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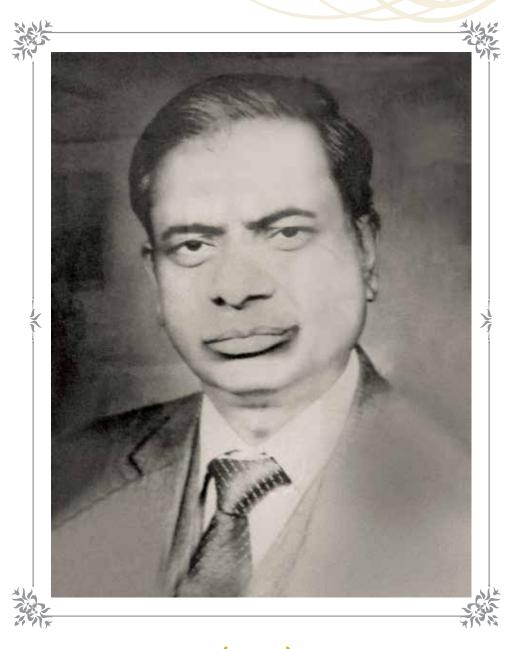
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As the Founder of Krishna Electrical Industries,

Late Shri Daya Nand Gupta led by an example.

He had the confidence to stand alone; the courage to make tough decisions and the compassion to listen to the needs of others.

A trusted confident, he was also highly revered for the equality of his actions and the integrity of his intent.

Our Founder's life will remain an inspiration to all at KEI Industries Limited.



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

Mr. Sadhu Ram Bansal

Director

Company Secretary & Compliance Officer

Mr. Kishore Kunal

Auditors

M/s. Pawan Shubham & Co.

Chartered Accountants

New Delhi

Bankers

Dena Bank

Punjab National Bank

State Bank of India

Kotak Mahindra Bank

ICICI Bank

Indian Overseas Bank

Corporation Bank

IDBI Bank

Bank of India

DCB Bank

The Lakshmi Vilas Bank

United Bank of India

Axis Bank

Bank of Bahrain & Kuwait B.S.C.

Union Bank of India

Bank of Baroda

IDFC Bank

Share Transfer Agent

MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area

Phase - II, New Delhi - 110 020, CIN: U74899DL1973PLC006950

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

Fax: +91-11- 26387384 Email: <u>info@masserv.com</u>

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

Senior Management Personnel

Mr. Pawan Kumar Aggarwal Executive Director (Projects)

Mr. Manoj Kakkar

Executive Director (Sales & Marketing)

Mr. Arvind Shrowty

Executive Director (EHV)

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. Nawal Singh Yadav

Vice President (Technical)

Mr. Dilip Barnwal

Vice President (Operations-Silvassa)

Mr. N.K. Bajaj

Vice President (Sales & Marketing)

Mr. Daya Nand Sharma

Vice President (Works)

Mr. M.V. Gananath

Vice President (Sales & Marketing)

Mr. Pawan Kumar Jain

Vice President (EPC)

Mr. Deepak Manchanda

Sr. GM (Business Development)

Mr. Keshav K. Mitra

Sr. GM (Marketing)

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

Mr. Umesh B. Kank
Sr. GM (Sales & Marketing)

Mr. Adarsh Kumar Jain

Sr. GM (Finance)

Mr. Ashok Kumar Mittal

Sr. GM (QA)

Mr. Kunal Gupta

Sr. GM (International Business)

Mr. Prasada Rao Rayapati

Sr. GM (EPC)

Mr. S.N. Hashmi

GM (Commercial)

Mr. Sanjay Mehra
GM (Sales & Marketing)

Mr. Anil Kumar J.K.

GM (Sales & Marketing)

Mr. Jashobant Singha Ray

GM (Sales & Marketing)

Mr. K.M. Prakash
GM (Sales & Marketing)

Mr. Shashikant Sharma

GM (EPC)

Mr. K.T. Babu

GM (EPC)

Mr. Afzal Ahmad

GM (EPC)

Mr. Rajeev Arora

GM (EPC)

Mr. Gaurav Sahi

Head – Corporate Communications

Mr. S.D. Tamhankar

GM (International Business)

Mr. Mukesh Sethi GM (EHV)

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.

Plot No. SP2-874

RIICO Industrial Area, Pathredi

Dist. Alwar (Rajasthan) - 301 019.

AS A COMPANY, THE JOURNEY WE HAVE TRAVERSED OVER THE PAST FIVE DECADES IS REMARKABLE.

CHALLENGING LIMITS EVERYDAY - FROM MANUFACTURING LOW TENSION (LT) CABLES TO HIGH TENSION (HT) CABLES TO EXTRA HIGH VOLTAGE (EHV) CABLES, KEI INDUSTRIES HAS EVOLVED INTO A LEADING PLAYER IN THE INDIAN WIRES AND CABLES INDUSTRY. THE SUSTAINED PURSUIT OF RESEARCH AND INNOVATION HAS ENABLED US TO DEVELOP CUSTOMIZED PRODUCTS AND BUILD AN INDUSTRY LEADING PORTFOLIO TO EMERGE AS THE 'POWER BEHIND THE POWER'. WE HAVE PUSHED THE BOUNDARIES OF PERFORMANCE EVEN FURTHER BY BUILDING ON OUR EXPERIENCE AND EXPERTISE IN THE EHV CABLES SEGMENT TO EMERGE AS A RECOGNIZED EPC SERVICE PROVIDER.

THE UNFLINCHING COMMITMENT TO THE HIGHEST QUALITY HAS ENABLED US TO SUCCEED GLOBALLY AND WIN THE RESPECT OF MAROUEE CLIENTS ACROSS DIVERSE SECTORS. OUR DETERMINATION TO EXCEED EXPECTATIONS HAS ALSO REINFORCED OUR RELATIONSHIP OF TRUST WITH OUR CONSUMERS AND CHANNEL PARTNERS.

STAYING FOCUSED ON OUR GOALS, WE HAVE INVESTED IN CREATING, OWNING AND OPERATING WORLD-CLASS MANUFACTURING FACILITIES. ENGENDERING A VALUES-DRIVEN CULTURE, OUR PASSIONATE TEAM HAS BEEN CONSTANTLY RAISING THE BAR FOR US, AND THE INDUSTRY.

AND THAT'S NOT ALL.

WE HAVE PUT IN PLACE LEVERS OF GROWTH TO TAP TOMORROW'S PROSPECTS AND SCALE NEW HEIGHTS IN THE NEXT PHASE OF OUR JOURNEY.

It has been five decades of going from strength to strength. This annual report is a tribute to this powerful journey.



A Legacy of Powerful Growth

At KEI Industries, our journey is a proud testimony to our legacy of powerful growth.

Five decades ago, the foundation was laid for our Company with the establishment of a partnership firm under the name Krishna Electrical Industries. The firm, primarily involved in the business activity of manufacturing cables was converted into a public limited Company, with the corporate name KEI Industries Limited in December 1992.

Today, KEI ranks amongst India's top three wires and cables manufacturers, with a comprehensive portfolio designed to meet the needs of clients across sectors and geographies. With growth at the heart of our strategic agenda, we have forayed into allied areas that reinforce our business model. Our successful diversification into Extra High Voltage (EHV) cables and EPC services for power sector projects stems from our deep-rooted purpose to pursue growth. Our end-to-end solutions have made us a trusted and preferred provider in the Retail, Institutional and Exports segments.

KEI is listed at the BSE Limited (BSE), National Stock Exchange Limited (NSE) and Calcutta Stock Exchange Limited (CSE).

Exports Institutional Retail LT/HT/EHV Cables EPC Project

A Journey Anchored in Powerful Strengths

Investing continually and strategically in people, plants, products, processes and presence is at the core of our powerful journey. Our state-of-the-art facilities, impeccable quality products, robust research & development capabilities and strong domestic and international footprint across diverse sectors offer significant opportunities to further scale business and reach newer heights.

Comprehensive Product Portfolio

- Extra-High Voltage Cables up to 400 kV
- High & Medium Voltage Cables
- Control & Instrumentation Cables
- Speciality Cables
- Submersible Cables
- Rubber Cables
- PVC/Poly Wrapped Winding Wires
- Flexible & House Wires
- Stainless Steel Wires
- EPC Projects

Stringent Quality Standards

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

Our quality standards are also certified by ISO 9001:2015, OHSAS 18001:2007, ISO 14001:2015, ISO / IEC 17025:2005.

Wide Sectoral Presence



















Manufacturing Prowess

Four state-of-the-art plants located at Bhiwadi (Rajasthan), Chopanki (Rajasthan), Silvassa (Dadra and Nagar Haveli), and Patheri (Rajasthan). The plants have a cumulative capacity of:

- 900 kms of EHV Cables
- 7,500 kms of HT Cables
- 93,600 kms of LT Cables
- 3,600 kms of Rubber Cables
- 677,000 kms of Winding, Flexibles & House Wires
- 6,000 MT of Stainless Steel Wires

Technology Edge

Technological collaboration with Switzerland-based Brugg Kabel A.G.

R&D Capability

NABL-accredited R&D facility & laboratory

People Power

More than 2,000 talented employees and 3,000 skilled contract laborers across India

Presence

Robust domestic network of marketing offices and channel partners

International footprint in more than 45 countries



Our Powerful Journey

KEI is what it is today because of its powerful journey that spans 50 years of passion, progress and performance.

Genesis

1968-1995

1968

Established as a partnership firm

1985

Commenced the manufacture of Control, Instrumentation and Thermocouple Cables

1992

Partnership firm converted into a Public **Limited Company**

1993

Added manufacturing of PVC/XLPE Power Cables up to 3.3 kV

Diversified into stainless steel drawings with pilot plant

Initial Public Offering (IPO); Became a Listed Company

Building Manufacturing Capabilities

1996-2006

Installed major SSW plant at Bhiwadi

Added another Plant at Bhiwadi for **PVC/XLPE- LT Power Cables**

2001

Commenced manufacturing of Rubber Cables up to 11 kV

2002

Established Jelly Filled Telephone Cables (JFTC) Plant at Silvassa

2004

Converted JFTC Plant at Silvassa into manufacturing of existing range of cables - rebalancing act

2005

Issued Global Depository Receipt (GDR) of USD 10 million

2006

Added new project for manufacturing 33 kV HT cables

Implemented ERP Baan S/W system to ensure transparency and efficiency

Issued Foreign Currency Convertible Bond (FCCB) of USD 36 million

Expansion and **Modernization**

2007-2009

2007

Commenced new project at Chopanki

Commenced modernization / expansion at Bhiwadi & Silvassa units

Received prestigious Corporate Governance Rating

2009

Completed upgradation of HT cable capacity at Bhiwadi & Chopanki of up to 66 kV

Industry Recognition and Leadership

2010-2011

2010

Technical know how agreement with BRUGG KABEL A.G., Switzerland for EHV cables ranging from 66 kV to 220 kV

Commercial production of EHV cables ranging from 66 kV to 220 kV

Proud recipient of Business Superbrand Award

2011

Certification of ISO 9001:2008, OHSAS 18001:2007, OHSAS 14001:2004

Receipt of EHV cable order from KPTCL worth ₹ 75 Crores

Successful redemption of FCCBs in November

Retail and **Global Success**

2012-2015

2012

Receipt of EHV Cable order of ₹ 138 Crores from UPRNL

Proud recipient of Consumer **Superbrand Status**

2013-14

New office at Singapore & Nigeria

2014-15

Strengthened Retail Network

Transformation into an **EPC** player

2015-2017

2015-16

EPC contract for Sub Station of 220 kV Set up a subsidiary in Australia

2016-17

EHV Cable of up to 400 kV commissioned





Energised by Our Present

Higher Corporate Ranking

 As per the Fortune 500 Rankings, KEI's Ranking improved to 379 in 2017 against the previous year's ranking of 416

Higher Credit Ratings

- ICRA Limited has upgraded the rating assigned to longterm facilities to (ICRA) A (pronounced ICRA A)
- ICRA Limited has upgraded the rating assigned to shortterm bank facilities to (ICRA) A1 (pronounced ICRA A One)

Diversified and De-risked Business

Business profile across customers, industries and manufacturing locations

Robust Performance

- During FY 2017-18, Net Sales recorded a growth of 29%, while PAT grew by 54%
- Cable division recorded ~25% growth in value and ~18% growth in volume in FY 2017-18

Strong Order Book

- Order Book stood at ₹ 2,599 Crores EPC ₹ 1,290 Crores,
 Cable ₹ 1,309 Crores
- Improvement in Order Book to lead to increase in turnover and profitability

Healthy Brand Visibility

- Aggressive marketing and brand promotion
- Superbrand status accorded in 2011, 2012, 2014, 2015 and 2016.

