUF)	-	12.00	
	Projection Financial & Management Consultants Private Limited	-	2.60	
	Shubh Laxmi Motels & Inns Private Limited	-	2.00	
	Soubhagya Agency Private Limited	-	1.80	
	Dhan Versha Agency Private Limited	-	0.40	
	KEI Cables Private Limited	-	0.80	
		-	19.60	
	Relatives of Key Managerial Personnel with whom transaction have taken place			
	Smt. Archana Gupta (Director)	-	0.90	
	Smt. Varsha Gupta	0.40	0.20	
	Smt. Sumitra Devi Gupta	-	0.65	
	Shri Sunil Gupta	2.50	-	
	Shri Akshit Diviaj Gupta	0.42	-	
	Smt. Shweta Jha	1.75	-	
		5.07	1.75	
	Key Managerial Personnel			
	Shri Anil Gupta, Chairman-cum-Managing Director	250.00	-	
		250.00	-	
Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place				
Sunil Gupta (HUF)	-	2.50		
	-	2.50		
(xiii)	Deposits/Unsecured Loan paid during the year			
	Other related parties in the group where common control exists			
	Anil Gupta (HUF)	1.50	11.00	
	Projection Financial & Management Consultants Private Limited	-	2.60	
	Shubh Laxmi Motels & Inns Private Limited	-	2.00	
	Dhan Versha Agency Private Limited	-	0.40	
	Soubhagya Agency Private Limited	1.80	-	
		3.30	16.00	
	Relatives of Key Managerial Personnel with whom transaction have taken place			
	Smt. Varsha Gupta	-	0.90	
		-	0.90	
	(xiv)	Credit balance outstanding as at the year end		
		Other related parties in the group where common control exists		
		Anil Gupta (HUF)	3.00	4.50
Soubhagya Agency Private Limited		-	1.80	
KEI Cables Private Limited		0.80	0.80	
		3.80	7.10	
Relatives of Key Managerial Personnel with whom transaction have taken place				
Smt. Varsha Gupta		0.60	-	
Smt. Sumitra Devi Gupta		0.65	0.20	
Shri Sunil Gupta		2.50	0.65	
Shri Akshit Diviaj Gupta		0.42	-	
Smt. Shweta Jha		1.75	-	
		5.92	0.85	
Key Managerial Personnel				
Shri Anil Gupta, Chairman-cum-Managing Director	250.00	-		
	250.00	-		
Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place				
Sunil Gupta (HUF)	2.50	2.50		
	2.50	2.50		

Particulars		2016-17	2015-16
(xv)	Rent paid for use of assets		
	Other related parties in the group where common control exists		
	Anil Gupta (HUF)	0.60	0.25
	Projection Financial & Management Consultants Private Limited	2.40	2.40
	Dhan Versha Agency Private Limited	2.40	1.80
		5.40	4.45
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Smt. Archana Gupta (Director)	0.96	0.96
	Shri Sunil Gupta	11.80	10.50
		12.76	11.46
(xvi)	Outstanding of Security Deposit Given		
	Other related parties in the group where common control exists		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	2.40	2.40
		2.55	2.55
(xvii)	Managerial Remuneration		
	Key Managerial Personnel		
	Shri Anil Gupta, Chairman-cum-Managing Director	70.54	50.28
	Shri Rajeev Gupta, Executive Director Finance	20.34	6.81
		90.88	57.09
(xviii)	Employee Benefits Expenses		
	Key Managerial Personnel		
	Shri Kishore Kunal, Company Secretary	5.86	1.77
		5.86	1.77
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Shri Akshit Diviaj Gupta	1.89	-
		1.89	-
(xix)	Expenses Payable		
	Key Managerial Personnel		
	Shri Anil Gupta, Chairman-cum-Managing Director	24.64	16.97
	Shri Rajeev Gupta, Executive Director Finance	0.05	0.09
	Shri Kishore Kunal, Company Secretary	0.14	0.14
		24.83	17.20
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Shri Akshit Diviaj Gupta	0.08	-
		0.08	-
(xx)	Director's Meeting Fees		
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Smt. Archana Gupta (Director)	0.40	0.34
		0.40	0.34
(xxi)	Dividend Paid		
	Other related parties in the group where common control exists		
	Anil Gupta (HUF)	2.33	1.86
	Projection Financial & Management Consultants Private Limited	3.95	3.16
	Shubh Laxmi Motels & Inns Private Limited	1.74	1.39
	Soubhagya Agency Private Limited	1.56	1.25
	Dhan Versha Agency Private Limited	0.50	0.40
	KEI Cables Private Limited	0.79	0.63
		10.87	8.69
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Shri Sunil Gupta ₹ 3,000/- (Previous Year ₹ 2,400/-)	0.00	0.00
	Smt. Archana Gupta (Director)	0.42	0.34
	Smt. Varsha Gupta ₹ 50/- (Previous Year ₹ 40/-)	0.00	0.00
	Smt. Shashi Gupta ₹ 750/- (Previous Year ₹ 600/-)	0.00	0.00
	Smt. Vimla Devi	0.03	0.02
		0.45	0.36

Particulars		2016-17	2015-16
	Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place		
	Sunil Gupta (HUF) ₹ 50/- (Previous Year ₹ 40/-)	0.00	0.00
	Ashwathama Constructions Private Limited	-	-
		0.00	0.00
	Key Managerial Personnel		
	Shri Anil Gupta, Chairman-cum-Managing Director	7.79	6.23
	Shri Rajeev Gupta, Executive Director Finance	0.01	0.01
	Shri Kishore Kunal, Company Secretary ₹ 23/- (Previous Year ₹ 18/-)	0.00	0.00
		7.80	6.24
(xxii)	Equity Share Allotment (ESOS Scheme)		
	Key Managerial Personnel		
	Shri Rajeev Gupta, Executive Director Finance	0.30	-
	Shri Kishore Kunal, Company Secretary	0.08	-
		0.38	-
(xxiii)	Security Premium on share allotment (ESOS Scheme)		
	Key Managerial Personnel		
	Shri Rajeev Gupta, Executive Director Finance	4.95	-
	Shri Kishore Kunal, Company Secretary	1.39	-
		6.34	-

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 Guarantees of ₹ 61.61 Millions (Previous Year ₹ 59.31 Millions on behalf of Joint Venture of M/s KEI Industries Limited, 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Within one year	15.67	12.17	3.00	2.75	12.67	9.42
Later than one year and not later than five years	28.09	25.81	3.17	3.50	24.92	22.31
More than Five years	NIL	NIL	NIL	NIL	NIL	NIL
Total:	43.76	37.98	6.17	6.25	37.59	31.73

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 ₹ 51.97 Millions (Previous year ₹ 40.55 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue (Gross)												
External	20,737.63	18,261.24	1,131.54	1,022.84	6,565.61	5,892.94	(0.30)	0.05	(4.82)	(159.41)	28,429.66	25,017.66
Less: Excise Duty	1,573.21	1,650.98	87.89	73.37	-	-	-	-	-	-	1,661.10	1,724.35
Inter-Segment Revenue	2,094.24	2,502.46	-	-	-	-	-	-	(2,094.24)	(2,502.46)	-	-
Total Revenue (Net)	21,258.66	19,112.72	1,043.65	949.47	6,565.61	5,892.94	(0.30)	0.05	(2,099.06)	(2,661.87)	26,768.56	23,293.31
Result												
Segment Result	2,659.92	2,245.78	77.18	67.11	665.06	811.40	-	-	(4.82)	(159.41)	3,397.34	2,964.88
Unallocated Expenditure net of unallocated income							(835.50)	(747.93)			(835.50)	(747.93)
Interest Expenses							(1,229.25)	(1,269.74)			(1,229.25)	(1,269.74)
Interest Income							5.10	6.15			5.10	6.15
Dividend Income							0.04	0.08			0.04	0.08
Profit Before Taxation	2,659.92	2,245.78	77.18	67.11	665.06	811.40	(2,059.61)	(2,011.44)	(4.82)	(159.41)	1,337.73	953.44
Taxation											351.38	331.42
Net Profit											986.35	622.02
Other Information												
Segment Assets	12,721.06	10,623.02	526.13	483.95	4,248.97	3,214.85	613.60	307.46			18,109.76	14,629.28
Segment Liabilities	3,825.78	3,676.51	253.02	219.02	1,317.88	1,476.40	5,738.33	3,091.18			11,135.01	8,463.11
Capital Expenditure	520.92	881.65	24.05	13.39	23.31	3.57	39.92	67.93			608.20	966.55
Depreciation	218.82	207.66	8.24	7.40	4.83	1.79	48.55	36.01			280.44	252.86
FCMITDA Written off							8.59	29.12			8.59	29.12

32(b) Information about Secondary Business Segment:

(₹ in Millions)

Revenue by Geographical Market	India		Outside India		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
External Revenue (Gross)	24,636.47	23,107.86	3,793.19	1,909.80	28,429.66	25,017.66
Less: Excise Duty	1,661.10	1,724.35	-	-	1,661.10	1,724.35
Inter Segment	-	-	-	-	-	-
Total Revenue (Net)	22,975.37	21,383.51	3,793.19	1,909.80	26,768.56	23,293.31
Carrying Amount of Segment Assets	18,081.57	14,604.42	28.19	24.86	18,109.76	14,629.28
Additions to Fixed Assets	608.20	966.55	-	-	608.20	966.55

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	2016-17	2015-16
Sales	23,278.40	20,423.00
Project Income	5,050.30	4,535.37
Job Work	4.45	2.78
Export Incentives	18.88	19.00
Exchange Fluctuation	77.63	37.51
Total	28,429.66	25,017.66

- iii) The Segment Revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India and earnings in India.
 - 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	2016-17	2015-16
Name of the jointly Controlled entities	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	10.52	75.39
Total Liabilities	8.66	71.87
Total Income	22.26	508.36
Total Expenditure	22.66	503.25
Contingent Liabilities	-	-
Capital commitment	-	-

- 34 (i) Amount payable in foreign currency:

Particulars	As at 31 st March, 2017			As at 31 st March, 2016		
	(₹ 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	156.37	2.39	USD	120.58	1.81	USD
	6.04	0.09	EURO	62.40	0.82	EURO
	4.77	0.06	GBP	1.28	0.01	GBP
	8.93	0.14	CHF	41.29	0.60	CHF
	0.50	0.01	AUD	-	-	AUD
	0.03	0.00*	SGD	0.65	0.01	SGD
Working Capital Loan (Buyer's Credit & PCFC)	1,401.20	21.51	USD	765.12	11.49	USD
Term Loan	233.18	3.58	USD	363.30	5.45	USD
Royalty/Know How/Licence Fees	18.65	0.27	EURO	8.85	0.12	EURO
Expenses Payable	31.21	0.48	USD	22.24	0.33	USD
	7.74	0.16	SGD	1.99	0.04	SGD
	0.41	0.00**	GBP	0.89	0.01	GBP
	1.61	0.09	AED	0.84	0.05	AED
	0.17	0.00***	EURO	-	-	EURO
Statutory Dues Payable	0.62	0.01	SGD	-	-	SGD

*600 SGD, ** 4946 GBP , *** 2476 EURO

(ii) Amount receivable in foreign currency:

Particulars	As at 31 st March, 2017			As at 31 st March, 2016		
	(₹ 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	889.73	14.29	USD	479.66	7.18	USD
	30.42	0.44	EURO	86.60	1.21	EURO
	24.73	0.53	SGD	4.76	0.07	SGD
	66.69	1.36	AUD	10.26	0.20	AUD
	0.09	0.00**	CHF	0.97	0.01	CHF
	0.73	0.01	GBP	3.66	0.04	GBP
	2.00	3.44	JPY	-	-	JPY
Recoverable	-	-	SGD	0.67	0.01	SGD
	0.29	0.01	AUD	-	-	AUD
	0.82	0.05	AED	-	-	AED
Balance With Banks	1.90	0.04	SGD	2.28	0.05	SGD
	0.16	0.00 ***	USD	0.33	0.00*	USD
	1.87	0.11	AED	0.45	0.03	AED

*USD 2568 , ** 1382 CHF, ***2491 USD

35 Contingent Liabilities & Commitments:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	35.1 Contingent Liabilities:			
Claims Against the Company not acknowledged as Debt			-	0.22
35.2 Guarantees:				
Financial Bank Guarantees outstanding		2,204.13		1,537.08
35.3 Other money for which company is contingently liable:				
a) Unutilised Letter of Credits	121.35		129.72	
b) Outstanding Bills discounted	1,054.09		834.03	
c) Prorata share of company in channel finance given by banks to others	626.60	1,802.04	407.54	1,371.29
35.4 Duties & Taxes:				
a) Sales Tax / Entry Tax demands under appeal	7.73		8.54	
b) Income tax Matters:	2.16		10.24	
- Demand due to Additions / disallowances during Assessments, which are under Appeal				
c) Excise / Service tax demands under appeal	144.50	154.39	406.71	425.49
35.5 Commitments:				
Estimated amount of contracts remaining to be executed on Capital Account		70.33		248.12

- 36 Disclosures as to holdings as well as dealing in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016:

(₹ in Millions)

Particulars	SBNs	Other denomination notes	Total
Closing Balance as at 8 November 2016	1.03	0.96	1.99
(+) Permitted Receipts	-	6.46	6.46
(-) Permitted Payments	-	4.81	4.81
(-) Amount deposited in Banks	1.03	0.01	1.04
Closing cash in hand as on 30.12.2016	-	2.60	2.60

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

- 37 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 : 10th May, 2017

Place of Signing : New Delhi
Date : 10th May, 2017

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 (the Company and its subsidiary together referred to as "the Group") and its jointly controlled entity; comprising of the Consolidated Balance Sheet as at 31st March, 2017, 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 its jointly controlled entity 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 Board of 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 subparagraph 8 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 & its jointly controlled entity as at 31st March, 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

8. We did not audit the financial statements/ financial information of subsidiary, whose financial statements/ financial information reflect total assets of ₹ 0.29 Millions as at 31st March, 2017, total revenues of ₹ NIL and net cash inflows amounting to ₹ 0.29 Millions for the year ended on that date, as considered in the consolidated financial statements. 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.

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.

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 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 31st March, 2017, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March, 2017 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 and jointly controlled entity – Refer Note No 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 31st March, 2017.
 - 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 31st March, 2017.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company, as applicable - Refer Note No 36 of the Consolidated Financial Statements.

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

(PRAVEEN KUMAR JAIN)

Partner

Membership No.: 085629

Place of signature: New Delhi

Date: 10th May, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 9 (f) of the Independent Auditors' Report of even date to the members of KEI INDUSTRIES LIMITED on the Consolidated financial statements for the year ended 31st March, 2017

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 31st March, 2017 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 31st March, 2017, 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

Place of signature: New Delhi

Date: 10th May, 2017

Membership No.: 085629

Consolidated Balance Sheet As At 31st March, 2017

Particulars	Note No.	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
EQUITY AND LIABILITIES					
Shareholder's funds					
Share Capital	2	155.59		154.47	
Reserves and Surplus	3	4,579.12	4,734.71	3,515.25	3,669.72
Non-Current Liabilities					
Long Term Borrowings	4	1,641.29		1,881.49	
Deferred Tax Liability (Net)	5	427.20		362.44	
Long Term Provisions	6	50.62	2,119.11	40.02	2,283.95
Current Liabilities					
Short Term Borrowings	7	4,898.30		2,489.95	
Trade Payables	8	-		-	
-- Micro, Small and Medium Enterprises		-		-	
-- Others		4,813.48		4,336.53	
Other Current Liabilities	9	1,500.52		1,758.57	
Short Term Provisions	10	51.47	11,263.77	101.01	8,686.06
TOTAL			18,117.59		14,639.73
ASSETS					
Non-Current Assets					
Fixed Assets	11				
Tangible assets	11.1	4,025.37		3,264.71	
Intangible assets	11.2	27.26		17.17	
Capital Work -in- Progress	11.3	31.54	4,084.17	293.36	3,575.24
Non- Current Investments	12		31.12		31.12
Long Term Loans and Advances	13		47.65		222.21
Current Assets					
Inventories	14	4,989.24		4,225.48	
Trade Receivables	15	7,392.35		5,681.42	
Cash and Bank Balances	16	377.12		58.39	
Short Term Loans and Advances	17	899.38		564.24	
Other Current Assets	18	296.56	13,954.65	281.63	10,811.16
TOTAL			18,117.59		14,639.73
Significant Accounting Policies And Notes on Financial Statements	1 to 37				

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 : 10th May, 2017

(KISHORE KUNAL)
Company Secretary
M. No. A18495
Place of Signing : New Delhi
Date : 10th May, 2017

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

Consolidated Statement Of Profit & Loss For The Year Ended 31st March, 2017

Particulars	Note No	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Revenue from Operations(Gross)	19	28,366.48		25,204.45	
Less: Excise Duty		1,660.58	26,705.90	1,694.21	23,510.24
Other Income	20		104.82		57.52
Total Revenue			26,810.72		23,567.76
Expenses					
Cost of Materials Consumed	21		18,697.86		15,839.21
Purchases of Stock in Trade	22		15.96		9.80
(Increase) / Decrease in inventory of Finished goods, Work-in-progress and Stock-in-trade	23		(426.76)		455.34
Employee Benefits Expense	24		1,109.49		828.37
Finance Costs	25		1,229.32		1,271.56
Depreciation and Amortisation Expense					
---Tangible Assets		274.53		249.36	
---Intangible Assets		5.91	280.44	3.94	253.30
Sub Contractor expense for turnkey projects	26		580.01		638.77
Other Expenses	27		3,988.73		3,312.92
Total Expenses			25,475.05		22,609.27
Profit Before Exceptional Items and Tax			1,335.67		958.49
Exceptional Item			-		-
Profit Before Tax			1,335.67		958.49
Tax Expense					
---Current tax		376.62		330.53	
---Mat Credit Entitlement		(90.18)		(124.62)	
---Deferred tax		64.77		127.08	
---Short/(Excess) Provision-Earlier Years * ₹ (3789)		1.44	352.65	0.00*	332.99
Profit for the Year			983.02		625.50
Earnings per Equity Share:	28				
Equity shares of face value ₹ 2/- each					
--- Basic (₹)			12.68		8.10
---Diluted (₹)			12.37		7.98
Significant Accounting Policies And Notes on Financial Statements	1 to 37				

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 : 10th May, 2017

 Place of Signing : New Delhi
 Date : 10th May, 2017

Consolidated Cash Flow Statement For The Year Ended 31st March, 2017

Particulars		Year Ended 31st March 2017 (₹ in Millions)	Year Ended 31st March 2016 (₹ in Millions)
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and Extraordinary items	1,335.67	958.49
	Adjustments for :		-
	Depreciation	280.44	253.30
	Dividend received	(0.04)	(0.08)
	(Profit)/Loss on Investment	-	(0.04)
	Financial Charges	1,229.32	1,271.56
	Amortisation of Employee Compensation	56.08	38.79
	Provision for leave encashment/ Gratuity	16.56	11.28
	FCMITDA Written Off	8.59	29.12
	Fixed Assets written off	1.71	1.69
	Exchange Fluctuation Reserve * ₹ (518)	0.01	0.00*
	Loss on sale of Assets	0.36	(0.17)
	Operating profit before working capital changes	2,928.70	2,563.94
	Adjustments for :		
	Trade & Other Receivables	(2,064.81)	(636.37)
	Inventories	(763.76)	177.69
	Trade & Other Payables	237.84	(41.59)
	Cash Generated from operations	337.97	2,063.67
	Direct Taxes paid	(296.91)	(206.87)
	Cash flow before Extra ordinary items	41.06	1,856.80
	Extraordinary Items	-	-
	Net Cash from operating activities	41.06	1,856.80
(B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets and other capital expenditure	(619.13)	(979.62)
	Sale of Fixed Assets	6.07	1.29
	Sale of Investments	-	0.28
	Purchase of Investments	-	-
	Dividend Received	0.04	0.08
	Net Cash from investing activities	(613.02)	(977.97)

Consolidated Cash Flow Statement For The Year Ended 31st March, 2017 (Contd...)

Particulars		Year Ended 31st March 2017 (₹ in Millions)	Year Ended 31st March 2016 (₹ in Millions)
(C)	CASH FLOW FROM FINANCIAL ACTIVITIES		
	Long term borrowings (Banks)	(348.07)	(426.97)
	Long term borrowings (others)	(190.00)	875.35
	Finance lease liabilities (Net)	5.87	13.58
	Inter corporate & other deposits (Net of repayments)	270.14	40.97
	Working capital facilities from banks	2,408.95	(61.85)
	Issue of Equity Share Capital (including premium) upon exercise of options	19.60	-
	Financial Charges	(1,229.32)	(1,271.56)
	Dividend paid	(38.62)	(30.89)
	Tax on Dividend	(7.86)	(6.29)
	Net Cash from Financing Activities	890.69	(867.66)
	NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	318.73	11.17
	Cash & Cash Equivalents as at 1st April (Opening Balance)	58.39	47.22
	Cash & Cash Equivalents as at 31st March (Closing Balance)	377.12	58.39

Cash and Bank Balance includes ₹ 44.24 Millions (Previous year ₹ 32.95 Millions) held under lien/custody with banks/others and balance in unclaimed dividend account ₹ 1.28 Millions (previous year ₹1.21 Millions)

Note :

- i The Cash flow statement has been prepared under the 'Indirect Method' as set out in AS 3-"Cash Flow Statement" and notified in the Companies (Accounting standard) Ruls, 2006 (as amended).
- ii Cash and Cash equivalents represent cash and bank balances. (Refer Note 16).
- iii Previous Year's figures have been regrouped and rearranged whenever 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 : 10th May, 2017

Place of Signing : New Delhi
Date : 10th May, 2017

1 Significant Accounting Policies

1.1 The Consolidated Financial Statements relate to KEI INDUSTRIES LIMITED ("the Company"), its Subsidiary (the Company and its subsidiary constitute "the Group") and its Jointly Controlled Entity.

(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 group and its jointly controlled entity follow 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 group'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 group has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

(b) Accounting Estimates:

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from estimates which are recognized in the period in which they are determined.

1.2 Principles of Consolidation

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 are 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 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.2 i) 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).

1.3 Other Significant Accounting Policies

(a) 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 making the asset ready for its intended use, 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. These assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.
- iv. Capital work-in-progress represents expenditure incurred in respect of assets under development and is carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure.

(b) Depreciation and Amortization:

- i. Cost of capitalized software is amortized over a period of five years from date of its acquisition. Leasehold Improvements are amortized 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 except in respect of following assets, in whose case, life of the assets has been assessed as under based on technical advice, taking into account the nature of assets and the estimated usage of the asset etc.

Plant & Machinery (Other than Project Tools)	20 Years
Project Tools	5 Years

- iii. No write off is being made in respect of leasehold land, as the lease is a long lease.