Sound Financial Management

- Good/Healthy profits from our existing product portfolio
- Sound cash flow management policies adopted by the Company
- Aggressively focusing on Retail/Distribution sector, which ensures positive cash flows into the organization
- Insurance of receivables to mitigate risk

Solid Fundamentals

- Constant innovation in the field of R&D
- Highly committed leadership







Letter from the Management



- WE REPORTED 29% OVERALL GROWTH IN TURNOVER, WITH NET SALES INCREASING FROM
 ₹ 2,666 CRORES IN FY 2016-17 TO
 ₹ 3,446 CRORES IN FY 2017-18.
- WE HAVE COMPLETED THE FIRST PHASE OF EXPANSION OF OUR NEW FACILITY FOR LT CABLES AT PATHREDI, RAJASTHAN. THE SECOND PHASE OF EXPANSION OF THE FACILITY IS IN PROGRESS. AFTER THE COMPLETION OF SECOND PHASE OF EXPANSION OF OUR FACILITY, YOUR COMPANY WILL BE ABLE TO DRIVE OUTPUT AMOUNTING TO ₹ 500-550 CRORES ANNUALLY.

Dear Stakeholders,

It is my privilege to share this message as KEI celebrates five decades of a powerful journey. Over these past 50 years, your Company has invested in the right capabilities at the right time and at scale, comprehensively expanded its offerings through innovations on a continuous basis, and reached out to new geographies while continually strengthening its presence in India. We have responded to the promise of new technologies, emerging opportunities and intense competitive pressures. It is a matter of immense pride that today KEI is counted among India's top three wires and cables manufacturers, a trusted EPC partner for nation building and has an impressive global footprint. The credit for our eventful journey belongs to all our stakeholders - thank you for your support on this journey.

Macro-Economic Overview

During FY 2017-18, the Indian economy was characterized by resilience with several transformative policy changes seeing the light of day. Most important among them was the implementation of the Goods and Services Tax, bringing 29 states under one tax regime. While the country saw short-term pains due to the disruptive nature of the tax, with Gross Domestic Product (GDP) growth remaining subdued at 6.6% as compared to 7.1% clocked in FY 2016-17, the long-term gains, I believe, will outweigh temporary shortfall. India continues to be a strong, stable economy, with several international institutions maintaining a positive growth outlook taking into consideration the Government's reformatory agenda. Infrastructure continues to be amongst the top priority for the Government, and this should have a cascading effect on other sectors of the economy.

Financial and Operational Performance

I am extremely delighted to report another year of stellar performance by your Company. We reported 29% overall growth in turnover, with Net Sales increasing from ₹ 2,666 Crores in FY 2016-17 to ₹ 3,446 Crores in FY 2017-18. What makes our performance even more compelling is the fact that we have been able to achieve strong growth in each of our business verticals: Retail, Institutional and Exports. Our business is now well-diversified by products, segments and markets, underscoring the success of our strategy in capturing growth opportunities across verticals and building a stronger, de-risked entity. Further, robust growth in every vertical has enabled better utilization of our capacities, leading to better margins. PAT for the full year grew by 54% on an annual basis, while EBITDA stood at ₹ 348 Crores as against ₹ 279 Crores in the previous year.

Our world-class infrastructure has been pivotal to our dynamic growth. Further building on our manufacturing strengths, we have completed the first phase of expansion of our new facility for LT cables at Pathredi, Rajasthan. The second phase of expansion of the facility is in progress. After the completion of the second phase of expansion of our facility, your Company will be able to drive output amounting to ₹ 500-550 Crores annually. We have also commenced expansion of our HT capacities at the same unit, expected to be commissioned by early next year. Our intense focus on augmenting scale, we are confident, will enable us to generate significant value from the market.

Strengthening Retail Growth

The adoption of impact branding measures, such as television and digital media advertisements and third successive year of sponsorship of the Indian Premier League (IPL) Cricket tournament, have enabled us to drive strong brand visibility. In equal measure, we continued the thrust on strengthening our distribution network. We are doing this through a twopronged approach: addition of new channel partners and expansion of business from existing partners through several schemes. Our focused efforts have rewarded us well. Today, Retail is an important contributor to our overall sales. An added advantage with this vertical is that it ensures positive cash flows in the organization.

The Retail segment offers significant prospects propelled by increasing urbanization and a growing economy. We will continue aggressively with our branding and marketing strategy to capture a greater share of the market. Also, GST has narrowed the price differential between the organized and unorganized segment and also enabled us to reduce transit time and logistic costs for goods delivery. This should enable us to enhance our retail penetration.

We are pleased to share that as part of our 50-year celebrations, several programs were held during the year, which helped deepen connect and relationship with our channel partners. It is also an opportune time to acknowledge the contributions of our channel partners towards helping KEI emerge as a market leader. We see great future for this collaborative partnership. Going forward, we will continue to demonstrate the same level of commitment and transparency to ensure our mutual success.

Continued Institutional Success

Our ability to provide customized power cable solutions has enabled us to win contracts and respect from leading institutional customers across sectors. Additionally, forward integration of our cable business has led us to offer EPC services in the field of power transmission and distribution. We have recently commissioned our production line for 400 kV EHV cables – a manufacturing capability powered by only select Indian companies. During the year, leveraging these competitive differentiators, we continued to build on our institutional performance, with both EPC segment and EHV sales recording robust growth.

Going forward, our focus is to maximize the opportunities given the Government's intense focus on infrastructure development. Power, railways, roads and petrochemicals sectors in particular offer considerable opportunities. The Government is encouraging investments at the transmission and distribution level to boost access to reliable and continuous power supply through schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS). Additionally, in line with the Supreme Court directive to reduce emissions as per BS-VI norms, petrochemical companies are going for plant modernization, along with plant expansion, increasing the demand for cables. The real estate sector is also beginning to show green shoots of revival. With our proven capabilities in executing large and complex turnkey projects, all the above sectors offer attractive opportunities to boost our EHV Cable and EPC business.



Enhancing Exports

KEI's strong growth in the global arena over the last five decades in a dynamic industry is indeed a worthy achievement. What has helped us to sustain our performance is our ability to meet stringent pre-qualification parameters and key approvals from major testing houses based abroad. Careful selection of geographies and projects has enabled us to replicate our success on scale. Along with this, we have always kept our customers at the centre of our product development strategy. Product customization has enabled us to meet niche demands of clientele across industries. During the year, exports maintained its positive growth momentum, exemplifying the global acceptance for our products. In the current year, we will continue to fortify customer relationships and enhance export revenues through setting of new offices and product innovation.

Steady Journey

We have followed our vision and built on our strengths at each step of our journey. Our industry-leading capabilities have enabled us to respond effectively to the demands of customers across industries. We have scaled global growth and brought in greater recognition for Indian products and manufacturing long before 'Make in India' was made a national goal. Our business is now well-diversified and de-risked, thus reinforcing our abilities towards achieving new milestones.

Along with technical competence, financial stability has always remained our topmost priority. We have ensured that our growth does not come at the cost of stretching our debts. Also, we have always believed that longevity is a function of our determination to be a respected corporate and do what is right. Being a professionally-run Company that maintains a personal connect with its customers through its offerings as well as principles has always been important to us. We will continue to grow while ensuring that transparency and ethics remain engrained in our value system, and our approach goes beyond compliance.

Powered by Our People

Celebrating 50 years, it is befitting that we appreciate the efforts of our employees and colleagues over the years for helping build KEI into what it is today. Our people have been the true engines of our growth and we intend to build on this strength further. We will continue to empower our people through training across various disciplines to ensure that we have the pipeline of talent and leadership for driving tomorrow's success.

Future Outlook

Through our five-decades journey, we have had the privilege of growing along with our nation India. Today, as India moves resolutely ahead to script the most powerful growth globally, we remain steadfast to participate in full measure towards the national agenda of infrastructure development. We remain committed to drive increased sales and profitability through extending the reach of our offerings. All our verticals offer exciting growth opportunities and we are well-positioned to capitalize on them. Our financial health is sound, providing us ample scope to expand our capacities, as and when required, through internally generated funds.

Conclusion

I want to thank all the people that help to make KEI successful, from our Board of Directors and investors, to our customers, bankers, financial institutions, Central and State government bodies, channel partners, business associates, suppliers and employees, and last but not the least, our community. KEI could not have evolved and grown into the Company it is today without your confidence and support. As we embark on the next era of our journey, with your continued trust, we will take your Company to new heights.

Sincerely,

Anil Gupta

Chairman-cum-Managing Director





Powering Ahead with Brand Power

RETAIL SEGMENT

Our trusted and quality offerings, distribution strength and marketing initiatives have strengthened our retail business. We are aligning our brand closer and better with our consumers to deepen engagement. Our focused efforts, we are confident, will enable us to capitalize on unfolding opportunities and script an even more powerful journey.



Overview

To leverage a more dynamic future, in the early 2000s, we forayed into the retail business, which comprises the market for Household Wires (HW) as well as a portion of Low Tension (LT) cables. In a very short span of time, the segment has already become an important growth pillar of our business model, with its contribution to total sales increasing at a strong pace.

Business Highlights FY 2017-18

- Retail sales achieved a strong growth of 40% year-on-year to reach
 ₹ 1,086 Crores
- 32% of the total revenue in FY 2017-18 was driven by the retail segment

- as compared to 29% in the previous year
- Increased sales from retail network has improved our margins and working capital cycle
- Added 137 dealers to our network, taking our distribution strength to 1,284
- Engaged with a global consulting firm for systems and procedures and planning right up to retailer mapping

Investing in Our Brand

We recognize that a strong brand enhances credibility with customers and helps gain a competitive edge in the marketplace. Our strong reputation as the "power behind the power" and our clear positioning of a "specialist cable manufacturer" have enabled us to command mindshare and market share. We are continually investing in our brand to ensure greater reach, reinforce our relationship with consumers and generate sales efficiently and effectively.

Strengthening our Distribution Network

An important enabler of our retail success has been strengthening our dealer base year after year. Our sales and distribution network covers all major Indian cities pan-India. Besides enhancing sales in existing markets, expansion in dealer network has also helped us to reach out to new markets.

We continued to incentivize our dealers and retailers through several performance-related schemes and initiatives such as gold coin scheme, domestic and international trips, turnover discounts, dealer-electrician meets, factory visits for electricians and facilitation of channel financing. This year, being the proud sponsors of the Rajasthan Royals team in the Indian Premier League (IPL), we also arranged 'meet & greet' opportunity for our channel partners with the top cricketers.