- iv. Fixed Assets costing upto ₹ 5000/- each are fully depreciated in the year of its acquisition.
- (c) 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.
- (d) 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, excise duty and other overheads.
- (e) 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.
 - No profit is recognized till a minimum of 10% progress is achieved on the contract.
 - iii. If total cost of a contract, based on technical & other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions of estimates is included in the statement of profit & loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as “Unbilled revenue” to the extent amount has not been received from customer. Amount received in excess of work performed has been classified as “Income received in advance” in case where billing is in excess of contract revenue.
 - iv. Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.
- (f) 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.
- (g) Employee Benefits:
- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to fund maintained by LIC of India 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.
- (h) Foreign Currency Transactions:
- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
 - ii. Foreign currency monetary items 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 amortized over period of foreign currency monetary item or upto 31st March, 2020, whichever is earlier.
- (i) Miscellaneous Expenditure:
- Public issue expenditure/ 'FCCBs' issue expenditure is being written off against Securities / Share premium, net of taxes, in the year of issue.
- (j) 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.
- (k) 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.
- (l) Contingent Liabilities:
- Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.
- (m) 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 31ST MARCH, 2017

2 Share Capital:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Authorised				
11,00,00,000 (Previous year 11,00,00,000) Equity Shares of ₹ 2/- each		220.00		220.00
3,00,000 (Previous year 3,00,000) Preference Shares of ₹ 100/- each		30.00		30.00
Total		250.00		250.00
Issued, Subscribed & paid-up				
77,797,438 (Previous year 77,237,438) Equity shares of ₹ 2/- each fully paid		155.59		154.47
Total		155.59		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 st March, 2017		As at 31 st March, 2016	
	Nos.	(₹ in Millions)	Nos.	(₹ in Millions)
Balance as at the beginning of the year	77,237,438	154.47	77,237,438	154.47
Add: Issued during the Year	560,000	1.12	-	-
Balance as at the end of the year	77,797,438	155.59	77,237,438	154.47

During the year 5,60,000 (Previous Year NIL) Equity Shares of face value ₹ 2/- each were issued to eligible employees of the Company under KEI Employees Stock Option Scheme-2015, at an exercise price of ₹ 35/- per equity share.

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

Name of shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	13,680,776	17.59%	15,580,776	20.17%
M/s Anil Gupta HUF beneficiary Mr. Anil Gupta	4,650,375	5.98%	4,650,375	6.02%
M/s Projection Financial and Management Consultants Private Limited	7,900,000	10.15%	7,900,000	10.23%
IDFC Sterling Equity Fund	1,512,244	1.94%	4,670,571	6.05%
Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund	4,500,000	5.78%	2,104,773	2.73%

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

During the year, Share Allotment Committee of the Board has issued and allotted 5,60,000 (Previous Year NIL) Equity Shares of face value of ₹ 2/- each to eligible employees at an exercise Price of ₹ 35/- per share, out of total 22,52,000 Options granted under KEI Employees Stock Option Scheme 2015. Accordingly 16,92,000 Equity shares (Previous Year 22,52,000) of ₹ 2/- each are reserved for the issue under KEI Employees Stock Option Scheme 2015. (Refer Note 24.3).

3 Reserves & Surplus:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
<u>Capital Reserve</u>				
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		726.06	
Add: On allotment of Equity Shares upon exercise of options by the employees	54.18	780.24	-	726.06
<u>General Reserve</u>				
Balance as at the beginning of the year		21.10		21.10
<u>Surplus</u>				
Balance as at the beginning of the year	2,707.58		2,128.56	
Add: Net Profit for the year	983.02		625.50	
Less: Appropriations				
---Proposed Dividend on Equity Shares	-		38.62	
---Dividend Distribution Tax on Proposed Dividend (Refer Note 3.1)	-	3,690.60	7.86	2,707.58
Exchange Fluctuation Reserve				
Balance at the beginning of the year	0.00*		-	
Add: during the year * ₹ (518)	0.01	0.01	0.00*	0.00*
Foreign Currency Monetary Item				
Translation Difference Account (FCMITDA)				
Balance as at the beginning of the year	(6.28)		(19.69)	
Add: Additions during the Year	(2.31)		(15.71)	
Less: Written off during the Year (Refer Note 3.2)	8.59	-	29.12	(6.28)
Employee Stock Options Outstanding				
Balance as at the beginning of the year	38.79		-	
Add: Employee Compensation Expense during the year	56.08		38.79	
Less: Transfer to Securities Premium Account upon exercise of stock options	35.70	59.17	-	38.79
Total		4,579.12		3,515.25

3.1 The Board of Directors of the company has recommended dividend of ₹ 0.60 (Previous year ₹ 0.50) per share of the face value of ₹ 2/- each. The dividend, if declared at the ensuing Annual General Meeting, will result in cash outflow of ₹ 46.68 Millions.

During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 - 'Contingencies and Events Occurring after the Balance sheet date' (AS4). However, as per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/ declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2017. Had the Company continued with the creation of provision of proposed dividend, as at the balance sheet date, its balance in surplus would have been lower by ₹ 56.18 Millions and Short Term Provision would have been higher by ₹ 56.18 Millions (including dividend distribution tax ₹ 9.50 Millions).

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

4. Long - Term Borrowings:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Secured				
Term Loans				
---From Banks	278.13		457.70	
---Foreign Currency Loans from Banks	233.18		238.41	
---From Others (Non-Banking Financial Company)	791.25	1,302.56	1,120.00	1,816.11
Finance Lease Obligations		24.92		22.31
Unsecured				
Loans and Advances from Related Parties				
---Loan from Related Parties		253.00		4.50
---Deposits from Related Parties		8.42		3.35
Deposits from Others				
---Public Deposits		52.39		35.22
Total		1,641.29		1,881.49

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
6M LIBOR+90 BPS	107.20	-	-	-
6M LIBOR+81 BPS	125.99	-	-	-
9.75%	75.00	75.00	75.00	56.25
10.50%	62.50	46.87	-	-
11.95%	37.50	37.50	28.13	-
12.35%	390.00	120.00	-	-
12.50%	37.50	28.12	-	-
Total	835.69	307.49	103.13	56.25

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

5 Deferred Tax Liability (Net):

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Deferred Tax Liabilities Arising on account of timing difference in ---Depreciation		461.39	
Deferred Tax Assets Arising on account of timing difference in ---Expenses & Others		(34.19)		(41.03)
Total		427.20		362.44

6 Long Term Provisions:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Employee Benefits (Refer Note 24.1) ---Provision for Leave Encashment		50.62	
Total		50.62		40.02

7 Short Term Borrowings:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Secured Working Capital Loans from Banks		3,489.60	
Buyer's Credit		1,401.20		519.58
Unsecured Loans and Advances from Related Parties ---Inter Corporate Deposits		0.80		2.60
Deposits from Others ---Inter Corporate Deposits	5.50		5.50	
---Public Deposits	1.20	6.70	-	5.50
Total		4,898.30		2,489.95

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 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Micro, Small and Medium Enterprises		-		-
Acceptances		1,831.13		1,803.57
Others		2,982.35		2,532.96
		4,813.48		4,336.53

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 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Current Maturities of Long Term Debts				
---From Banks	200.00		236.05	
---Foreign Currency Loans from Banks	-		124.89	
---From Others (Non-Banking Financial Company) (Refer Note 4.1)	378.75	578.75	240.00	600.94
Current Maturities of Finance Lease Obligations (Refer Note 4.2)		12.67		9.42
Interest on Borrowings				
---Accrued but not due	4.10		1.10	
---Accrued and due	21.76	25.86	7.20	8.30
Income Received in Advance		14.40		616.27
Unpaid Dividend (Refer Note 9.1)		1.28		1.21
Security Deposits Received		14.74		14.94
Employee Benefits Payable		101.28		73.70
Sundry Creditors -Capital Goods		57.16		77.01
Advance from Customers / Payable to Customers		439.91		173.33
Statutory Dues Payable		254.47		183.45
Total		1500.52		1,758.57

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 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Employee Benefits (Refer Note 24.1)				
---Provision for Leave Encashment	6.88		5.25	
---Provision for Gratuity	31.65	38.53	27.32	32.57
Others				
---Proposed Dividend on Equity Shares	-		38.62	
---Dividend Distribution Tax on Proposed Dividend (Refer Note 3.1)	-		7.86	
---Provision for Income Tax [Net of Advance Tax and TDS ₹ 276.60 Millions (Previous Year ₹ 185.41 Millions)]	103.12		146.58	
--- MAT Credit Entitlement	(90.18)	12.94	(124.62)	68.44
Total		51.47		101.01

10.1 Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ 90.18 Millions (Previous Year ₹ 124.62 Millions).

11 Fixed Assets:

11.1 Tangible Assets:

(₹ in Millions)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS AT 01.04.2016	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2017	AS AT 01.04.2016	FOR THE YEAR	DEDUC- TIONS	AS AT 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
Own Assets:										
Land										
---Free Hold	3.66	-	-	3.66	-	-	-	-	3.66	3.66
---Lease Hold	317.45	-	-	317.45	-	-	-	-	317.45	317.45
Building	1,148.03	158.48	-	1,306.51	257.62	34.75	-	292.37	1,014.14	890.41
Plant & Equipment	3,119.53	807.94	3.70	3,923.77	1,242.84	182.92	1.81	1,423.95	2,499.82	1,876.69
Furniture & Fixtures	112.89	23.30	0.30	135.89	72.21	12.08	0.32	83.97	51.92	40.68
Leasehold Building Improvement	108.24	-	-	108.24	53.09	20.40	-	73.49	34.75	55.15
Vehicles	38.31	0.09	10.59	27.81	22.09	3.74	4.33	21.50	6.31	16.22
Office Equipment	19.61	8.63	0.26	27.98	12.77	2.72	0.25	15.24	12.74	6.84
Computers	45.84	19.39	0.08	65.15	25.42	10.95	0.08	36.29	28.86	20.42
--- Assets taken on Finance Lease										
---Hire Purchase										
---Vehicles	42.76	25.50	-	68.26	5.57	6.97	-	12.54	55.72	37.19
TOTAL :	4,956.32	1,043.33	14.93	5,984.72	1,691.60	274.53	6.79	1,959.35	4,025.37	3,264.71
PREVIOUS YEAR	4,420.77	545.68	10.13	4,956.32	1,449.58	249.36	7.33	1,691.61	3,264.71	2,971.19

11.2 Intangible Assets:

(₹ in Millions)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	AS AT 01.04.2016	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2017	AS AT 01.04.2016	FOR THE YEAR	DEDUC- TIONS	AS AT 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
Own Assets (Acquired)										
-----Software	41.97	16.00	-	57.97	24.80	5.91	-	30.71	27.26	17.17
TOTAL :	41.97	16.00	-	57.97	24.80	5.91	-	30.71	27.26	17.17
PREVIOUS YEAR	30.50	11.47	-	41.97	20.86	3.94	-	24.80	17.17	9.64

11.3 Capital Work In Progress:

(₹ in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016
Building	-	69.37
Plant & Equipment	31.54	213.18
Furniture & Fixtures	-	0.43
Construction period expenses pending allocation	-	10.38
Total	31.54	293.36

Construction period expenses pending allocation

(₹ in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016
Bank Charges	-	6.00
Interest on Term Loan	-	4.32
Other Expenses	-	0.06
	-	10.38

11.4

- Carrying value of Assets acquired under hire purchase as on 31.03.2016 exclude the amount related to hire purchase agreement settled during the current year.
- Addition are after adjusting exchange gain (net) ₹ 10.92 Millions (Previous Year ₹ Nil).
- Addition during the Year and Capital work-in-progress include ₹ 39.44 Millions (previous year ₹ 21.59 Millions) being borrowing cost capitalised in accordance with Accounting Standard (AS) 16 on "Borrowing Cost". Assets wise break-up of Borrowing Costs capitalised is as below:

(₹ in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016
Building	8.18	-
Plant & Equipment	31.26	-
Capital Work-in-progress	-	21.59
	39.44	21.59

12 Non-Current Investments:
(Long Term Investments)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Other Investments(Valued at Cost unless stated otherwise)				
Quoted Equity Shares				
---- State Bank of India	0.04		0.04	

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
670 (Previous Year 670) Equity Shares of ₹ 1/- each fully paid --- PNB Gilts Limited	0.18		0.18	
8,000(Previous Year 8,000) Equity Shares of ₹ 10/- each fully paid --- Punjab National Bank	0.07		0.07	
11,000 (Previous Year 11,000) Equity Shares of ₹ 2/- each fully paid ---Dena Bank	0.07		0.07	
2,595 (Previous Year 2,595) Equity Shares of ₹ 10/- each fully paid ---ICICI Bank Limited	0.47		0.47	
4,500 (Previous Year 4,500) Equity Shares of ₹ 2/- each fully paid ---YES Bank Limited	0.01		0.01	
254 (Previous Year 254) Equity Shares of ₹ 10/- each fully paid ---Jaypee Infratech Limited	0.51		0.51	
5,000 (Previous Year 5,000) Equity Shares of ₹ 10/- each fully paid ----Technofab Engineering Limited	27.27		27.27	
1,04,228 (Previous Year 1,04,228) Equity Shares of ₹ 10/- each fully paid Unquoted Mutual Funds		28.62		28.62
---UTI-Opportunities Fund-Growth	0.30		0.30	
11,770.711 (Previous Year 11,770.711) Units of ₹ 10/- each fully paid ---L192D SBI PSU Fund-Regular Plan-Dividend	2.00		2.00	
2,12,944.872 (Previous Year 2,12,944.872) Units of ₹ 10/- each fully paid ---SBI Dual Advantage Fund- Growth	0.20		0.20	
20,000 (Previous Year 20,000) Units of ₹ 10/- each fully paid		2.50		2.50
Total		31.12		31.12
Quoted Investments				
---Aggregate of Book Value		28.62		28.62
---Aggregate of Market Value		23.83		17.98
Unquoted Investments				
---Aggregate of Book Value		2.50		2.50

13 Long Term Loans And Advances:
(Unsecured, Considered Good)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
	Capital Advances		11.98	
Security Deposits: Related Parties				
--- Projection Financial & Management Consultants Private Limited	2.40		2.40	
--- Anil Gupta HUF (Refer Note 13.1)	0.15		0.15	
Others	29.74	32.29	27.21	29.76
Loans & Advances to workers & staff		3.38		2.10
Total		47.65		222.21

13.1 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

a) Loans and Advances in the nature of Loans given to Related Parties:

(₹ in Millions)

Name	As at 31 st March, 2017	Maximum Balance 2016-17	As at 31 st March, 2016	Maximum Balance 2015-16
Projection Financial & Management Consultants Private Limited	2.40*	2.40	2.40*	2.40
Anil Gupta HUF	0.15*	0.15	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 ₹ 127.82 millions)

(₹ in Millions)

Name	As at 31 st March, 2017	As at 31 st March, 2016
Projection Financial & Management Consultants Private Limited	114.20	114.20
Anil Gupta HUF	13.62	13.62

14 Inventories:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Raw Materials [Includes In Transit ₹ 85.93 Millions (Previous Year ₹ 217.87 Millions)]		1,274.68		946.64
Project Materials		20.02		30.67
Work -in- Progress		1,766.88		1,935.77
Finished Goods [Includes In Transit ₹ 195.35 Millions (Previous Year ₹ Nil)]		1,778.31		1,176.64
Stock in Trade		6.64		6.80
Stores & Spares [Includes In Transit ₹ 3.69 Millions (Previous Year ₹ 3.88 Millions)]		69.46		66.68
Packing Materials		67.50		50.67
Scrap		5.75		11.61
Total		4,989.24		4,225.48

 15 Trade Receivables (Current):
(Unsecured, Considered good)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Outstanding for a period exceeding six months from the date due for payment		733.49		469.92
Others		6,658.86		5,211.50
Total		7,392.35		5,681.42

16 Cash and Bank Balances:

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Cash on hand		3.82		4.90
Balances with Banks				
--- Current Accounts	325.89		17.46	
--- Fixed Deposits (Refer Note 16.1)	47.41	373.30	36.03	53.49
Total		377.12		58.39
Balance with Bank in Unpaid Dividend Accounts		1.28		1.21
Fixed Deposit with more than twelve month maturity		35.60		17.79

16.1 Fixed Deposits with Banks ₹ 44.24 Millions (Previous Year ₹ 32.95 Millions) are under lien/custody with Banks /Others.

17 Short Term Loans & Advances:
(Unsecured, Considered good)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Balance with Excise Authorities		191.32		67.25
Others				
--- Advances to Suppliers	253.34		135.44	
--- Advances Recoverable	33.09		19.97	
--- Prepaid Expenses	58.66		41.33	
--- Earnest Money Deposits	36.96		107.18	
--- Security Deposits	4.11		5.11	
--- Loans to Workers & Staff	6.49		4.85	
--- Claims Recoverable from Government	315.41	708.06	183.11	496.99
Total		899.38		564.24

18 Other Current Assets:
(Unsecured, Considered good)

Particulars	As at 31 st March, 2017 (₹ in Millions)		As at 31 st March, 2016 (₹ in Millions)	
Unbilled Revenue		290.38		277.05
Interest Accrued		6.18		4.58
Total		296.56		281.63

19 Revenue from Operations (Gross):

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Sale of Products				
---Manufactured Goods	23,013.67		19,993.25	
---Traded Goods	17.44	23,031.11	19.87	20,013.12
Income from Turnkey Projects (Refer note 19.3 & 19.4)		5,069.45		5,031.89
Job Work		4.45		2.78
Other operating Revenues				
--- Export Benefits	18.88		19.00	
---Scrap	242.59	261.47	137.66	156.66
Total		28,366.48		25,204.45

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 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Cables		17,378.42		14,931.25
Stainless Steel Wires		1,123.79		1,003.76
Winding Wire, Flexible & House Wires		4,511.46		4,058.24
Total		23,013.67		19,993.25

19.2 Details of Sales (Traded Goods):

Class of Goods	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Miscellaneous		17.44		19.87
Total		17.44		19.87

19.3 Income from Turnkey Projects:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Income from Turnkey Projects		5,069.45		5,031.89
Total		5,069.45		5,031.89

19.4 Upto March 31, 2016, in respect of contracts wherein the minimum progress of 25% had not been achieved, the Company was not recognising profit on those contracts. During the year the Company has changed this estimate to 10% instead of 25% keeping in view experience of Company in executing the contracts and nature of contracts. This has resulted in increase in Profit before Tax by ₹ 3.82 Millions and increase in Revenue by ₹ 3.82 Millions .

20 Other Income:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Dividend from long term investments		0.04		0.08
Interest Income		5.46		6.15
Profit on Long Term Investments		-		0.04
Gain on sales of Assets (Net)		-		0.17
Liabilities written back		4.42		6.00
Miscellaneous Income		3.31		1.21
Insurance Claims		13.56		4.71
Exchange Fluctuation (Net)		78.03		39.16
Total		104.82		57.52

21 Cost of Materials Consumed:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Raw Materials Consumed			
Opening Stock	728.76		542.47	
Add : Purchases	16,822.47		14,359.92	
Less : Closing Stock	1,188.75		728.76	
Less : Captive use	11.87	16,350.61	5.98	14,167.65
Turnkey Project Materials				
Opening Stock	30.67		2.45	
Add : Purchases	2,336.60		1,699.78	
Less: Closing Stock	20.02	2,347.25	30.67	1,671.56
		18,697.86		15,839.21

21.1 Particulars of Raw Materials consumed:

Class of Goods	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Copper		7,115.96	
PolyVinyl Chloride & Di-Octyl Phthalate		2,986.98		2,812.70
Galvanized / Stainless Steel Wires / Strips		1,167.35		917.73
Aluminium Wire Rod		3,380.00		3,146.95
Stainless Steel Rod		657.95		616.97
Lead Alloys		636.13		221.68
Others		418.11		293.87
Total		16,362.48		14,173.63
Less: Captive Use		11.87		5.98
Total		16,350.61		14,167.65

21.2 Turnkey Project Materials:

Class of Goods	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Various Project Items		2,347.25	
		2,347.25		1,671.56

22 Purchases of Stock in Trade:

Class of Goods	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Miscellaneous		15.96	
		15.96		9.80

23 (Increase) / Decrease in Inventory of Finished Goods, Work in Progress and Stock in trade:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Opening Stock			
--- 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
Less : Closing Stock				
--- Finished Goods	1,778.31		1,176.64	
--- Stock in Trade	6.64		6.80	
--- Work in Progress	1,766.88		1,935.77	
--- Scrap	5.75	3,557.58	11.61	3,130.82
		(426.76)		455.34

24 Employee Benefits Expense:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Salaries, Wages & Other Benefits	968.14		725.41
Contribution to Provident & Other Funds	48.54		37.58	
Expense on Employee Stock Option Scheme (ESOS)	56.08		38.79	
Welfare Expenses	36.73	1,109.49	26.59	828.37
		1,109.49		828.37

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 2016-17		Expense recognised in 2015-16	
	Contributory Provident Fund & Employees Pension Scheme 1995		31.44	

Defined Benefit Plans

The Company is having following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Unfunded)

(₹ in Millions)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	2016-17	2016-17	2015-16	2015-16
a) Actuarial Assumptions				
Discount rate	8.00%	7.20%	8.00%	7.50%
Expected rate of return on assets	--	--	--	--
Expected rate of future salary increase	6.00%	6.00%	6.00%	6.00%

Particulars		Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
		2016-17	2016-17	2015-16	2015-16
b)	Reconciliation of opening and closing balances of Defined Benefit obligation				
	Present value of obligations as at beginning of year	89.06	45.27	72.82	36.21
	Interest cost	7.12	3.40	5.83	2.82
	Current Service Cost	9.50	9.86	7.73	7.63
	Benefits paid	(4.01)	(2.93)	(2.97)	(4.59)
	Actuarial (gain)/loss on Obligations	4.92	1.90	5.65	3.20
	Present value of obligations as at end of year	106.59	57.50	89.06	45.27
c)	Reconciliation of opening and closing balances of fair value of plan assets				
	Fair value of plan assets as on beginning of year	61.74	--	49.22	--
	Expected return on plan assets	5.21	--	4.46	--
	Contributions	12.00	--	11.03	--
	Benefits paid	(4.01)	--	(2.97)	--
	Actuarial Gain/(Loss) on Plan assets	--	--	--	--
	Fair value of plan assets at the end of year	74.94	--	61.74	--
d)	Fair value of plan assets				
	Fair value of plan assets at beginning of year	61.74	--	49.22	--
	Actual return on plan assets	5.21	--	4.46	--
	Contributions	12.00	--	11.03	--
	Benefits paid	(4.01)	--	(2.97)	--
	Fair value of plan assets at the end of year	74.94	--	61.74	--
	Funded status	(31.65)	(57.50)	(27.32)	(45.27)
	Excess of Actual over estimated return on plan	--	--	--	--
e)	Actuarial Gain/Loss recognized				
	Actuarial gain/(Loss) for the year – Obligation	(4.92)	(1.90)	(5.65)	(3.20)
	Actuarial (gain)/Loss for the year – plan assets	--	--	--	--
	Total (gain)/Loss for the year	4.92	1.90	5.65	3.20
	Actuarial (gain)/Loss recognized in the year	4.92	1.90	5.65	3.20
f)	The amounts recognized in the balance sheet				
	Present value of obligations as at the end of year	106.59	57.50	89.06	45.27
	Fair value of plan assets as at the end of the year	74.94	--	61.74	--
	Funded status	(31.65)	(57.50)	(27.32)	(45.27)
	Net (Asset)/liability recognized in balance sheet	31.65	57.50	27.32	45.27
g)	Expenses Recognized in statement of Profit & Loss				
	Current Service Cost	9.50	9.86	7.73	7.63
	Interest cost	7.12	3.40	5.83	2.82
	Expected return on plan assets	(5.21)	--	(4.46)	--
	Net Actuarial (gain)/Loss recognized in the year	4.92	1.90	5.65	3.20
	Expenses recognized in statement of Profit & Loss	16.33	15.16	14.75	13.65