Enhancing Our Brand Visibility

We have been aggressively enhancing our brand visibility and recall through marketing and brand promotion campaigns. Irrfan Khan, a credible, much-respected and leading actor, cutting across territorial borders and communities, has been chosen as our brand ambassador. Our endearing and emotional advertisement campaign for house wires - 'Jodey Dilon Ke Taar' featuring this popular actor stands out in the sea of noise and resonates well

with our target audience. We have also garnered more prominence and top of the mind recall in the market through our sponsorships for the Rajasthan Royals' cricket team and participation in the 'Man of the Match' award presentation and toss hour at the tournament. We are also leveraging digital and social media advertisements to drive increased consumer engagement. The enhanced brand visibility has translated into increase in retail sales and market share.

Dealer Network 1400 1,284 1200 1,147 1000 ----- 926 ----800 650

Focus on growing

600

400

200





Elecrama 2018

KEI participated in the world's largest exhibition of everything electric, Elecrama - 2018 and won the Best Stall Award (Bare Space Category up to and including 199 sq m). On display were a large number of our products and our future technologies.

Jodey Dilon Ke Taar Scheme for Electricians

The scheme was launched in April 2018 to connect with electricians at every nook and corner of the country. In a short time, it has received an encouraging response.

Powerful Journey Ahead

FY15

FY14

FY16

FY17

FY18

Government schemes such as 'Housing for All by 2022' and 100 Smart Cities; rapid urbanization and rising GDP with a strong outlook provide compelling opportunities for increasing our retail business. The Budget 2018 has reinforced the Government's intent to focus on the development of the affordable housing sector under the Pradhan Mantri Awas Yojna (PMAY). Higher budgetary allocation for affordable housing under PMAY is expected to boost demand for HW

and LT cables. Additionally, the demand for electricity is expected to rise in the future with increasing number of households, leading to higher demand for wires and cables GST implementation should also open up new opportunities to increase our market share. The new tax regime has resulted in narrowing the price differential between branded and unbranded goods, bringing unbranded players under the tax net.

As per industry data, the size of house / building wires in India is conservatively

estimated at USD 800 Million. Driven by our continued efforts in brand building and capacity expansion, we foresee an exciting journey in the retail segment by gaining significant market share and scaling retail contribution to sales to over 40% in the next few years.



50 Year Celebrations with our **Channel Partners**

During KEI's journey of 50 years, our channel partners have offered their unwavering support not just when the going has been smooth, but also during challenging times. Celebrating the glorious mark of 50 years of existence would have been incomplete without our partners in progress. Grand celebrations were held across various cities for our channel partners, which were attended by them with great enthusiasm. Several fun and cultural activities were organized at the events and all our partners were felicitated with mementos for their outstanding work and support through the years.









I got an opportunity to associate with KEI in 2002 and since then there has been no looking back. Although I was a chemical dealer and had no background in wires and cables, KEI supported me throughout, by way of adding new consumers, approvals and transparent business policies. The result is, this year we have crossed ₹ 100 Crores turnover. I feel extremely proud on KEI's completion of 50 glorious years and look forward to many more successful years.

Mr. Rakesh Maheshwari Mls. Pawan Industrial Corporation, Mumbai Associated with KEI since last 15 years



I have been associated with KEI for the last 8 years. When we joined hands with KEI, it was not a very popular brand in Nagpur. But as the saying goes, 'Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives'. KEI's superior quality products started getting noticed and gradually it brought in a lot of acceptance in the market. Relationship building by the Company with every stakeholder has also made KEI a preferred choice in the market.

Heera Patel

M/s. Supreme Marketing, Nagpur Associated with KEI since last 8 years



KEI and Supreme Marketing have one very vital thing in common: 'No Compromise in Quality'. KEI also offers other advantages like transparency in dealing, beneficial policies, approvals, commitment and personal approach. I am extremely happy with my decision to collaborate with KEI. If I had to define KEI in one sentence, I would say, what they say, they do! I am still ecstatic about the experience at the London Tour, 2018. We created beautiful memories together. I would like to wish KEI glorious 100 years ahead.

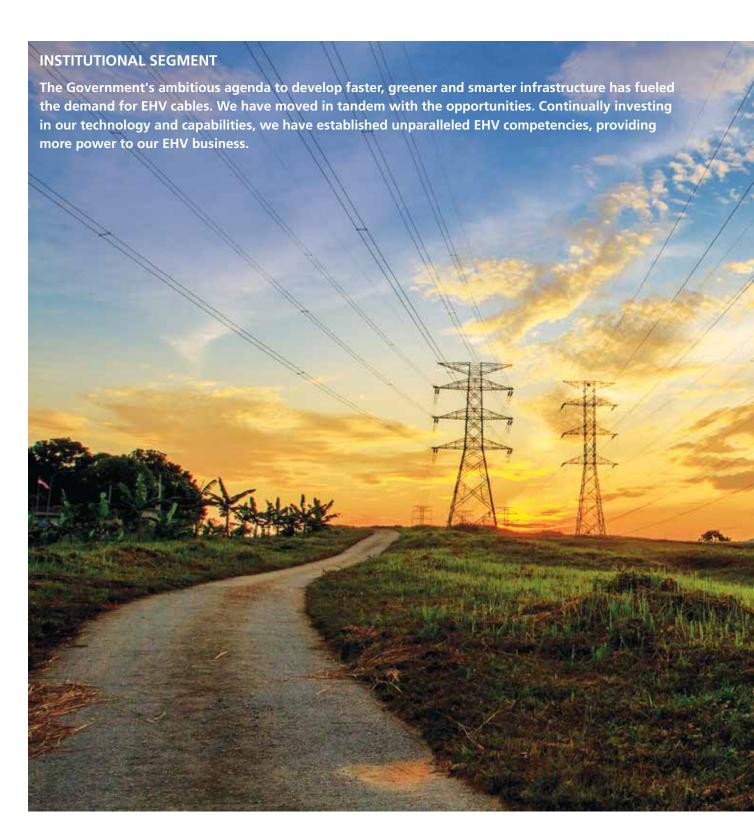
Mr. Dhaval Jariwala

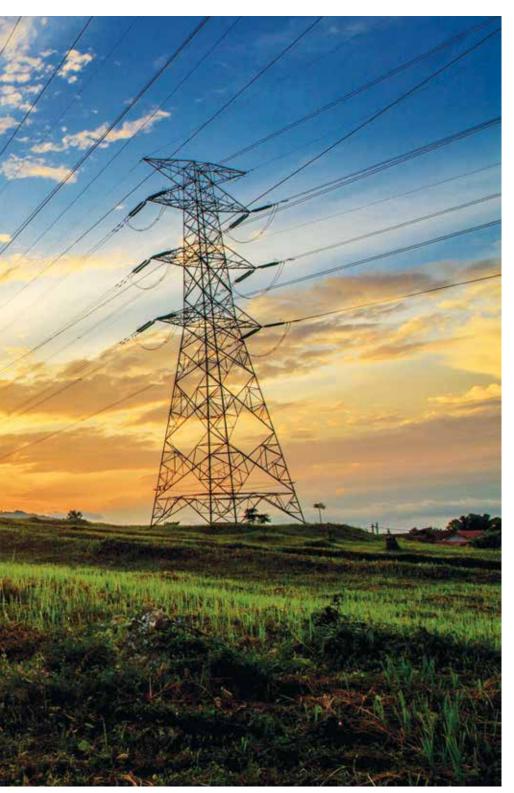
M/s. Sunil Electric Co., Mumbai Associated with KEI since last 3 years





More Power to Our EHV Business





Overview

EHV cables offer considerable advantages over conventional overhead lines for sub-transmission and distribution of power. Recognizing this early, in 2010, we commenced the manufacturing of EHV cables of up to 220 kV, in technical collaboration with Switzerland-based Brugg Kabel A.G. Our technology partner has over 100 years of experience in the manufacture of up to 550 kV. This technical collaboration was later extended up to and including 400 kV in the year 2016. The strategic partnership empowers us to provide high-end designs and process back-ups benchmarked to the highest standards of global excellence. Our EHV business also stands to gain from backward integration through in-house PVC compound manufacturing.

In January 2017, we completed the installation of a new 400 kV EHV cables production line at our Chopanki unit to address the growing demand from mega power plants, transmission companies, metro rail projects, metro cities, industries such as steel, cement, refineries, petrochemicals, large realty projects such as IT Parks and large residential complexes.





Business Highlights FY 2017-18

- 5% of the total revenue in FY 2017-18 was driven by the EHV segment as compared to 4% in the previous year
- Executed order of KPTCL worth
 ₹ 75 Crores
- Executed order of ₹138 Crores of Uttar Pradesh Rajkiya Nirman Nigam Ltd.
- Executed 220 kV EHV Project of ₹ 65 Crores of DMRC

- Executed 220 kV EHV Project of ₹ 43 Crores of PGCIL
- Order book of EHV cables including accessories, erection and commissioning stands at ₹ 447 Crores

Powerful Journey Ahead

India is one of the biggest consumers of electric energy following the US and China. As per industry estimates, the demand for cables (including EHV, MV and LV cables) used for Transmission & Distribution (T & D) purposes is estimated at USD 3 Billion. The majority of the demand for EHV cables in the country so far, has been met through imports. Higher demand for EHV cables is expected from transmission companies as these cables minimise the transmission loss faced in the case of overhead cables. Also, with more than 92% of the power consumption states adopting Ujwal DISCOM Assurance Yojana (UDAY), State Distribution companies are expected to improve their T&D infrastructure through renewed investments on EHV cables.

With our established capabilities and expanded capacities in this niche segment, we are confident of harnessing the unfolding opportunities. Strong order book and strong bid pipeline with various State Transmission companies should drive higher sales, aiding scaling up of operations at our new EHV facility and margin expansion.

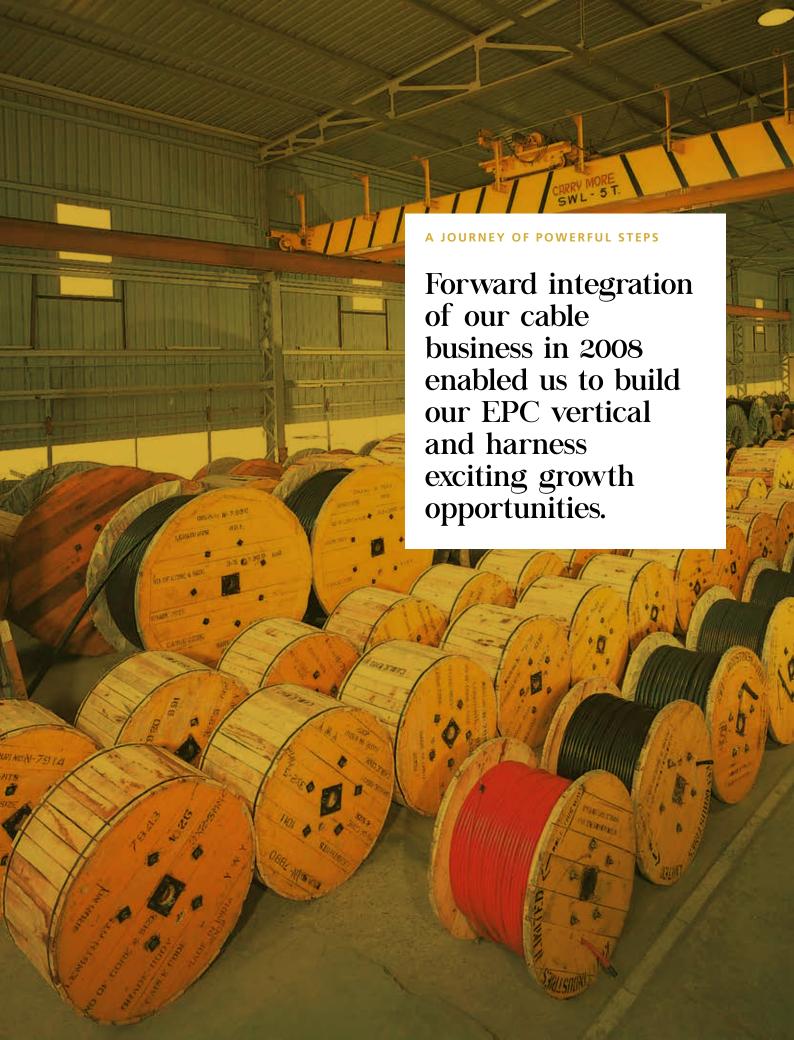
Proud Moments in Our Journey



KEI was conferred with a prestigious memento for successful completion of 33 kV U.G. cable layout, from Ranni Pernnad 33 kV Sub Station to Perumthenaruvi. Seen here is the award presented by Shri M M Mani, Honourable Minister of Electricity, Kerala State.



KEI was conferred with a Power Award (Second Prize) by Government of Karnataka Energy Department in appreciation of completion of the project of laying 66 kV Underground Cable from M/s. Khodays Glass Factory Sub Station to BTM IV stage Sub Station.





Progression with EPC Strength

INSTITUTIONAL SEGMENT

A watershed moment in our journey was our strategic foray into Engineering, Procurement & Construction (EPC) services in 2008. Leveraging our strong competencies in LT, HT and EHV cables, the forward integration positions us well to take our business to new heights, especially in light of the Government's accelerated efforts to make power accessible and affordable for all.





Overview

With our EPC foray, we have completed the entire value chain - from manufacturing and supplying cables to executing EPC contracts. We are delivering end-to-end turnkey solutions in the execution of power transmission projects in the range of 66 kV to 400 kV on a turnkey basis, EPC of EHV and HV cable systems, electrical balance-of-plant system for power plants, and electrical industrial projects.

We are able to drive considerable cost-efficiencies through in-house manufacturing of EHV/HV cables, as these cables account for nearly 70% of the EHV-EPC project value. New EHV capacities pre-qualify us to participate in large utility tenders, thus further boosting our EPC business. At our recently completed LT cable facility in Pathredi, Rajasthan, we are also planning a capacity expansion for HT cables. Enhancement in backward integration strengths will provide a considerable boost to our EPC business.

Proud Moments in Our Journey

KEI was conferred with special appreciation from Power Grid Corporation of India for excellence in New Works (IPDS)





Business Highlights FY 2017-18

- 19% of the total revenue in FY 2017-18 was driven by the EPC segment as compared to 16% in the previous year
- EPC order book stands at ₹ 1,290 Crores
- : Engaged with leading consulting firm for systems and process / procedure updation and material flow management

Our Journey Ahead

Power remains one of the most critical components of infrastructure for driving economic growth of the country. Government flagship programs such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for achieving rural electrification, Integrated Power Development Scheme (IPDS) aimed at strengthening of sub-transmission network, and '24x7 Power to All by 2022' are gaining momentum with the thrust to improve power connectivity and availability. Thus, the opportunity size for EPC services in the power sector is strong.

We have been consistently bagging projects primarily under the DDUGJY and IPDS. Our reputation as a trusted EPC player in power transmission and distribution positions us well to benefit from the project awarding that should follow. We foresee increase in our order inflow and higher capacity utilization, which in turn will help us deliver greater value.

Proud Moments in Our Journey

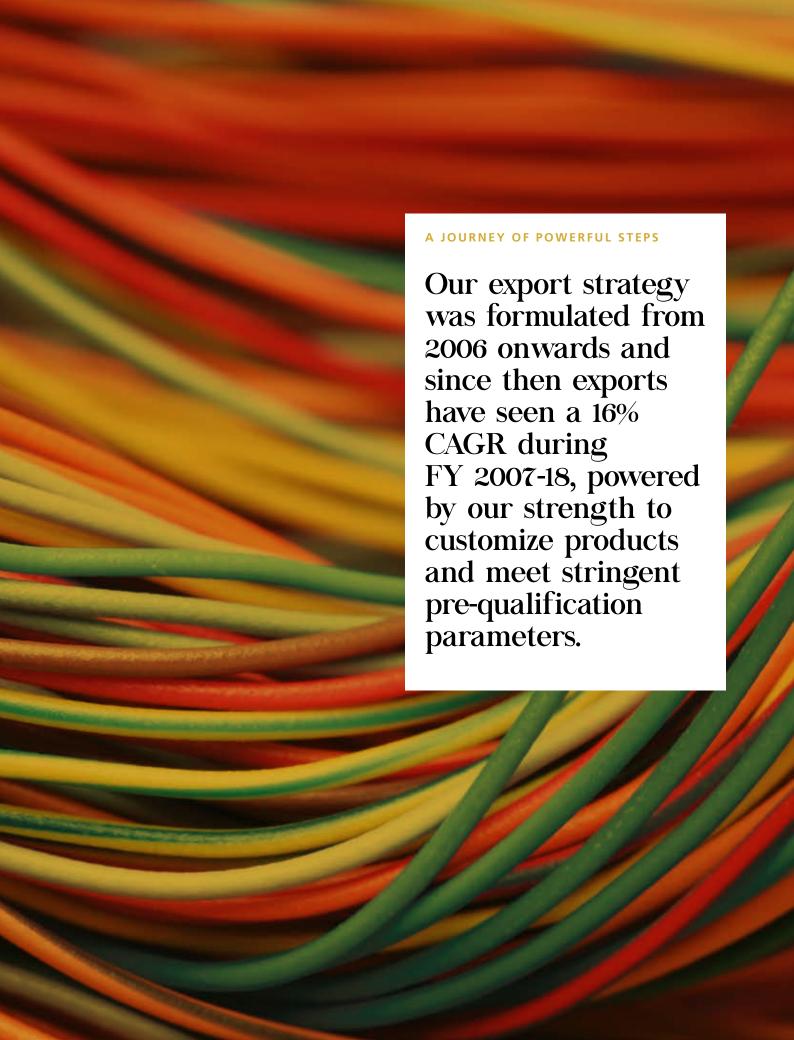
86 years after the city got electricity, overhead power cables in Varanasi were dismantled. The project to lay underground lines over 16 sq km was completed by KEI, ensuring modernization of the city by going wireless.



- 132/33 kV AIS S/S PGCIL ₹ 162.28 Crores
- 33/11 kV Rural Electrification Project ₹ 91.25 Crores

Projects Completed

- 220 kV/132 kV AIS S/S HPSEB ₹ 45.65 Crores
- 132 kV/33 kV GIS S/S UPPTL ₹ 35.63 Crores





Journey Beyond Boundaries

EXPORTS SEGMENT

Our industry expertise and experience powers our ability to develop bespoke solutions for global customers. Additionally, unwavering focus on product quality and reinforcing customer connect through a well thought-out marketing plan has powered our journey beyond boundaries.



Overview

In the exports business, we offer a wide range of cables, including EHV cables, MV (6 kV to 30 kV) and LV (< 6 kV) cables, with focus on the vital segments of Oil & Gas, and Power Utilities. Competitive pricing and ability to offer customized solutions and speciality cables has enabled us to establish an extensive global footprint spanning 45 countries.

We continue to adopt an aggressive marketing policy to strengthen our global business. Our export business operates through overseas offices in Abu Dhabi, Singapore and Nigeria. We have opened a subsidiary company in Australia and also have our representatives in South Korea, Gambia, South Africa and Kazakhstan. With a view to reinforcing customer relationships and expanding operations, we continue to participate in several international exhibitions during the year.

Business Highlights FY 2017-18

- 13% of the total revenue in FY 2017-18 was driven by the Exports segment as compared to 14% in the previous year
- Export sales in FY 2017-18 stood at ₹ 454 Crores as against ₹ 375 Crores in the previous year, growing by 21%
- Strengthened prequalification parameters and achieved approvals for large projects with local companies in Middle East, South Africa, Nigeria and Australia
- Export order book stands at ₹ 195 Crores providing robust financial visibility

Our Journey Ahead

Powered by our continued efforts to develop and sustain a strong global connect, especially with the opening of new branch offices, we expect the export market to grow at a rapid pace. Wider reach and greater acceptability of our products should enable us to achieve a growth of 10-15% in exports sales in FY 2017-18. As margins are better in the exports segment vis-à-vis domestic institutional sales, an increase in exports will also facilitate margin expansion. KEI will continue to identify geographical markets that provide opportunities to expand our global presence.





Corporate Social Responsibility

KEI has a well-defined CSR Policy and actively promotes a variety of CSR initiatives to meet the varying needs of the less privileged members of society in India, in line with this policy. Key interventions include:



- Promoting Gender Equality
- **Promoting Environmental** Sustainability
- Eradicating Hunger
- **Promoting Education**
- Promoting Wellness of Animals

Education: The Company promotes education and learning jointly with the International Society for Krishna Consciousness (ISKCON) and TATA Community Initiative Trust (TCIT) for underprivileged children in various areas in Ajhai, Mathura in Uttar Pradesh and Navi Mumbai. It supports the construction of school buildings and classroom facilities in rural India.

Objectives of the Program:

The Company contributed towards construction of a library at the Residential School Campus for a Vocational Education facility in Bhaktivedanta Gurukula and International School (BGIS). The objective is to encourage and help the students with facilities to study. This is provided not only to BGIS students, but is also open to underprivileged students from nearby schools.

Partnership with TATA

The Company joined hands with Tata STRIVE, a CSR program of Tata Community Initiatives Trust, to fund the Assistant Electrician batch under Skill Development.

Objectives of the Program: To develop capacity to train unemployed youth for gaining employment, entrepreneurship and community enterprises. This will help transform the youth into prospective employees for any corporate organization or entrepreneurship. Training will lead to behavior change, knowledge acquisition and skill development. It will create

and supply trained manpower for the construction sector, in particular in the electrical discipline. It shall develop entrepreneurial talent too. The intention is to reach out to the economically weaker and socially disadvantaged youth and empower them with relevant skills to make them useful to the society. It will provide them with suitable employment in relevant industry or even entrepreneurship.

Eradicating Hunger: KEI contributed towards construction of the dining hall and kitchen facility for Bhaktivedanta Gurukula and International School (BGIS) Campus, Mathura. The objective is to use dining and kitchen facility to provide free food to underprivileged students from nearby areas.

Environmental Sustainability: This is practiced through International Society for Krishna Consciousness (ISKCON) by undertaking initiatives in environment management and protection. We contributed in developing Botanical Garden named "Vrindaranyan" in Bhaktivedanta Gurukula and International School (BGIS), Mathura, Uttar Pradesh.



Objectives of the Program:

These initiatives help developing an eco-friendly campus with maximum green cover, solar energy, waste water recycling, etc. The objective is to help the students learn direct interaction with Nature and promote value-based education in India. Tree plantation is encouraged to increase the green cover. It is important that especially the less privileged enjoy the benefits of cleanliness and fresh air so that they keep good health.

Welfare of Animals: Another neglected area is the poor conditions in which animals live especially in rural India. The Company supports this initiative through active contribution to Animal Welfare in Hapur, Uttar Pradesh through projects identified by Shri Ganpati Ganga Gaushala to ensure that animals are not subject to harm or improper treatment.

Relief Measures: The Company also rises to the occasion in times of distress. It contributed to the Prime Minister's National Relief Fund recently in Rakholi, Silvassa, through initiatives identified by the Rakholi Gram Panchayat to help the people in a variety of ways through rehabilitation measures.