24.2

Particulars		As at 31 st March					
		2017	2016	2015	2014	2013	
a)	Obligations at year end	Gratuity	106.59	89.06	72.82	59.39	49.88
		Leave Encashment	57.50	45.27	36.21	26.98	24.76
b)	Plan assets at year end, at fair value	Gratuity	74.94	61.74	49.31	40.69	37.33
		Leave Encashment	-	-	-	-	-
c)	Funded Status surplus/ (Deficit)	Gratuity	(31.65)	(27.32)	(23.51)	(18.70)	(12.55)
		Leave Encashment	(57.50)	(45.27)	(36.21)	(26.98)	(24.76)
d)	Experience adjustments on plan liabilities - (Loss)/ Gain	Gratuity	NA	NA	NA	NA	NA
		Leave Encashment	(0.80)	(2.35)	(0.92)	(0.47)	(1.53)
e)	Experience adjustments on plan assets - (Loss)/Gain	Gratuity	NA	NA	NA	NA	NA
		Leave Encashment	-	-	-	-	-

24.3 Employee Stock Options:

- a) The Company had 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. The Nomination and Remuneration Committee had 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 st vesting - at the end of 1 st year from the date of grant	560,000
2 nd vesting - at the end of 2 nd year from the date of grant	564,000
3 rd vesting - at the end of 3 rd year from the date of grant	564,000
4 th vesting - at the end of 4 th year from the date of grant	564,000

- 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. During the year, Share Allotment Committee on September 24, 2016 had allotted 5,60,000 Equity Shares of face value ₹ 2/- each at an exercise price of ₹ 35/- per share to the eligible employees as per KEI Employees Stock Option Scheme (KEI ESOS 2015 or Scheme)

Details of options are as under:

Particulars	KEI ESOS 2015	
	2016-17	2015-16
Date of grant	23.09.2015	23.09.2015
Options outstanding at the beginning of the year	2,252,000	Nil
Options granted during the year	Nil	2,252,000

Particulars	KEI ESOS 2015	
	2016-17	2015-16
Option forfeited / lapsed during the year	Nil	Nil
Option vested	560,000	Nil
Option exercised	560,000	Nil
Options outstanding at the end of the year	1,692,000	2,252,000
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	71.12
Intrinsic Value of the options granted (₹ per share)	63.75	63.75
Expense amortised during the year on the basis of intrinsic value of the option (₹)	56.08	38.79

- c) The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	(KEI ESOS 2015)			
	1 st Vesting	2 nd vesting	3 rd vesting	4 th vesting
1. Risk Free Interest Rate	7.44%	7.63%	7.73%	7.77%
2. Expected Life of options granted	1.04	2.04	3.04	4.04
3. Expected and historical Volatility	59.40%	63.55%	56.93%	54.93%
4. Dividend Yield	0.27%	0.27%	0.27%	0.27%
5. Price of the underlying share in market at the time of the option grant (₹)	98.8			

- d) Other information regarding Options granted under KEI ESOS 2015 are as below:

Particulars	(KEI ESOS 2015)			
	1 st Vesting	2 nd vesting	3 rd vesting	4 th vesting
Exercise price (₹)	35	35	35	35
Weighted average exercise price (₹)	35	35	35	35
Weighted average remaining contractual life (in years)	1.04	2.04	3.04	4.04

- 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 st March, 2017 (₹ in Millions)	Year Ended 31 st March, 2016 (₹ in Millions)
Profit after Tax as reported	983.02	625.50
Add: Intrinsic value employees compensation cost	56.08	38.79
Less: Fair value employee compensation cost	62.56	43.27
Proforma profit after tax	976.54	621.02
Earnings per share: Basic		
As reported (₹)	12.68	8.10
Proforma (₹)	12.60	8.04
Earnings per share: Diluted		
As reported (₹)	12.37	7.98
Proforma (₹)	12.29	7.92

25 Finance Costs:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Interest Expense				
--- Interest On Income Tax	4.50		4.13	
--- Interest (Others)	928.58	933.08	1,018.27	1,022.40
Other Borrowing Costs		296.24		249.16
Total		1,229.32		1,271.56

26 Sub Contractor expense for turnkey projects:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Sub Contractor's Expenses		580.01		638.77
		580.01		638.77

27 Other Expenses:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Stores, Spares & Consumables		109.96		82.53
Packing Expenses		727.92		617.30
Excise Duty (Refer Note 27.1)		378.59		327.27
Job Work Charges		497.49		370.24
Power, Fuel & Lighting		388.72		354.09
Repairs & Maintenance				
--- Plant & Machinery	137.68		101.35	
--- Building	18.60		8.48	
--- Others	27.64	183.92	17.20	127.03
Freight, Handling and Octroi (Net) [Net of recovery ₹102.64 Millions (Previous Year ₹2.79 Millions)]		502.46		353.15
Rebate, Discount, Commission on Sales		245.39		229.89
Bad Debts Written off		52.83		64.47
Rates & Taxes		77.41		90.96
Rent		52.58		42.79
Insurance (Net) [Net of recovery ₹0.62 Millions (Previous Year ₹0.96 Millions)]		50.80		32.52
Travelling & Conveyance		114.82		89.61
Advertisement & Publicity		75.27		70.41
Auditor's Remuneration		4.78		4.80

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
(Refer Note 27.2)				
Loss on sales of Assets (Net)		0.36		-
Fixed Assets Written off		1.71		1.69
Communication Expenses		29.63		23.80
Donations		1.26		1.35
Director's Meeting Fee		1.67		1.73
Professional & Consultancy Charges		128.49		54.80
Miscellaneous Expenses		346.40		336.53
Corporate Social Responsibility Expenditure		7.68		6.84
(Refer Note 27.3)				
FCMITDA written off		8.59		29.12
Total		3,988.73		3,312.92

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 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Audit Fee		3.23		3.12
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
Certification		0.35		0.48
		4.78		4.80

* Excludes Service Tax

27.3 Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 11.40 Millions (Previous Year ₹ 7.94 Millions).

27.4 Value of Imports on CIF basis:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
Raw Materials purchases		4,854.67		2,186.28
Packing Materials		18.65		6.52
Project Materials		126.16		98.01
Stores, Spares & Consumables		9.67		42.98
Capital Goods		329.35		99.24

27.5 Expenditure in Foreign Currency (on Accrual Basis):

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	Manufacturing Selling & Other Expenses			
Rebate, Discount, Commission on Sales	37.28		38.77	
Rent	1.48		2.15	
Travelling & Conveyance	7.86		8.90	
Communication Expenses	0.55		0.48	
Miscellaneous Expenses	67.86	115.03	53.42	103.72
Employee Benefits Expense				
Salaries, Wages & Other Benefits	12.71		19.14	
Welfare Expenses	0.03	12.74	0.02	19.16
Financial Charges				
Interest (Others)	37.50		13.24	
Others Borrowing Costs	1.62	39.12	2.13	15.37
Sub Contractor expense for turnkey projects				
Engineering & Erection Expenses		27.30		-

27.6 Value of Imported and Indigenous materials consumed:

Class of Goods	Percentage		(₹ in Millions)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Materials				
- Indigenous	73.83	86.44	13,794.92	13,669.92
- Imported	26.17	13.56	4,902.94	2,169.29
Total	100.00	100.00	18,697.86	15,839.21
Stores, Spares & Consumables				
- Indigenous	91.21	47.68	100.29	39.55
- Imported	8.79	52.32	9.67	42.98
Total	100.00	100.00	109.96	82.53
Packing Materials				
- Indigenous	97.44	92.36	709.27	570.13
- Imported	2.56	7.64	18.65	47.17
Total	100.00	100.00	727.92	617.30

27.7 Remittance in foreign currency on account of dividend:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
	The year to which dividend relates		2015-16	
Amounts of dividend remitted (₹ in Millions)		2.00		0.61
Number of Non-Resident Shareholders / OCBs/FILs		342		313
Number of Equity Shares		3,996,035		1,532,262

The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by / on behalf of non-resident shareholders. The particulars of dividend declared and paid to non-resident shareholders for the year 2015-16 & 2014-15 are as above.

27.8 Earnings in Foreign Exchange (on Accrual Basis):

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)	Year Ended 31 st March, 2016 (₹ in Millions)
Sales (Exports)	3,749.64	1,909.80
Income from Turnkey Projects	43.55	-

28 Earnings Per Share ('EPS') pursuant to Accounting Standard-20 ('AS-20') has been calculated as follows:

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Profit after taxation (₹ in Millions)	983.02	625.50
Number of Equity shares at the beginning of the year	77,237,438	77,237,438
Add: Weighted average number of equity shares issued during the year	289,973	-
Weighted average number of Equity shares for Basic EPS	77,527,411	77,237,438
Add: Adjustment for Employee Stock Options outstanding	1,962,027	1,175,224
Weighted average number of equity shares for Diluted EPS	79,489,438	78,412,662
Basic Earnings Per Share (₹)	12.68	8.10
Diluted Earnings Per Share (₹)	12.37	7.98
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 31.03.2017:

- The aggregate amount of cost incurred and recognised profit upto 31.03.2017 ₹ 12765.05 Millions (Previous Year ₹ 9799.01 Millions).
- The amount of advances received ₹ 270.88 Millions (Previous Year ₹ 85.57 Millions).
- The amount of retention ₹ 1269.51 Millions (Previous Year ₹ 841.15 Millions).
- Gross amount due to customers ₹ 14.4 Millions (Previous Year ₹ 616.27 Millions).
- Gross amount due from customers ₹ 290.38 Millions (Previous Year ₹ 277.05 Millions).

30 Related Party Disclosures as required by Accounting Standard (AS-18):

a) Name of Related Parties :

i) Other related parties in the group where common control exists:

Anil Gupta (HUF)

Projection Financial & Management Consultants Private Limited

Shubh Laxmi Motels & Inns Private Limited

Soubhagya Agency Private Limited

Dhan Versha Agency Private Limited

KEI Cables Private Limited

KEI Power Limited

ii) Venturer of Joint Venture

Brugg Kabel A.G. Switzerland

iii) Key Managerial Personnel:

Shri Anil Gupta, Chairman-cum-Managing Director

- Shri Rajeev Gupta, Executive Director Finance
 Shri Kishore Kunal, Company Secretary
- iv) 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
 Shri Akshit Diviaj Gupta
 Smt. Shweta Jha
- v) Enterprises Over which person mentioned in (iv) above are able to exercise significant control and transactions have taken place:
 Sunil Gupta (HUF)
 Ashwathama Constructions Private Limited
- b) Transactions during the year

		(₹ in Millions)	
Particulars		2016-17	2015-16
(i)	Advance Given		
	Key Managerial Personnel		
	Shri Kishore Kunal, Company Secretary	0.50	1.00
		0.50	1.00
(ii)	Advance Outstanding		
	Key Managerial Personnel		
	Shri Kishore Kunal, Company Secretary	1.23	1.00
		1.23	1.00
(iii)	Maximum balance of advance given during the year		
	Key Managerial Personnel		
	Shri Kishore Kunal, Company Secretary	1.50	1.00
		1.50	1.00
(iv)	Interest expense on deposits/ Unsecured Loan		
	Other related parties in the group where common control exists		
	Anil Gupta (HUF)	0.38	0.75
	Projection Financial & Management Consultants Private Limited	-	0.14
	Shubh Laxmi Motels & Inns Private Limited (₹ Nil Previous Year ₹ 4,219/-)	-	0.00
	Soubhagya Agency Private Limited	0.18	0.10
	Dhan Versha Agency Private Limited (₹ Nil Previous Year ₹ 844/-)	-	0.00
	KEI Cables Private Limited	0.09	0.05
		0.65	1.04
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Smt. Archana Gupta (Director) (₹ Nil Previous Year ₹ 1,899/-)	-	0.00
	Smt. Varsha Gupta (₹ 52,017/- Previous Year ₹ 3,375/-)	0.05	0.00
	Smt. Sumitra Devi Gupta	0.07	0.07
	Shri Sunil Gupta	0.13	-
	Shri Akshit Diviaj Gupta	0.04	-
	Smt. Shweta Jha	0.03	-
		0.32	0.07
	Enterprises Over which person mentioned in a (iv) above are able to exercise significant control and transactions have taken place		
	Sunil Gupta (HUF)	0.28	0.07
		0.28	0.07