Gender Equality/Women

Empowerment: The Company champions the cause of gender equality through the Confederation of Women Enterprises (COWE) and Rotary Viklang Kendra. This activity is so important for the safety and well-being of women in general, but more so of rural women in India, who sometimes suffer in silence



To promote women empowerment, the Company organized Twenty-Twenty Queens XI Cricket League, a cricket tournament for Women with the aim and objective:

- 1) To encourage women to take active part in sports
- 2) To bring to light hidden talent among young girls, help them develop it and reap monetary as well as non monetary benefits
- 3) To give confidence to women to participate in other national events in the country





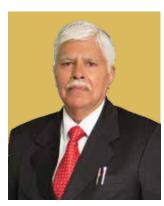
Board of Directors



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 customercentric approach blended with a futuristic vision has persistently ensured in offering cable and wire products of the highest quality. The brain behind some pathbreaking 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 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 37 years' of experience at the helm, 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 has been actively associated with the capital market since 1981. He was elected as President of Delhi Stock Exchange for the year 2001-02, was also Chairman of Federation of Indian Stock Exchanges representing 20 Stock Exchanges from 2002-04.

Mr. Bhushan is currently, Chairman of Delhi Stock Exchange Limited and has also been elected as Alternate President of Association of **National Exchanges Members** of India (ANMI), which is an association of NSE & BSE Brokers.



Mr. Vikram Bhartia Non-Executive & Independent Director

Mr. Vikram Bhartia is a B. Tech (Hons) from IIT Kharagpur and has 32 years of experience in the Engineering Industry.



Mrs. Archana Gupta Non-Executive Director

Mrs. Archana 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 KFI 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. and a Chartered Accountant. Mr. Gupta has about 25 years experience in Corporate Finance and is presently heading the Finance & Accounts Department of KEI Industries Limited.



Mr. Akshit Diviaj Gupta Director

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.



Mr. Sahdu Ram Bansal Non-Executive & Independent Director (w.e.f. January 24, 2018)

Mr. Sahdu Ram Bansal is an MA in English and a Certified Associate of Indian Institute of Bankers (CAIIB) and Associate of Indian Institute of Banking & Finance (AIIBF).

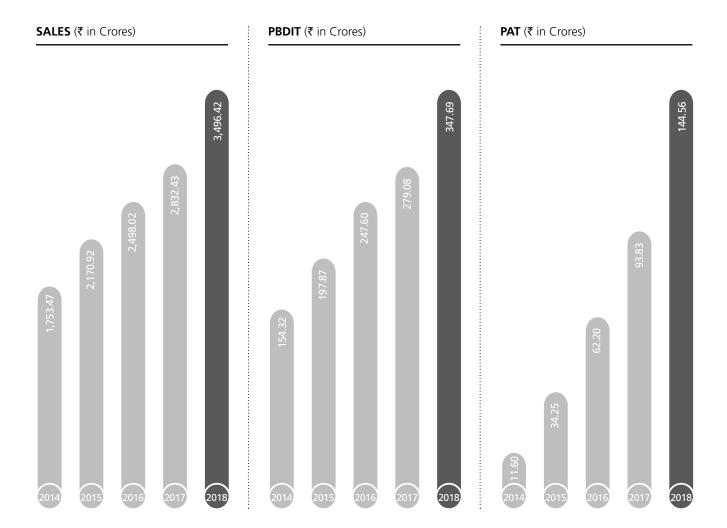
Mr. Bansal has a rich experience of more than 34 years in finance, banking and administrative functional capacities.



Five-Year Financial Highlights

(₹ in Crores)

| | | | | (₹ In Crores) | | |
|--------------------------------|----------|----------|----------|---------------|----------|--|
| Particulars | 2014 | 2015 | 2016 | 2017 | 2018 | |
| PAID-UP CAPITAL | 14.75 | 15.45 | 15.45 | 15.56 | 15.67 | |
| NET WORTH | 273.08 | 303.85 | 366.62 | 460.91 | 604.53 | |
| SALES | 1,753.47 | 2,170.92 | 2,498.02 | 2,832.43 | 3,496.42 | |
| LESS: EXCISE DUTY | 134.56 | 139.97 | 172.44 | 166.11 | 50.55 | |
| NET SALES | 1,618.91 | 2,030.95 | 2,325.58 | 2,666.32 | 3,445.87 | |
| PBDIT | 154.32 | 197.87 | 247.60 | 279.08 | 347.69 | |
| PBIT | 133.35 | 173.28 | 222.32 | 250.68 | 315.46 | |
| PBT | 21.82 | 52.88 | 95.34 | 126.25 | 204.16 | |
| NET PROFIT | 11.60 | 34.25 | 62.20 | 93.83 | 144.56 | |
| PROFITABILITY RATIOS (PERCENT) | | | | | | |
| PBDIT | 9.53 | 9.74 | 10.65 | 10.47 | 10.09 | |
| PBIT | 8.24 | 8.53 | 9.56 | 9.40 | 9.15 | |
| PBT | 1.35 | 2.60 | 4.10 | 4.73 | 5.92 | |
| NET PROFIT | 0.72 | 1.69 | 2.67 | 3.52 | 4.20 | |
| ROE (NET PROFIT / NET WORTH) | 4.25 | 11.27 | 16.97 | 20.36 | 23.91 | |
| GROWTH RATIOS (PERCENT) | | | | | | |
| NET SALES | -2.38 | 25.45 | 14.51 | 14.65 | 29.24 | |
| PBDIT | -10.73 | 28.22 | 25.13 | 12.71 | 24.58 | |
| PBIT | -12.52 | 29.94 | 28.30 | 12.76 | 25.84 | |
| PBT | -49.35 | 142.35 | 80.30 | 32.42 | 61.71 | |
| NET PROFIT | -55.96 | 195.26 | 81.61 | 50.85 | 54.07 | |
| | | | | | | |





Director's Report

To The Members

Your Directors have pleasure in presenting their 26th Annual Report, together with the Audited Annual Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2018.

FINANCIAL SUMMARY

The Company's financial performance for the year ended March 31, 2018 along with previous year's figures are summarized below:

(₹ in Millions)

| | Consol | idated | Standalone | | |
|--|------------------------------|-------------------------------|------------------------------|-------------------------------|--|
| Particulars | Year ended March 31, 2018 | Year ended* March 31, 2017 | Year ended March 31, 2018 | Year ended* March 31, 2017 | |
| Revenue from Operations (Gross) and Other Income | 35,124.18 | 28,424.92 | 35,057.18 | 28,424.92 | |
| Profit before Finance Costs, Depreciation and Amortisation Expenses and Tax Expenses | 3,485.77 | 2,788.97 | 3,476.94 | 2,790.80 | |
| Less: Finance Cost | 1,118.69 | 1,244.25 | 1,113.04 | 1,244.25 | |
| Less: Depreciation and Amortisation Expenses | 322.30 | 284.04 | 322.30 | 284.04 | |
| Profit before Exceptional Items and Tax | 2,044.78 | 1,260.68 | 2,041.60 | 1,262.51 | |
| Profit before Tax | 2,044.78 | 1,260.68 | 2,041.60 | 1,262.51 | |
| Tax Expenses | | | | | |
| Current Tax (*Net of MAT Credit Entitlement) | 5,47.76 | 286.44 | 546.84 | 286.44 | |
| -Deferred tax | 49.14 | 37.62 | 49.14 | 37.62 | |
| Short/(Excess) Provision-Earlier Years (Standalone * ₹ 3,739) and (Consolidated * ₹ 3,789) | 0.06 | 0.17 | 0.06 | 0.17 | |
| Profit for the Year | 1,447.82 | 936.45 | 1,445.56 | 938.28 | |
| Add: Balance brought forward from last year's account | 3,573.77 | 2,683.80 | 3,572.12 | 2,680.32 | |
| Amount available for Appropriations | 5,021.59 | 3,620.25 | 5,017.68 | 3,618.60 | |

^{*} Figures for the year ended March 31, 2017 have been re-grouped / re-arranged as per Ind AS.

Note No. 1:

The Board of Directors of the Company has recommended a dividend of $\ref{thmodel}$ 1.00/- per Equity share on the Equity shares of face value of $\ref{thmodel}$ 2/- each. The dividend, if declared at the ensuing Annual General Meeting, will result in cash outflow of $\ref{thmodel}$ 94.47 Million (including Dividend Distribution Tax $\ref{thmodel}$ 16.11 Million).

As per the requirements of revised Ind 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, 2018.

REVIEW OF BUSINESS OPERATIONS ON STANDALONE BASIS

During the year, your Company's turnover increased to ₹ 34,964.19 millions as against ₹ 28,324.25 millions in FY 2016-17, showing a strong growth of 23.44%. During the year under review, turnover from Cables stood at ₹ 18,746.61 millions as compared to ₹ 17,409.09 millions in FY 2016-17, showing a growth of 7.68% and Stainless Steel Wire Products contributed a turnover of ₹ 1,167.85 millions as compared to ₹ 1,128.24 millions in FY 2016-17. Winding Wires, Flexible & House Wires contributed a turnover of ₹ 6,023.80 millions as compared to ₹4,448.84 millions in FY 2016-17, showing a growth of 35.40% and Income from Turnkey Projects also had a great contribution in the total turnover of the Company showing a growth of 71.72 % i.e. from ₹ 5,050.30 millions in FY 2016-17 to ₹ 8,672.21 millions in FY 2017-18. During the year under review, Profit before Tax stood at ₹ 2,041.60 millions as compared to ₹ 1,262.51 millions in the preceding year and Net Profit stood at ₹ 1,445.56 millions as compared to ₹938.28 millions in the preceding year.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Company has one Subsidiary "KEI Cables Australia Pty Ltd." in Australia. Further, Company has a 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 Ind AS 111 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 have been prepared in accordance with Indian Accounting

Standards (Ind AS) 110 - "Consolidated Financial Statements" and Indian Accounting Standard (Ind AS) 111 - "Financial Reporting of interest in Joint Venture" specified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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 ₹1.00/- per Equity share (i.e. @ 50%) on the Equity shares of face value of ₹2/- each for the Financial Year ended March 31, 2018, subject to the approval of shareholders at the ensuing Annual General Meeting which would result in cash outflow of ₹94.47 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 September 19, 2018 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. September 12, 2018.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at its meeting held on May 17, 2018 approved the Dividend Distribution Policy of the Company. The Dividend Distribution Policy is also available on the website of the Company at www.kei-ind.com under Investor Relations Section.

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

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



CHANGE IN NATURE OF BUSINESS

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

RATING BY EXTERNAL RATING AGENCIES

(A) CORPORATE GOVERNANCE RATING BY CARE:

CARE Rating Limited (CARE) has reaffirmed "CGR3+" (Pronounced as CGR three plus) rating assigned to the Corporate Governance practices of the Company.

"The corporate governance rating of KEI Industries Limited (KEI) continues to reflect the overall compliance with statutory and regulatory requirements, satisfactory Board composition and performance monitoring by the management, clearly identifiable ownership pattern with well-defined organization structure, extensive Management Information Systems (MIS) within the Company and prudent disclosures to shareholders.

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

(B) BANK FACILITIES RATING BY ICRA:

ICRA Limited has upgraded the rating assigned to Long Term Bank Facilities availed by the Company from [ICRA]A- (pronounced ICRA A minus) to [ICRA]A (pronounced ICRA A). Instruments / Facilities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments / facilities carry low credit risk.

Further, ICRA Limited has upgraded the rating assigned to Short Term Bank Facilities availed by the Company from [ICRA]A2+ (pronounced ICRA A two plus) to [ICRA]A1 (pronounced ICRA A One). Instruments / Facilities with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments/facilities carry lowest credit risk.

(C) BANK FACILITIES RATING BY CARE#:

CARE Rating Limited (CARE) had assigned 'CARE A-; Positive' (Pronounced as Single A Minus; Outlook: Positive) rating to the Long Term Bank facilities availed by the Company. 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.

CARE Rating Limited (CARE) had assigned 'CARE A2+' (Pronounced as A Two Plus) rating to the Short Term Bank facilities availed by the Company. 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 ICRA AND CARE#:

ICRA Limited has upgraded the rating assigned to Medium Term Instrument i.e. Fixed Deposits Programme of the Company from MA (pronounced M A) to MA+ (pronounced MA plus). MA+ indicate adequate credit quality rating assigned by ICRA. The rated deposits carry average credit risk.

Further, CARE Rating Limited (CARE) had assigned 'CARE A- (FD); Positive' [Pronounced as Single A Minus (Fixed Deposits); Outlook: Positive]' rating to the Medium Term Instruments i.e. Fixed Deposits Scheme of the Company.

Review of rating with CARE is under process.

UNPAID / UNCLAIMED DIVIDEND

Pursuant to Rule 5(8) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time) your Company has uploaded on its website www.kei-ind.com under Investor Relations Section as well as on the Ministry's website the information regarding Unpaid / Unclaimed Dividend amount lying with the Company as on July 19, 2017 (date of last Annual General Meeting).

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, your Company has transferred ₹ 1,29,824/- unclaimed / unpaid dividend in respect of financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time).

Further, the total amount lying in the Unpaid Dividend Account(s) of the Company in respect of

the last seven years and when such unpaid Dividend is due for transfer to Investor Education Protection Fund is disclosed in a separate section titled Report on Corporate Governance and has been included in this Annual Report.

Further, during the year under review, your Company has transferred 1,69,395 Equity shares into the Demat Account of Investor Education and Protection Fund held with NSDL (DP ID/Client ID IN300708/10656671) and CDSL (DP ID/Client ID 12047200/13676780) pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time) i.e., shares on which dividend has not been paid/claimed for seven consecutive years i.e., from FY 2009-10.

Further, the details of shareholders whose dividend and shares are transferred to Investor Education and Protection Fund are updated on the website www.kei-ind.com under Investor Relations Section.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

a) Composition

- i) During the year under review, Mr. Sadhu Ram Bansal (holding DIN: 06471984) was appointed as an Additional Director (Non-executive, Independent Director) for a period of 5 (Five) years w.e.f. January 24, 2018 to January 23, 2023 subject to the approval of shareholders at the ensuing AGM.
- ii) As on date, Company has 9 Directors with an Executive Chairman. Of the 9 Directors, 3 are Executive Directors and 6 are Non-Executive Directors including one Woman Director and 5 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.
- iii) 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 March 31, 2018 have been disclosed by all the Directors of the Company.
- iv) None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.
- v) 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

- As per Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mrs. Archana Gupta (holding DIN: 00006459), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.
- ii) Further, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company in its meeting held on January 24, 2018 has appointed Mr. Sadhu Ram Bansal (holding DIN: 06471984) as an Additional Director (Non-executive, Independent Director) for a period of 5 (Five) years w.e.f. January 24, 2018 to January 23, 2023 subject to approval of shareholders at the ensuing AGM, in accordance with the provisions of Section 149, 152 and 161 of the Companies Act, 2013 read with Schedule IV and Rules made thereunder and other applicable provisions of the Companies Act, 2013, if any.
- iii) Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their Meeting held on May 17, 2018 has re-appointed Mr. Anil Gupta (holding DIN: 00006422) Chairman-cum-Managing Director of the Company for a further term of 3 (Three) years w.e.f. July 1, 2018 to June 30, 2021 in accordance with the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V and Rules made thereunder and other applicable provisions of the Companies Act, 2013, if any. His re-appointment requires the approval of the shareholders at the ensuing Annual General Meeting.



The details of Directors being recommended for appointment / 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 shareholder's 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 2017-18 that they continue to meet all the criteria as specified under Section 149(6) & (7) of the Companies Act, 2013 and under Regulation 16(1)(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 7 (Seven) times during the financial year from April 1, 2017 to March 31, 2018 on May 10, 2017, May 20, 2017, May 27, 2017, July 19, 2017, August 29, 2017, November 13, 2017 and January 24, 2018.

Further, during the year, a separate meeting of the Independent Directors of the Company was also held on March 23, 2018 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 5,64,000 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 77,797,438 Equity shares of face value of ₹ 2/- each to 78,361,438 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 objective is through an annual evaluation of the performance of the Board, its

Committees and all the individual Directors.

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 aligned 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 May 17, 2018 undertook an annual evaluation of the performance of the Board, 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 organization.

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 and is also available on the website of the Company at www.kei-ind.com under Investor Relations Section.

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 March 31, 2018 fixed deposit aggregating to ₹ 78.16 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 provides 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 Jagdish Chand & Co., Chartered Accountants as Internal Auditors of the Company for the financial year 2018-19 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(1)(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 and Disclosures Requirements) Obligations Regulations, 2015, the composition of the Audit Committee is as under:

| SI. No. | Name of the Director | Category | Profession | |
|------------|-------------------------|------------------------------------|-------------------------|--|
| 1. | Mr. Pawan Bholusaria | Independent Director (Chairman) | Chartered Accountant | |
| 2. | Mr. Kishan Gopal Somani | | 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 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 oversees 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 <u>www.kei-ind.com</u> 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 5,64,000 Equity Shares of face value ₹ 2/- each to eligible employees of the Company at an exercise price of ₹ 35/- per share pursuant to KEI Employee Stock Option Scheme, 2015.

Corporate Overview Statutory Reports Financial Statements

AUDITORS

a) Statutory Auditors:

M/s. PAWAN SHUBHAM & CO., Chartered Accountants (Firm Registration Number 011573C) were appointed as Statutory Auditors of the Company at the Annual General Meeting (AGM) held on July 19, 2017 for a term of five consecutive years i.e., from the conclusion of 25th AGM 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 pursuant to Section 139 of the Companies Act, 2013.

M/s. PAWAN SHUBHAM & CO., Chartered Accountants (Firm Registration number 011573C) are recommended for re-appointment based on consent and certificate furnished by them in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time). The ratification of re-appointment of Statutory Auditors at AGM, pursuant to Section 139 of Companies Amendment Act, 2017 vide Notification No. S.O.188 (E) dated May 07, 2018 issued by Ministry of Corporate Affairs, is not required. Accordingly, the item has not been included in the Ordinary Business of the AGM Notice.

Statutory Auditor's 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.: 9455) as Cost Auditor of the Company to conduct audit of Cost Records maintained by the Company for the Financial Year 2018-19 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.

Your Company has maintained cost records and account as specified by the Central Government

under sub-section (1) of Section 148 of the Company Act, 2013.

Further, the Cost Audit Report for the FY 2016-17 was filed on September 26, 2017.

c) Secretarial Auditors

The Board of Directors has appointed S.K. Batra & Associates, Practicing Company Secretary (Membership No. FCS-7714 & CP No. 8072), 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 2018-19.

Secretarial Audit Report

The Secretarial Audit Report for the FY 2017-18 as submitted by Secretarial Auditors in Form MR-3 is annexed to this Report as **Annexure - C** and form part of this report.

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:

| | Particulars of Corporate Guarantees and Investment made u/s 186 of the Companies Act, 2013 | |
|----|---|--------|
| 1. | Loan of AUD 20000 given to Subsidiary namely "KEI Cables Australia Pty Ltd". | 0.95 |
| 2. | Investment of AUD 80 in Share Capital of Subsidiary namely "KEI Cables Australia Pty Ltd". | 0.00* |
| 3. | First Loss Default Guarantee in favour of Yes Bank Limited against Channel Financing Facility provided to the Dealers of the Company. | 250.00 |
| | Total | 250.95 |

^{*₹3,988}



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 Pawan Shubham & 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.

BUSINESS RESPONSIBILTY REPORT

In terms of Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, information on the initiatives taken by the Company from an environmental, social and governance perspective is provided in the Business Responsibility Report which forms part of this Annual Report.

APPRECIATIONS

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

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

FOR AND ON BEHALF OF THE BOARD (ANIL GUPTA)

Chairman-cum-Managing Director DIN: 00006422

Date: August 09, 2018 Place: New Delhi

ANNEXURE -A

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION:

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

2. **DEFINITIONS**:

- '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 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 Companies Act 2013 and Listing Agreement, all the Executive Director(s), Managerial Personnel (except promoters), KMP, Senior Management, and employees of the Company shall be entitled to any Employee Stock Options under ESOS/ESPS of the Company, in accordance with the provisions of Companies Act



2013, Listing Agreement and other Act, Rule(s), Circular(s), Regulations as prescribed by the SEBI from time to

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

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

qualification for the practice of the profession.

9. EVALUATION OF DIRECTORS:

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

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

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

10. MINUTES OF COMMITTEE MEETING:

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

11. AMENDMENT TO THE POLICY:

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

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

12. DISCLOSURE:

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

ANNEXURE - B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2018

[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:-

| SI. No. | Name and Description of main products/ services | NIC Code of the Product/ Service* | % to total turnover of the Company# |
|------------|---|--------------------------------------|-------------------------------------|
| 1 | Cables | 27320 | 53.62 |
| 2 | Winding Wires, Flexible & House Wires | 27320 | 17.23 |
| 3 | Turnkey Projects | 42202 | 24.80 |

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

[#] On the basis of Gross Turnover



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| SI. No. | NAME AND ADDRESS OF THE COMPANY | CIN / GLN / A.C.N | HOLDING / SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|------------|---|----------------------|--|------------------------|--|
| 1 | KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland (JV) (D-90, Okhla Industrial Area, Phase-I, New Delhi – 110020) | N.A | Associate | NIL# | 2(6) of the Companies Act, 2013 |
| 2 | KEI Cables Australia Pty Limited (Tellam & Cassady, Level 1, 7 Marie Street, Milton QLD - 4064) | 609804551 | Subsidiary | 90* | 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.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding:

| | | | the beginnin 1/04/2017) | g of the | | res held at (as on 31/0 | the end of t 3/2018)* | he year | % Change | |
|--|----------|----------|----------------------------|-------------------------|----------|----------------------------|--------------------------|-------------------------|-----------------------|--|
| Category of Shareholders | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | during the year | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individuals/ HUF | 19168466 | 0 | 19168466 | 24.64 | 19168466 | 0 | 19168466 | 24.46 | -0.18 | |
| 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 | 21.95 | 17080000 | 0 | 17080000 | 21.80 | -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) | 36248466 | 0 | 36248466 | 46.59 | 36248466 | 0 | 36248466 | 46.26 | -0.34 | |
| (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) | 36248466 | 0 | 36248466 | 46.59 | 36248466 | 0 | 36248466 | 46.26 | -0.34 | |

^{*} The Company has a subsidiary in the name of KEI Cables Australia Pty Ltd in Australia (w.e.f. 14/12/2015) in which KEI is holding 90% share capital.