Particulars		2016-17	2015-16	
(v)	Deposits/Unsecured Loan received during the year			
	Other related parties in the group where common control exists			
	Anil Gupta (HUF)	-	12.00	
	Projection Financial & Management Consultants Private Limited	-	2.60	
	Shubh Laxmi Motels & Inns Private Limited	-	2.00	
	Soubhagya Agency Private Limited	-	1.80	
	Dhan Versha Agency Private Limited	-	0.40	
	KEI Cables Private Limited	-	0.80	
		-	19.60	
	Relatives of Key Managerial Personnel with whom transaction have taken place			
	Smt. Archana Gupta (Director)	-	0.90	
	Smt. Varsha Gupta	0.40	0.20	
	Smt. Sumitra Devi Gupta	-	0.65	
	Shri Sunil Gupta	2.50	-	
	Shri Akshit Diviaj Gupta	0.42	-	
	Smt. Shweta Jha	1.75	-	
		5.07	1.75	
	Key Managerial Personnel			
	Shri Anil Gupta, Chairman-cum-Managing Director	250.00	-	
		250.00	-	
	Enterprises Over which person mentioned in a (iv) above are able to exercise significant control and transactions have taken place			
	Sunil Gupta (HUF)	-	2.50	
		-	2.50	
(vi)	Deposits/Unsecured Loan paid during the year			
	Other related parties in the group where common control exists			
	Anil Gupta (HUF)	1.50	11.00	
	Projection Financial & Management Consultants Private Limited	-	2.60	
	Shubh Laxmi Motels & Inns Private Limited	-	2.00	
	Dhan Versha Agency Private Limited	-	0.40	
	Soubhagya Agency Private Limited	1.80	-	
		3.30	16.00	
	Relatives of Key Managerial Personnel with whom transaction have taken place			
	Smt. Varsha Gupta	-	0.90	
		-	0.90	
	(vii)	Credit balance outstanding as at the year end		
		Other related parties in the group where common control exists		
		Anil Gupta (HUF)	3.00	4.50
		Soubhagya Agency Private Limited	-	1.80
KEI Cables Private Limited		0.80	0.80	
		3.80	7.10	
Relatives of Key Managerial Personnel with whom transaction have taken place				
Smt. Varsha Gupta		0.60	-	
Smt. Sumitra Devi Gupta		0.65	0.20	
Shri Sunil Gupta		2.50	0.65	
Shri Akshit Diviaj Gupta		0.42	-	
Smt. Shweta Jha		1.75	-	
		5.92	0.85	
Key Managerial Personnel				
Shri Anil Gupta, Chairman-cum-Managing Director		250.00	-	
	250.00	-		
Enterprises Over which person mentioned in a (iv) above are able to exercise significant control and transactions have taken place				
Sunil Gupta (HUF)	2.50	2.50		
	2.50	2.50		

Particulars		2016-17	2015-16
(viii)	Rent paid for use of assets		
	Other related parties in the group where common control exists		
	Anil Gupta (HUF)	0.60	0.25
	Projection Financial & Management Consultants Private Limited	2.40	2.40
	Dhan Versha Agency Private Limited	2.40	1.80
		5.40	4.45
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Smt. Archana Gupta (Director)	0.96	0.96
	Shri Sunil Gupta	11.80	10.50
		12.76	11.46
(ix)	Outstanding of Security Deposit Given		
	Other related parties in the group where common control exists		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	2.40	2.40
	2.55	2.55	
(x)	Managerial remuneration		
	Key Managerial Personnel		
	Shri Anil Gupta, Chairman-cum-Managing Director	70.54	50.28
	Shri Rajeev Gupta, Executive Director Finance	20.34	6.81
	90.88	57.09	
(xi)	Employee Benefits Expenses		
	Key Managerial Personnel		
	Shri Kishore Kunal, Company Secretary	5.86	1.77
		5.86	1.77
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Shri Akshit Diviaj Gupta	1.89	-
	1.89	-	
(xii)	Expenses Payable		
	Key Managerial Personnel		
	Shri Anil Gupta, Chairman-cum-Managing Director	24.64	16.97
	Shri Rajeev Gupta, Executive Director Finance	0.05	0.09
	Shri Kishore Kunal, Company Secretary	0.14	0.14
		24.83	17.20
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Shri Akshit Diviaj Gupta	0.08	-
		0.08	-
	(xiii)	Director's Meeting Fees	
Relatives of Key Managerial Personnel with whom transaction have taken place			
Smt. Archana Gupta (Director)		0.40	0.34
	0.40	0.34	
(xiv)	Dividend Paid		
	Other related parties in the group where common control exists		
	Anil Gupta (HUF)	2.33	1.86
	Projection Financial & Management Consultants Private Limited	3.95	3.16
	Shubh Laxmi Motels & Inns Private Limited	1.74	1.39
	Soubhagya Agency Private Limited	1.56	1.25
	Dhan Versha Agency Private Limited	0.50	0.40
	KEI Cables Private Limited	0.79	0.63
		10.87	8.69
	Relatives of Key Managerial Personnel with whom transaction have taken place		
	Shri Sunil Gupta (₹ 3,000/- Previous Year ₹ 2,400/-)	0.00	0.00
	Smt. Archana Gupta (Director)	0.42	0.33
	Smt. Varsha Gupta (₹ 50/- Previous Year ₹ 40/-)	0.00	0.00
	Smt. Shashi Gupta (₹ 750/- Previous Year ₹ 600/-)	0.00	0.00
	Smt. Vimla Devi	0.03	0.02
	0.45	0.35	

Particulars		2016-17	2015-16
	Enterprises Over which person mentioned in a (iv) above are able to exercise significant control and transactions have taken place		
	Sunil Gupta (HUF) (₹ 50/- Previous Year ₹ 40/-)	0.00	0.00
	Ashwathama Constructions Private Limited	-	-
		0.00	0.00
	Key Managerial Personnel		
	Shri Anil Gupta, Chairman-cum-Managing Director	7.79	6.23
	Shri Rajeev Gupta, Executive Director Finance	0.01	0.01
	Shri Kishore Kunal, Company Secretary (₹ 23/- Previous Year ₹ 18/-)	0.00	0.00
		7.80	6.24
(xv)	Equity Share Allotment (ESOS Scheme)		
	Key Managerial Personnel		
	Shri Rajeev Gupta, Executive Director Finance	0.30	-
	Shri Kishore Kunal, Company Secretary	0.08	-
		0.38	-
(xvi)	Security Premium on share allotment (ESOS Scheme)		
	Key Managerial Personnel		
	Shri Rajeev Gupta, Executive Director Finance	4.95	-
	Shri Kishore Kunal, Company Secretary	1.39	-
		6.34	-
(xvii)	Purchase		
	Venturer of Joint Venture		
	Brugg Kabel A.G. Switzerland	7.51	42.29
		7.51	42.29
(xviii)	Trade Payable		
	Venturer of Joint Venture		
	Brugg Kabel A.G. Switzerland	7.13	3.67
		7.13	3.67
(xix)	Services		
	Venturer of Joint Venture		
	Brugg Kabel A.G. Switzerland	-	0.73
		-	0.73

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		Future Interest on outstanding		Present value of minimum lease	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Within one year	15.67	12.17	3.00	2.75	12.67	9.42
Later than one year and not later than five years	28.09	25.81	3.17	3.50	24.92	22.31
More than Five years	NIL	NIL	NIL	NIL	NIL	NIL
Total:	43.76	37.98	6.17	6.25	37.59	31.73

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 ₹ 51.97 Millions (Previous year ₹ 41.02 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue (Gross)												
External	20,732.93	17,989.02	1,131.54	1,022.84	6,585.16	6,391.11	(0.30)	0.05	(4.82)	(159.41)	28,444.51	25,243.61
Less: Excise Duty	1,572.69	1,620.84	87.89	73.37	-	-	-	-	-	-	1,660.58	1,694.21
Inter-Segment Revenue	2,094.24	2,744.55	-	-	-	-	-	-	(2,094.24)	(2,744.55)	-	-
Total Revenue (Net)	21,254.48	19,112.73	1,043.65	949.47	6,585.16	6,391.11	(0.30)	0.05	(2,099.06)	(2,903.96)	26,783.93	23,549.40
Result												
Segment Result	2,659.92	2,245.77	77.18	67.11	662.86	818.32	-	-	(4.82)	(159.41)	3,395.14	2,971.79
Unallocated Expenditure net of unallocated income		-		-		-	(835.65)	(747.97)		-	(835.65)	(747.97)
Interest Expenses		-		-		-	(1,229.32)	(1,271.56)		-	(1,229.32)	(1,271.56)
Interest Income		-		-		-	5.46	6.15		-	5.46	6.15
Dividend Income		-		-		-	0.04	0.08		-	0.04	0.08
Profit Before Taxation	2,659.92	2,245.77	77.18	67.11	662.86	818.32	(2,059.47)	(2,013.30)	(4.82)	(159.41)	1,335.67	958.49
Taxation		-		-		-		-		-	352.65	332.99
Net Profit		-		-		-		-		-	983.02	625.50
Other Information		-		-		-		-		-		-
Segment Assets	12,721.06	10,571.02	526.13	483.95	4,256.80	3,280.48	613.60	304.28		-	18,117.59	14,639.73
Segment Liabilities	3,825.78	3,676.51	253.02	219.02	1,325.36	1,483.31	5,738.53	3,091.23		-	11,142.69	8,470.07
Capital Expenditure	520.92	881.64	24.05	13.39	19.30	6.52	39.92	67.93		-	604.19	969.48
Depreciation	218.82	207.66	8.24	7.40	4.83	2.23	48.55	36.01		-	280.44	253.30
FCMITDA Written off		-		-		-	8.59	29.12		-	8.59	29.12

2(b) Information about Secondary Business Segment:

(₹ in Millions)

Revenue by Geographical Market	India		Outside India		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
External Revenue (Gross)	24,651.32	23,333.81	3,793.19	1,909.80	28,444.51	25,243.61
Less: Excise Duty	1,660.58	1,694.21	-	-	1,660.58	1,694.21
Inter Segment	-	-	-	-	-	-
Total Revenue (Net)	22,990.74	21,639.60	3,793.19	1,909.80	26,783.93	23,549.40
Carrying Amount of Segment Assets	18,089.40	14,615.71	28.19	24.02	18,117.59	14,639.73
Additions to Fixed Assets	604.19	969.48	-	-	604.19	969.48

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	2016-17	2015-16
Sales	23,273.70	20,150.78
Project Income	5,069.45	5,031.89
Job Work	4.45	2.78
Export Incentives	18.88	19.00
Exchange Fluctuation	78.03	39.16
Total	28,444.51	25,243.61

- iii) The Segment Revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India and earnings in India.
 - 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 st March, 2017			As at 31 st March, 2016		
	(₹ 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	156.37	2.39	USD	120.58	1.81	USD
	6.04	0.09	EURO	62.40	0.82	EURO
	4.77	0.06	GBP	1.28	0.01	GBP
	16.07	0.25	CHF	44.96	0.65	CHF
	0.50	0.01	AUD	-	-	AUD
	0.03	0.00***	SGD	0.65	0.01	SGD
Working Capital Loan (Buyer's Credit & PCFC)	1,401.20	21.51	USD	765.12	11.49	USD
Term Loan	233.18	3.58	USD	363.30	5.45	USD
Royalty/Know How/Licence Fees	18.65	0.27	EURO	8.85	0.12	EURO
Expenses Payable	31.21	0.48	USD	22.24	0.33	USD
	7.74	0.16	SGD	1.99	0.04	SGD
	0.41	0.00	GBP	0.89	0.01	GBP
	1.61	0.09	AED	0.84	0.05	AED
	0.20	0.00**	AUD	0.05	0.00*	AUD
	0.17	0.00****	EURO	-	-	EURO
Statutory Dues Payable	0.62	0.01	SGD	-	-	SGD