| | | | the beginnin 1/04/2017) | g of the | | res held at (as on 31/0 | the end of t 3/2018)* | he year | % Change |
|--|----------|----------|----------------------------|-------------------------|----------|----------------------------|--------------------------|-------------------------|-----------------------|
| Category of Shareholders | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | during the year |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 14472102 | 0 | 14472102 | 18.60 | 9295630 | 0 | 9295630 | 11.86 | -6.74 |
| b) Banks / Financial Institutions | 42804 | 0 | 42804 | 0.06 | 150084 | 0 | 150084 | 0.19 | 0.14 |
| 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) Alternate Investment Fund | 0 | 0 | 0 | 0.00 | 275000 | 0 | 275000 | 0.35 | 0.35 |
| g) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) FII | 96724 | 0 | 96724 | 0.12 | 80462 | 0 | 80462 | 0.10 | -0.02 |
| i) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| j) Others (Foreign Portfolio Investors) | 3255462 | 0 | 3255462 | 4.18 | 6069386 | 0 | 6069386 | 7.75 | 3.56 |
| Sub-Total (B)(1) | 17867092 | 0 | 17867092 | 22.97 | 15870562 | 0 | 15870562 | 20.25 | -2.71 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 3868343 | 28000 | 3896343 | 5.01 | 2474985 | 1000 | 2475985 | 3.16 | -1.85 |
| 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 | 11189531 | 266492 | 11456023 | 14.73 | 11596063 | 158477 | 11754540 | 15.00 | 0.27 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 6589166 | 0 | 6589166 | 8.47 | 9824548 | 0 | 9824548 | 12.54 | 4.07 |
| c) Others | | | | | , | | | | |
| (i) NRIs / OCBs | 598381 | 52000 | 650381 | 0.84 | 617619 | 20000 | 637619 | 0.81 | -0.02 |
| (ii) Clearing Members | 617042 | 0 | 617042 | 0.79 | 239653 | 0 | 239653 | 0.31 | -0.49 |
| (iii) Trust | 0 | 500 | 500 | 0.00 | 15986 | 0 | 15986 | 0.02 | 0.02 |
| (iv) Director's & their relatives | 261010 | 0 | 261010 | 0.34 | 408210 | 0 | 408210 | 0.52 | 0.19 |
| (v) Unclaimed Suspense A/c IEPF | 0 | 0 | 0 | 0.00 | 169395 | 0 | 169395 | 0.22 | 0.22 |
| d) NBFCs registered with RBI | 211415 | 0 | 211415 | 0.27 | 716474 | 0 | 716474 | 0.91 | 0.64 |
| Sub-Total (B)(2) | 23334888 | 346992 | 23681880 | 30.44 | 26062933 | 179477 | 26242410 | 33.49 | 3.05 |



| | No. of Shares held at the beginning of the year (as on 01/04/2017) | | | | No. of Sha | he year | % Change | | |
|--|--|----------|----------|-------------------------|------------|----------|-------------|-------------------------|-----------------------|
| Category of Shareholders | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | during the year |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 41201980 | 346992 | 41548972 | 53.41 | 41933495 | 179477 | 42112972 | 53.74 | 0.34 |
| C. Shares held by Custodians for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Grand Total (A+B+C) | 77450446 | 346992 | 77797438 | 100 | 78181961 | 179477 | 78361438 | 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 2017-18.

(ii) Shareholding of Promoters:

| | | | ng at the been | ginning of the 017) | Sharehold | ing at the er (31/03/201 | nd of the Year 8) | 9/ shanga in |
|------------|---|------------------|---|---|------------------|---|---|--|
| SI. No. | Shareholder's Name | 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 | % change in shareholding during the year* |
| 1 | Mr. Anil Gupta | 13680776 | 17.59 | 0.00 | 13680776 | 17.46 | 0.00 | -0.13 |
| 2 | Anil Gupta (HUF) | 4650375 | 5.98 | 0.00 | 4650375 | 5.93 | 0.00 | -0.04 |
| 3 | Mrs. Archana Gupta | 837315 | 1.08 | 0.00 | 837315 | 1.07 | 0.00 | -0.01 |
| 4 | Shubh Laxmi Motels & Inns Pvt. Ltd. | 3480000 | 4.47 | 0.00 | 3480000 | 4.44 | 0.00 | -0.03 |
| 5 | Soubhagya Agency Pvt. Ltd. | 3125000 | 4.02 | 0.00 | 3125000 | 3.99 | 0.00 | -0.03 |
| 6 | KEI Cables Pvt. Ltd. | 1575000 | 2.02 | 0.00 | 1575000 | 2.01 | 0.00 | -0.01 |
| 7 | Projection Financial & Management Consultants Pvt. Ltd. | 7900000 | 10.15 | 0.00 | 7900000 | 10.08 | 0.00 | -0.07 |
| 8 | Dhan Versha Agency Pvt. Ltd. | 1000000 | 1.29 | 0.00 | 1000000 | 1.28 | 0.00 | -0.01 |
| | Total | 36248466 | 46.59 | 0.00 | 36248466 | 46.26 | 0.00 | -0.34 |

Reason for change in % of shareholding is - increase in share capital due to allotment of Equity shares under "KEI-ESOS 2015" during the FY 2017-18.

(iii) Change in Promoter's Shareholding (please specify, if there is no change):

| SI. | Promoter's Name | Shareholding at the beginning of the year (01/04/2017) | | As on Benpos | Increase (+)/ Decrease in | Reason [for Increase (+) / Decrease in | Cumulative Share- holding during the year (01/04/2017 to 31/03/2018 / end of the year 31/03/2018) | |
|-----|--------------------|--|---|--------------|---------------------------------|--|---|--|
| No. | | No. of shares | % of total shares of the Company | Date | (-) in No. of Shares | (-) in No. of Shares] | No. of shares | % of total shares of the Company* |
| 1 | Mr. Anil Gupta | 13680776 | 17.59 | 1-Apr-2017 | - | NA | | |
| | | | | 31-Mar-2018 | | | 13680776 | 17.46 |
| 2 | Promoters | 22567690 | 29.00 | 1-Apr-2017 | - | NA | | |
| | (other than above) | | | 31-Mar-2018 | | | 22567690 | 28.80 |

During the year, 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 2017-18.

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

| SI. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (01/04/2017) | | As on Benpos Date | Increase (+)/ Decrease (-) in No. of | Reason [for Increase (+)/ Decrease | Cumulative Shareholding during the year (01/04/2017 to 31/03/2018 / end of the year 31/03/2018) | |
|------------|--|--|---|----------------------|--|---|--|---|
| | | No. of shares | % of total shares of the Company | | Shares | (-) in No. of Shares] | No. of shares | % of total shares of the Company |
| 1 | Pickup Electronics Private | 1127792 | 1.44 | 1-Apr-2017 | | | | |
| | Limited | | | 7-Apr-2017 | 50000 | | 1077792 | 1.38 |
| | | | | 7-Jul-2017 | 16500 | | 1061292 | 1.35 |
| | | | | 12-Jul-2017 | 14000 | Sell | 1047292 | 1.34 |
| | | | | 14-Jul-2017 | 35000 | Sell | 1012292 | 1.29 |
| | | | | 19-Jul-2017 | 58555 | | 953737 | 1.22 |
| | | | | 21-Jul-2017 | 6000 | Sell | 947737 | 1.21 |
| | | | | 28-Jul-2017 | 27205 | Sell | 920532 | 1.17 |
| | | | | 1-Sep-2017 | 373888 | Sell | 546644 | 0.70 |
| | | | | 8-Sep-2017 | 56957 | Sell | 489687 | 0.62 |
| | | | | 15-Sep-2017 | 296468 | Sell | 193219 | 0.25 |
| | | | | 22-Sep-2017 | 45286 | Sell | 147933 | 0.19 |
| | | | | 8-Dec-2017 | 44602 | Sell | 103331 | 0.13 |
| | | | | 31-Mar-2018 | | | 103331 | 0.13 |
| 2 | Ajay Upadhyaya | 1000000 | 1.28 | 1-Apr-2017 | | | | |
| | | | | 13-Oct-2017 | 75312 | Sell | 924688 | 1.18 |
| | | | | 8-Dec-2017 | 30298 | Sell | 894390 | 1.14 |
| | | | | 15-Dec-2017 | 6848 | Sell | 887542 | 1.13 |
| | | | | 31-Mar-2018 | | | 887542 | 1.13 |



| SI. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (01/04/2017) | | As on Benpos Date | Increase (+)/ Decrease (-) in No. of | Reason [for Increase (+)/ Decrease | Sharehold the year (to 31/0 end of | Cumulative Shareholding during the year (01/04/2017 to 31/03/2018 / end of the year 31/03/2018) | |
|------------|---|--|---|----------------------------|--|------------------------------------|--|---|--|
| | | No. of shares | % of total shares of the Company | | Shares | (-) in No. of Shares] | No. of shares | % of total shares of the Company | |
| 3 | L and T Mutual Fund | 1629176 | 2.08 | 1-Apr-2017 | | | | | |
| | Trustee Ltd- L and T India Prudence Fund# | | | 12-Jul-2017 | 318669 | Sell | 1310507 | 1.67 | |
| | Frudence Fund# | | | 14-Jul-2017 | 190000 | Sell | 1120507 | 1.43 | |
| | | | | 19-Jul-2017 | 199844 | Sell | 920663 | 1.17 | |
| | | | | 28-Jul-2017 | 188396 | | 732267 | 0.93 | |
| | | | | 4-Aug-2017 | 235756 | | 496511 | 0.63 | |
| | | | | 11-Aug-2017 | 4482 | Sell | 492029 | 0.63 | |
| | | | | 18-Aug-2017 | 492029 | Sell | 0 | 0.00 | |
| | | | | 31-Mar-2018 | | | 0 | 0.00 | |
| 4 | Franklin Templeton | 4500000 | 5.74 | 1-Apr-2017 | | | | | |
| | Mutual Fund A/C Franklin India High Growth | | | 9-Feb-2018 | 20550 | Buy | 4520550 | 5.77 | |
| 5 | Companies Fund | 1512244 | 1.93 | 31-Mar-2018 | | | 4520550 | 5.77 | |
| 5 | IDFC Sterling Equity Fund | 1512244 | 1.93 | 1-Apr-2017 | 123891 | Call | 1388353 | 1.77 | |
| | | | | 7-Apr-2017 | 88353 | | | | |
| | | | | 14-Apr-2017 12-May-2017 | 100000 | | 1300000 1200000 | 1.66 1.53 | |
| | | | | 26-May-2017 | 19479 | | 1180521 | 1.51 | |
| | | | | 2-Jun-2017 | 22871 | | 1157650 | 1.48 | |
| | | | | 9-Jun-2017 | 22173 | | 1137636 | 1.45 | |
| | | | | 23-Jun-2017 | 35477 | | 1100000 | 1.40 | |
| | | | | 30-Jun-2017 | 100000 | | 1000000 | 1.40 | |
| | | | | 7-Jul-2017 | 100000 | | 900000 | 1.15 | |
| | | | | 21-Jul-2017 | 96717 | | 803283 | 1.03 | |
| | | | | 28-Jul-2017 | 53283 | | 750000 | 0.96 | |
| | | | | 1-Sep-2017 | 50000 | | 700000 | 0.89 | |
| | | | | 8-Sep-2017 | 5000 | | 695000 | 0.89 | |
| | | | | 22-Sep-2017 | 139000 | | 556000 | 0.71 | |
| | | | | 10-Nov-2017 | 29556 | | 526444 | 0.67 | |
| | | | | 1-Dec-2017 | 6444 | | 520000 | 0.66 | |
| | | | | 8-Dec-2017 | 20000 | Sell | 500000 | 0.64 | |
| | | | | 5-Jan-2018 | 20000 | | 520000 | 0.66 | |
| | - - - | | | 2-Feb-2018 | 52253 | Buy | 572253 | 0.73 | |
| | | | | 9-Feb-2018 | 27747 | Buy | 600000 | 0.77 | |
| | | | | 9-Mar-2018 | 25000 | Buy | 625000 | 0.80 | |
| | | | | 16-Mar-2018 | 15000 | Buy | 640000 | 0.82 | |
| | | | | 23-Mar-2018 | 10000 | Buy | 650000 | 0.83 | |
| | | | | 31-Mar-2018 | | | 650000 | 0.83 | |