* AUD 1045, ** AUD 4180, *** 600 SGD, **** 2476 EURO

(ii) Amount receivable in foreign currency:

Particulars	As at 31 st March, 2017			As at 31 st March, 2016		
	(₹ 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	889.73	14.29	USD	479.66	7.18	USD
	30.42	0.44	EURO	86.60	1.21	EURO
	24.73	0.53	SGD	4.76	0.07	SGD
	66.69	1.36	AUD	10.26	0.20	AUD
	0.09	0.00**	CHF	0.97	0.01	CHF
	0.73	0.01	GBP	3.66	0.04	GBP
	2.00	3.44	JPY	-	-	JPY
Recoverable	-	-	SGD	0.67	0.01	SGD
	0.82	0.05	AED	-	-	AED
Balance With Banks	1.90	0.04	SGD	2.28	0.05	SGD
	0.16	0.00***	USD	0.33	0.00*	USD
	1.87	0.11	AED	0.45	0.03	AED

*USD 2568, ** 1382 CHF, ***2491USD

34 Contingent Liabilities & Commitments:

Particulars	Year Ended 31 st March, 2017 (₹ in Millions)		Year Ended 31 st March, 2016 (₹ in Millions)	
34.1 Contingent Liabilities:				
Claims Against the Company not acknowledged as Debt			-	0.22
34.2 Guarantees:				
Financial Bank Guarantees outstanding		2,204.13		1,537.08
34.3 Other money for which company is contingently liable:				
a) Unutilised Letter of Credits	121.35		129.72	
b) Outstanding Bills discounted	1,054.09		834.03	
c) Prorata share of company in channel finance given by banks to others	626.60	1,802.04	407.54	1,371.29
34.4 Duties & Taxes:				
a) Sales Tax / Entry Tax demands under appeal	7.73		8.54	
b) Income tax Matters:	2.16		10.24	
- Demand due to Additions / disallowances during Assessments, which are under Appeal	-		-	
c) Excise / Service tax demands under appeal	144.50	154.39	406.71	425.49
34.5 Commitments:				
Estimated amount of contracts remaining to be executed on Capital Account		70.33		248.12

35 Additional Information in pursuant to Schedule III of the Companies Act, 2013 :

S. No	Name of the Entity	Own-ership Interest	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
			As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)
1	Parent		99.97%	4733.06	100.34%	986.35
2	Subsidiary					
	Foreign					
	KEI Cables Australia PTY LTD	100%	0.00%	(0.21)	-0.02%	(0.16)
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%	0.04%	1.86	-0.32%	(3.17)
	TOTAL		100.00%	4734.71	100.00%	983.02

36 Disclosures as to holdings as well as dealing in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016:

(₹ in Millions)

Particulars	SBNs	Other denomination notes	Total
Closing Balance as at 8 November 2016	1.03	0.96	1.99
(+) Permitted Receipts	-	6.46	6.46
(-) Permitted Payments	-	4.81	4.81
(-) Amount deposited in Banks	1.03	0.01	1.04
Closing cash in hand as on 30.12.2016	-	2.60	2.60

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

37 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 : 10th May, 2017

Place of Signing : New Delhi
Date : 10th May, 2017

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 Reporting period will be 30.06.2017
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 48.97 INR= 1 AUD (As on 31.03.2017)
4.	Share Capital	100 AUD
5.	Reserves and Surplus	(4,285) AUD
6.	Total Assets	5,995 AUD
7.	Total Liabilities	10,180 AUD
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(3,235) AUD
11.	Provision for taxation	-
12.	Profit after taxation	(3,235) AUD
13.	Proposed Dividend	Nil
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 & Brugg Kabel A.G. Switzerland
1.	Latest audited Balance Sheet Date	31.03.2017
2.	Share of Associate/ Joint Ventures held by the Company on the year end	
	No.	NIL
	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	N.A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 1.86 Millions
6.	Profit/Loss for the year (PAT)	₹ (1.67) Millions
	i. Considered in Consolidation	₹ (1.67) Millions
	ii. Not Considered in Consolidation	-

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

(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: 10th May, 2017

Place of signing: New Delhi
Date: 10th May, 2017

NOTICE

THE 25TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT SRI SATHYA SAI INTERNATIONAL CENTRE, PRAGATI VIHAR INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI - 110 003 ON WEDNESDAY THE 19TH DAY OF JULY, 2017 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, the Report of Board of Directors and Auditors of the Company thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the Report of Auditors thereon.
2. To consider and approve declaration of Dividend for the Financial Year ended on 31st March, 2017.
3. To appoint a Director in place of Mr. Rajeev Gupta (holding DIN: 00128865), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder as amended from time to time, M/s. PAWAN SHUBHAM & CO., Chartered Accountants (Firm Registration number 011573C), who have offered themselves for appointment and have confirmed their eligibility in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014 be and are hereby appointed as Statutory Auditors of the Company from the conclusion of 25th Annual General Meeting (AGM) till the conclusion of the 30th AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM) on such remuneration as may be mutually agreed upon between the Board of Directors / Audit Committee and the Auditors, in place of M/s. JAGDISH CHAND & CO., Chartered Accountants (Firm Registration Number

000129N) who will vacate their office at the conclusion of this AGM pursuant to the provisions of Section 139 of the Companies Act, 2013."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Mr. Akshit Diviaj Gupta (DIN:07814690) who was appointed as an Additional Director and who holds office only upto the date of this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing along with a deposit of ₹ 1,00,000/- in terms of Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee of the Board and Board of Directors, Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), members of the Company hereby accord its approval for appointment of Mr. Akshit Diviaj Gupta (DIN:07814690) as Whole Time Director of the Company for a period of 5 years with effect from May 10, 2017 to May 09, 2022, with his period of office liable to retire by rotation on the terms & conditions set out here below and with further discretion to the Committee/Board to alter from time to time said terms & conditions in such manner as it may deem fit in the best interest of the Company and agreed to with Mr. Akshit Diviaj Gupta:

1. Period	from 10 th May, 2017 to 09 th May, 2022
2. Remuneration	
a. Salary	₹4,00,000/-basic salary per month w.e.f. 10 th May, 2017 upto maximum basic salary of ₹ 8,00,000/-per month
b. Perquisites	For this purpose perquisites are classified into three categories A, B, and C:

Category – A

- i) Medical Reimbursement: Expenses incurred for himself and his family as per policies and rules of the Company.
- ii) Club Fees: Fees of clubs to a maximum of two clubs. This will not include admission and life membership fees.
- iii) Bonus: As per policies and rules of the Company.
- iv) Personal Accident Insurance / Term Life Insurance: As per policies and rules of the Company.

Category – B

- i) The Company's contribution for him to provident fund, superannuation fund or annuity fund in accordance with the Rules and Regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity, leave and other entitlements: As per policies and rules of the Company.

Category – C

Car with a driver for use on the Company's business and telephone at residence provided that personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to him. The provision of car and telephone will not be considered as perquisites.

RESOLVED FURTHER THAT the minimum remuneration and perquisites to be paid in the event of absence or inadequacy of profits in any financial year during his tenure of office shall be as per Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the Board/ Committee of the Directors of the Company or such Officer(s) / Authorised Representative(s) as may be authorized by the Board be and are hereby severally authorized to file the necessary applications, e-forms, documents with MCA/ROC and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution and for matters connected herewith or incidental hereto."

- 7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force or from time to time), M/s. S. Chander & Associates., Cost Accountants, appointed by the Board of Directors / Audit Committee of the Company to conduct the audit of the cost records maintained by the Company for the Financial Year 2017-18, be paid the remuneration of ₹ 2,30,000/- plus applicable service tax thereon and reimbursement of travelling and other incidental expenses that may be incurred for this purpose by the said Cost Auditors.

RESOLVED FURTHER THAT the Board of Directors / Audit Committee of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient in order to give effect to this resolution."

By Order of the Board of Directors
For KEI INDUSTRIES LIMITED

Place: New Delhi
Date: May 27, 2017

(Kishore Kunal)
Company Secretary
M. No. : A18495

CIN: # L74899DL1992PLC051527
Regd.Office: D-90, Okhla Industrial Area,
Phase-I, New Delhi-110020

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXY FORM IS ATTACHED HEREWITH.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT

AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate Members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The instrument appointing the proxy should however be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
4. Members or their respective proxies are requested to:
 - i. bring copies of Annual Report sent to them as the copies of Annual Report shall not be distributed at the Annual General Meeting;
 - ii. Quote their Folio / DP ID & Client ID in the attendance slips for attending the meeting;
 - iii. bring the attendance slip sent herewith duly filled in for attending the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books will remain closed from July 13, 2017 to July 19, 2017 (both days inclusive).
7. The dividend, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members on July 19, 2017. In respect of shares held in electronic form, the dividend will be payable to those who are the beneficial owners of shares at the close of business hours on July 12, 2017, as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
8. Un-claimed / Unpaid Dividend for the Financial Year 2008-09 has been transferred to the Investor Education and Protection Fund established by the Central Government and no claims can be admitted in respect of this Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Company) Rules, 2012, the Company uploaded the details of unpaid and unclaimed amounts lying with the Company as on 06th September, 2016 (date of last Annual General Meeting) on the website of the Company: www.kei-ind.com and also on the website of the Ministry of Corporate Affairs: www.mca.gov.in. Members are therefore requested to en-cash their dividend warrants for subsequent Financial Years. Members are requested to write to the Company and/or Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh/revalidated warrants could be issued by the Company.
9. In terms of Article 113 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Rajeev Gupta retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Further, Board of Directors of the Company in its Meeting held on 10th May, 2017 has appointed Mr. Akshit Diviaj Gupta (DIN:07814690) as an Additional Director and also appointed him as a Whole Time Director of the Company for a term of 5 (Five) years w.e.f. 10th May, 2017 to 09th May, 2022, subject to approval of shareholders at the ensuing AGM. The information or details about the director(s) proposed to be appointed / re-appointed to be provided pursuant to the requirements of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule V of the Companies Act, 2013 is annexed herewith.
10. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses specified under Item No. 5, 6 and 7 are annexed hereto.
11. All documents referred to in the Notice and accompanying Explanatory Statement, as well as the Annual Report, are open for inspection at the Registered Office of the Company on all working days during normal business hours up to the date of the Meeting.
12. Ministry of Corporate Affairs (MCA) took a 'Green Initiative in Corporate Governance' in 2011 by allowing the Companies to service the documents to its Members through electronic mode. Accordingly, the Company sends all communications including the Notice of Annual General Meeting (along with instruction for e-voting, attendance slip and proxy form) and Annual Report in electronic form to all Members whose email Ids are registered with the Company/ Depository Participant(s) unless a specific request for hard copy has been requested.
13. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc.

from the Company electronically. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any, to the Registrar 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, website: www.masserv.com and / or the Company Secretary or to their respective depository participants if the shares are held in electronic form.

14. Members are entitled to nominate a person to whom his/her shares in the Company shall vest in the event of his/her demise, by filling up Form No. SH-13. The members are requested to avail of this facility. The duly filled in and signed Nomination Form No. SH-13 should be sent to the Registrar and Share Transfer Agents, MAS SERVICES LTD at the address mentioned in above point.
15. Members may also note that the Notice of Annual General Meeting and Annual Report 2016-17 is available on the website of the Company at www.kei-ind.com under Investor Relations Section.
16. Members desiring any information on the accounts at the AGM are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company at its Registered Office or to the Registrar and Share Transfer Agents.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their rights to vote on resolutions proposed to be passed by means of electronic means ("e-voting"). The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. The procedure and instructions for the shareholders

for e-voting are contained in covering letter being sent to the shareholders.

Members may contact Mr. Kishore Kunal, Company Secretary and Compliance Officer for any grievances connected with electronic means / e-voting at the Registered Office of the Company at D-90, Okhla Industrial Area, Phase-I, New Delhi-110 020.

19. The voting period begins on 15th July, 2017 (at 09:00 A.M (IST)) and ends on 18th July, 2017 (at 05:00 P.M (IST)). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th July, 2017 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
20. The route map to the venue of the Meeting included in this Notice for easy location. The route map of the venue of the Meeting is also available on the website of the Company at www.kei-ind.com under Investor Relations section.

By Order of the Board of Directors
For KEI INDUSTRIES LIMITED

Place: New Delhi
Date: May 27, 2017

(Kishore Kunal)
Company Secretary
M. No. : A18495

CIN: # L74899DL1992PLC051527
Regd.Office: D-90, Okhla Industrial Area,
Phase-I, New Delhi-110020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5 & 6

Nomination and Remuneration Committee at its meeting held on 29th April, 2017 and Board of Directors at its meeting held on 10th May, 2017 had appointed Mr. Akshit Diviaj Gupta as an Additional Director with effect from 10th May, 2017 pursuant to Section 161(1) of the Companies Act, 2013. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Mr. Akshit Diviaj Gupta will hold office only upto the date of ensuing Annual General Meeting.

Accordingly, the Company has received a Notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013, along with a deposit of ₹ 1,00,000/- from a member of the Company proposing the candidature of Mr. Akshit Diviaj Gupta for the office of Director. The Company has received consent in writing in Form DIR-2 and

intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) of the Companies Act, 2013 to act as a Director.

Subject to the shareholder's approval, the Board of Directors of your Company recommends the resolution No. 05 in relation to appointment of Mr. Akshit Diviaj Gupta for the office of Director liable to retire by rotation.

Further, subject to the shareholder's approval, Nomination and Remuneration Committee at its meeting held on 29th April, 2017 and Board of Directors at its meeting held on 10th May, 2017 have appointed Mr. Akshit Diviaj Gupta as a Whole Time Director for a period of five years with effect from 10th May, 2017 to 09th May 2022, on such terms and conditions as specified in the Resolution No. 06 and agreed upon by and between him and the Board of Directors/any Committee thereof.

Appointment of Mr. Akshit Diviaj Gupta, as Whole Time Director (WTD) of the Company and remuneration payable to him requires the approval of the members of the Company under Section 196 and 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013. The Board / Committee considers that appointment of Mr. Akshit Diviaj Gupta and remuneration payable to him is commensurate with his duties and responsibilities as Whole Time Director. Therefore, resolution at Item No. 06 is placed before the members for their approval.

Except Mr. Anil Gupta and Mrs. Archana Gupta being directors and relative of Mr. Akshit Diviaj Gupta, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the passing of resolution set out at Item No. 05 and 06 of the Notice.

Accordingly, the Board/Committee recommends the resolution as set out in Item No. 05 & 06 for approval of the members.

PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD - 2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) INFORMATION ABOUT THE DIRECTOR PROPOSED TO BE RE- APPOINTED/ APPOINTED UNDER ITEM NO.03, 05 & 06 IS FURNISHED AS BELOW:

ITEM NO. 03

Name of Director	Mr. Rajeev Gupta
Date of Birth	31.01.1964
Date of First Appointment	21.04.2006
No. of Equity Shares held (face value of ₹ 2 each)	1,68,910

ITEM NO. 7

M/s. S. Chander & Associates., Cost Accountants, were re-appointed as Cost Auditors of the Company by the Board of Directors on the recommendation of the Audit Committee, to audit the cost records maintained by the Company in connection with manufacture of Electrical Cables, Wires and Stainless Steel Wires for the Financial Year ending 31st March, 2018 at a remuneration of ₹ 2,30,000/- plus Service Tax as applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors/ Audit Committee, is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 07 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2018.

None of the Directors/ Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 07 of the Notice.

By Order of the Board of Directors
For KEI INDUSTRIES LIMITED

Place: New Delhi
Date: May 27, 2017

(Kishore Kunal)
Company Secretary
M. No. : A18495

CIN: # L74899DL1992PLC051527
Regd.Office: D-90, Okhla Industrial Area,
Phase-I, New Delhi-110020

Qualification	B.Com (Hons) and fellow member of the Institute of Chartered Accountants of India.
Nature of Expertise	Mr. Rajeev Gupta has been working as Head of Finance & Accounts of the Company for approximately 24 years. Presently he is working as Executive Director (Finance) & CFO of the Company. He has been instrumental in raising funds for the Company for Expansion/Modernization of Projects of the Company. He looks after the Finance & Accounts Department of the Company. His innovative guidance in managing the Finance of the Company has helped the Company to grow in a significant manner.
Relationship with other Director (s)	Not related with any Director of the Company
Name of Listed Companies in which he holds Directorship	KEI Industries Limited
Name of Committees of Listed Companies in which he is Chairman/Member	KEI Industries Limited - Finance Committee (Member) - Corporate Social Responsibility (Member)
Number of Meetings of the Board attended during the FY 2016-17	5 (Five)

ITEM NO. 05 & 06

Name of Director	Mr. Akshit Diviaj Gupta
Date of Birth	15.03.1992
Date of First Appointment	10.05.2017
No. of Equity Shares held (face value of ₹ 2 each)	NIL
Qualification	BBA degree in Management and Honorary Graduate.
Nature of Expertise	He is BBA in Management and Honorary Graduate and looks after Engineering Procurement and Construction (EPC) Division / Projects of the Company.
Relationship with other Director(s)	Related with Mr. Anil Gupta, Chairman-cum-Managing Director and Mrs. Archana Gupta, Director of the Company.
Name of Listed Companies in which he holds Directorship	KEI Industries Limited (w.e.f. 10.05.2017)
Name of Committees of Listed Companies in which he is Chairman/Member	Not Applicable
Number of Meetings of the Board attended during the FY 2016-17	Not Applicable

KEI INDUSTRIES LIMITED

CIN: L74899DL1992PLC051527

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

Tel.: +91-11-26818840, 26818642, 26815558, 26815559. Fax: +91-11-26811959, 26817225.

Email: cs@kei-ind.com, Website: www.kei-ind.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L74899DL1992PLC051527
Name of the Company : KEI INDUSTRIES LIMITED
Registered office : D-90, Okhla Industrial Area, Phase – 1, New Delhi – 110020

Name of the Member(s) :	E-mail ID :
Registered Address :	Regd. Folio No./ Client Id *: DP Id *:

*Applicable to shareholders holding shares in electronic form.

I/We, being the member (s) of shares of the above named Company, hereby appoint:

- Name :
Address :
E-mail Id :
Signature :or failing him/her
- Name :
Address :
E-mail Id :
Signature :or failing him/her
- Name :
Address :
E-mail Id :
Signature :or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on 19th July, 2017 at 10:00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Description	For	Against
Ordinary Business			
1.	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31 st March, 2017 and report of the Board of Directors and the Auditors of the Company thereon.		
2.	Declaration of Dividend for the Financial Year 2016-17 on Equity Shares of the Company.		
3.	Re-appointment of Mr. Rajeev Gupta as a Director, who retires by Rotation.		
4.	Appointment of M/s. PAWAN SHUBHAM & CO., Chartered Accountants (Firm Registration number 011573C), as Statutory Auditors of the Company.		
Special Business			
5.	Appointment of Mr. Akshit Diviaj Gupta as Director of the Company.		
6.	Appointment of Mr. Akshit Diviaj Gupta as a Whole Time Director of the Company.		
7.	Ratification of Remuneration of M/s. S. Chander & Associates, Cost Accountants, appointed as Cost Auditors of the Company.		

Signed this _____ day of _____ 2017.

Signature of Shareholder: _____

Signature of Proxy holder (s): _____

Note:

- This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- A Proxy need not to be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than 10% of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
- ** This is only optional. Please put '4' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' blank against the any or all the resolution, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- For the Resolutions, Explanatory Statements and Notes, please refer the Notice of 25th Annual General Meeting.

KEI INDUSTRIES LIMITED

Form for updation of Email Address

To,
The Company Secretary
KEI INDUSTRIES LIMITED
D-90, Okhla Industrial Area,
Phase-I, New Delhi-110020

Date:

Dear Sir,

Sub: Updation of email address

Please register my email address for the purpose of sending Annual Report and other notices/documents in electronic mode:

Name:

Email Id:

Folio No. / DP Id:

Client Id:

.....
Signature of the First named Shareholder

Name:

Address:

.....

KEI INDUSTRIES LIMITED

CIN: L74899DL1992PLC051527

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

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Email: cs@kei-ind.com, Website: www.kei-ind.com

ATTENDANCE SLIP

Annual General Meeting: 19th July, 2017

Folio No. /DP Id-Client Id :

Name and Address of First/ Sole Shareholder :

No. of Shares held :

I hereby record my presence at the 25th Annual General Meeting of the Company being held on Wednesday, the 19th day of July, 2017 at 10.00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar Institutional Area, Lodhi Road, New Delhi - 110 003.

.....
Signature of Member/ Proxy

Notes:

- a) Only Member/Proxy can attend the Meeting. No minors would be allowed at the Meeting.
- b) Member/Proxy wish to attend the Meeting must bring this attendance slip to the Meeting and handover at the entrance duly filled in and signed.
- c) Members are informed that no duplicate attendance slips shall be issued at the Meeting.

ROUTE MAP TO THE VENUE OF THE 25TH AGM OF KEI INDUSTRIES LIMITED



 **Sri Sathya Sai International Centre**
Pragati Vihar, Lodhi Road, New Delhi- 110 003



KEI Industries Limited

CIN : L74899DL1992PLC051527

Regd. Office : D-90, Okhla Industrial Area, Phase-I, New Delhi-110020
Ph. No. : +91-11-26818840/8642, 26815558, 26815559, Fax No. : +91-11-26811959, 26817225
E-mail : cs@kei-ind.com Website : www.kei-ind.com

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ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN	NO. OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 09:00 a.m. (IST) on July 15, 2017
End of e-voting	Upto 05:00 p.m. (IST) on July 18, 2017

- The cut-off date (i.e. the record date) for the purpose of e-voting is 12th July, 2017.

----- TEAR HERE -----



KEI Industries Limited

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E-mail : cs@kei-ind.com Website : www.kei-ind.com

ATTENDANCE SLIP

Regd. Folio No. / DP ID - Client ID : _____

Name & Address of First/Sole Shareholder : _____

No. of Shares held : _____

I hereby record my presence at the 25th Annual General Meeting of the Company to be held on Wednesday, the 19th day of July, 2017 at 10:00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar Institutional Area, Lodhi Road, New Delhi-110003.

Signature of Member/Proxy

Notes:

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.
- Members are informed that no duplicate attendance slips shall be issued at the meeting.

The procedure and instructions for e-voting for 25th Annual General Meeting of the Company are as under :

- I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
 - a. Open e-mail and annexed PDF file viz. "KEI-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>.
 - c. Click on "Shareholder-Login".
 - d. Put user ID and password as initial password noted in step (a) above. Click Login.
 - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of remote e-voting opens. Click on "remote e-voting: Active Voting Cycles".
 - g. Select "EVEN" 106213 (e-voting event number) of "**KEI Industries Limited**".
 - h. Now you are ready for remote e-voting as "Cast Vote page opens".
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bskashtwal@gmail.com with a copy marked to evoting@nsdl.co.in.
- II. In case of Members receiving Physical copy of Notice of 25th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy)**
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsd.com or call on toll free no.: 1800-222-990.
- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date of 12th July, 2017.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as on cut-off date i.e. 12th July, 2017, they may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsd.com or contact NSDL at the following toll free no.: 1800-222-990.
- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. At the end of remote e-voting period, the facility shall forthwith be blocked.
- I. Mr. Baldev Singh Kashtwal, Practicing Company Secretaries (Membership No. FCS-3616 & CP No. 3169), Partner, M/s. RSM & Co., Company Secretaries, has been appointed as Scrutinizer for providing facility to the members of the Company and to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- J. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- K. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- L. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.kei-ind.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited.



KEI INDUSTRIES LIMITED

CIN: L74899DL1992PLC051527

CORPORATE & REGISTERED OFFICE:

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

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