| SI. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (01/04/2017) | | As on Benpos Date | Increase (+)/ Decrease (-) in No. of | Reason [for Increase (+)/ Decrease | Sharehold the year (to 31/0 end of | Cumulative Shareholding during the year (01/04/2017 to 31/03/2018 / end of the year 31/03/2018) | |
|------------|--|--|---|----------------------------|--|------------------------------------|--|---|--|
| | | No. of shares | % of total shares of the Company | | Shares | (-) in No. of Shares] | No. of shares | % of total shares of the Company | |
| 6 | HSBC Global Investment | 2644329 | 3.37 | 1-Apr-2017 | | | | | |
| | Funds# | | | 7-Apr-2017 | 330461 | Sell | 2313868 | 2.95 | |
| | | | | 14-Apr-2017 | 406773 | Sell | 1907095 | 2.43 | |
| | | | | 21-Apr-2017 | 60485 | Sell | 1846610 | 2.36 | |
| | | | | 15-Sep-2017 | 50194 | | 1796416 | 2.29 | |
| | | | | 22-Sep-2017 | 772465 | | 1023951 | 1.31 | |
| | | | | 13-Oct-2017 | 199358 | | 824593 | 1.05 | |
| | | | | 20-Oct-2017 | 12265 | | 812328 | 1.04 | |
| | | | | 3-Nov-2017 | 13888 | | 798440 | 1.02 | |
| | | | | 10-Nov-2017 | 81418 | | 717022 | 0.92 | |
| | | | | 1-Dec-2017 | 157347 | | 559675 | 0.71 | |
| | | | | 15-Dec-2017 | 102956 | | 456719 | 0.58 | |
| | | | | 22-Dec-2017 | 206719 | | 250000 | 0.32 | |
| | | | | 29-Dec-2017 | 250000 | Sell | 0 | 0.00 | |
| | | | | 31-Mar-2018 | | | 0 | 0.00 | |
| 7 | Mirae Asset Emerging Bluechip Fund# | 2203213 | 2.81 | 1-Apr-2017 | 10.110 | 0 " | 24/2224 | 2 7 / | |
| | bluechip i unu | | | 12-May-2017 | 40412 | - | 2162801 | 2.76 | |
| | | | | 19-May-2017 | 26400 | | 2136401 | 2.73 | |
| | | | | 26-May-2017 | 10325 | | 2126076 | 2.71 | |
| | | | | 16-Jun-2017 | 6874 | | 2119202 | 2.70 | |
| | | | | 30-Jun-2017 | 95000 | | 2024202 | 2.58 | |
| | | | | 7-Jul-2017 | 38043 80266 | | 1986159 | 2.53 | |
| | | | | 14-Jul-2017 | | | 1905893 | 2.43 | |
| | | | | 19-Jul-2017 21-Jul-2017 | 350079 69485 | | 1555814 1486329 | 1.99 1.90 | |
| | | | | 28-Jul-2017 | 27288 | | 1459041 | 1.86 | |
| | | | | 4-Aug-2017 | 100000 | | 1359041 | 1.73 | |
| | | | | 11-Aug-2017 | 223430 | | 1135611 | 1.45 | |
| | | | | 18-Aug-2017 | 353913 | | 781698 | 1.43 | |
| | | | | 1-Sep-2017 | 400000 | | 381698 | 0.49 | |
| | | | | 8-Sep-2017 | 381698 | | 0 | 0.00 | |
| | | | | 31-Mar-2018 | 301070 | 3011 | 0 | 0.00 | |
| 8 | Ashish Agarwal | 767312 | 0.98 | 1-Apr-2017 | | | 0 | 0.00 | |
| | | , 5, 512 | 0.70 | 14-Apr-2017 | 60000 | Buv | 827312 | 1.06 | |
| | | | | 21-Jul-2017 | 500000 | · · | 1327312 | 1.69 | |
| | | | | 31-Mar-2018 | 300000 | / | 1327312 | 1.69 | |



| SI. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (01/04/2017) | | As on Benpos Date | Increase (+)/ Decrease (-) in No. of | Reason [for Increase (+)/ Decrease | Sharehold the year (to 31/0 end of | ulative ding during 01/04/2017 03/2018 / the year 03/2018) |
|------------|--|--|---|----------------------|--|---|--|---|
| | | No. of shares | % of total shares of the Company | | Shares | (-) in No. of Shares] | No. of shares | % of total shares of the Company |
| 9 | L & T Mutual Fund Trustee | 686200 | 0.88 | 1-Apr-2017 | | | | |
| | Ltd - L & T Mid Cap Fund# | | | 12-Jul-2017 | 124318 | | 561882 | 0.72 |
| | | | | 19-Jul-2017 | 250000 | | 311882 | 0.40 |
| | | | | 28-Jul-2017 | 1008 | - | 310874 | 0.40 |
| | | | | 13-Oct-2017 | 52964 | | 257910 | 0.33 |
| | | | | 20-Oct-2017 | 103331 | | 154579 | 0.20 |
| | | | | 27-Oct-2017 | 5666 | | 148913 | 0.19 |
| | | | | 10-Nov-2017 | 148913 | Sell | 0 | 0.00 |
| | | | | 31-Mar-2018 | | | 0 | 0.00 |
| 10 | HDFC Small Cap Fund* | 0 | 0.00 | 1-Apr-2017 | | | | |
| | | | | 15-Sep-2017 | 251000 | , | 251000 | 0.32 |
| | | | | 22-Sep-2017 | 280000 | · · | 531000 | 0.68 |
| | | | | 30-Sep-2017 | 88570 | | 619570 | 0.79 |
| | | | | 6-Oct-2017 | 27469 | | 647039 | 0.83 |
| | | | | 13-Oct-2017 | 50000 | · · | 697039 | 0.89 |
| | | | | 31-Oct-2017 | 50000 | Buy | 747039 | 0.95 |
| | | | | 31-Mar-2018 | | | 747039 | 0.95 |
| 11 | Franklin Templeton | 650000 | 0.83 | 1-Apr-2017 | | | | |
| | Mutual Fund A/C Franklin Build India Fund (FBIF)* | | | 9-Feb-2018 | 50000 | Buy | 700000 | 0.89 |
| | ` , | | | 31-Mar-2018 | | | 700000 | 0.89 |
| 12 | William Blair Emerging | 0 | 0.00 | 1-Apr-2017 | | | | |
| | Markets Small Cap Growth Fund* | | | 10-Nov-2017 | 284182 | · · | 284182 | 0.36 |
| | Growth Fund | | | 17-Nov-2017 | 13610 | | 297792 | 0.38 |
| | | | | 1-Dec-2017 | 68993 | | 366785 | 0.47 |
| | | | | 15-Dec-2017 | 89718 | <i>'</i> | 456503 | 0.58 |
| | | | | 22-Dec-2017 | 3255 | | 453248 | 0.58 |
| | | | | 12-Jan-2018 | 4535 | , | 457783 | 0.58 |
| | | | | 2-Feb-2018 | 4350 | · · | 462133 | 0.59 |
| | | | | 16-Feb-2018 | 7028 | · · | 469161 | 0.60 |
| | | | | 23-Feb-2018 | 6381 | <i>'</i> | 475542 | 0.61 |
| | | | | 9-Mar-2018 | 9468 | · · | 485010 | 0.62 |
| | | | | 23-Mar-2018 | 4691 | Buy | 489701 | 0.62 |
| | | | | 31-Mar-2018 | | | 489701 | 0.62 |
| 13 | Bengal Finance and | 0 | 0.00 | 1-Apr-2017 | | | | |
| | Investment Private Limited* | | | 14-Jul-2017 | 500000 | Buy | 500000 | 0.64 |
| | | | | 31-Mar-2018 | | | 500000 | 0.64 |

| SI. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (01/04/2017) | | As on Benpos Date | Increase (+)/ Decrease (-) in No. of | Reason [for Increase (+)/ Decrease | Cumulative Shareholding during the year (01/04/2017 to 31/03/2018 / end of the year 31/03/2018) | |
|-----|--|--|---|----------------------|--|------------------------------------|---|---|
| | | No. of shares | % of total shares of the Company | | Shares | (-) in No. of Shares] | No. of shares | % of total shares of the Company |
| 14 | Madhulika Agarwal* | 67115 | 0.09 | 1-Apr-2017 | | | | |
| | | | | 21-Apr-2017 | 38819 | Buy | 105934 | 0.14 |
| | | | | 19-May-2017 | 266555 | Buy | 372489 | 0.48 |
| | | | | 26-May-2017 | 177977 | Buy | 550466 | 0.70 |
| | | | | 2-Jun-2017 | 101900 | Buy | 652366 | 0.83 |
| | | | | 9-Jun-2017 | 28100 | Buy | 680466 | 0.87 |
| | | | | 7-Jul-2017 | 99441 | Buy | 779907 | 1.00 |
| | | | | 12-Jul-2017 | 107577 | Buy | 887484 | 1.13 |
| | | | | 14-Jul-2017 | 250000 | Buy | 1137484 | 1.45 |
| | | | | 31-Mar-2018 | | | 1137484 | 1.45 |

[#] Ceased to be in the Top 10 shareholders as on 31-03-2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2017.

(v) Shareholding of Directors and Key Managerial Personnel:

| SI. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year (01/04/2017) | | As on Benpos Date | Increase (+) / Decrease (-) in | Reason for [Increase (+) / | Cumulative Shareholding during the year (01/04/2017 to 31/03/2018 / end of the year 31/03/2018)* | |
|------------|--------------------------------------|--|---|----------------------|-----------------------------------|-----------------------------------|--|---|
| | | No. of shares | % of total shares of the Company | benpos Date | No. of Shares | Decrease (-) in No. of Shares] | No. of shares | % of total shares of the Company |
| 1 | Anil Gupta | 13680776 | 17.59 | 1-Apr-2017 | | Nil Movement | | |
| | (Director and KMP) | | | | 0.00 | during the year | | |
| | | | | 31-Mar-2018 | | | 13680776 | 17.46 |
| 2 | Rajeev Gupta | 168910 | 0.22 | 1-Apr-2017 | | Allotment of | | |
| | (Director and KMP) | | | 25-Sep-2017 | 150000 | Equity shares under KEI | | |
| | | | | 31-Mar-2018 | | ESOS-2015 | 318910 | 0.41 |
| 3 | Kishore Kunal (KMP) | 42045 | 0.05 | 1-Apr-2017 | | Allotment of | | |
| | | | | 25-Sep-2017 | 42000 | Equity shares under KEI | | |
| | | | | 31-Mar-2018 | | ESOS-2015 | 84045 | 0.11 |
| 4 | Archana Gupta | 837315 | 1.08 | 1-Apr-2017 | | Nil Movement | | |
| | (Director) | | | | 0.00 | during the year | | |
| | | | | 31-Mar-2018 | | | 837315 | 1.07 |

^{*} Not in the list of Top 10 Shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the Top 10 Shareholders as on 31-03-2018.



| SI. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year (01/04/2017) | | As on | Increase (+) / Decrease (-) in | Reason for [Increase (+)/ | Cumulative Shareholding during the year (01/04/2017 to 31/03/2018 / end of the year 31/03/2018)* | |
|------------|--------------------------------------|--|---|-------------|-----------------------------------|-----------------------------------|---|---|
| | | No. of shares | % of total shares of the Company | Benpos Date | No. of Shares | Decrease (-) in No. of Shares] | No. of shares | % of total shares of the Company |
| 5 | Vijay Bhushan | 0 | 0.00 | 1-Apr-2017 | | Nil Movement | | |
| | (Director) | | | | 0.00 | during the year | | |
| | | | | 31-Mar-2018 | | | 0.00 | 0.00 |
| 6 | Vikram Bhartia | 10000 | 0.01 | 1-Apr-2017 | | Nil Movement | | |
| | (Director) | | | | 0.00 | during the year | | |
| | | | | 31-Mar-2018 | | | 10000 | 0.01 |
| 7 | Pawan Bholusaria | 7500 | 0.01 | 1-Apr-2017 | | Sell | | |
| | (Director) | | | 17-Apr-2017 | -3000 | | | |
| | | | | 31-Mar-2018 | | | 4500 | 0.01 |
| 8 | Kishan Gopal | 1000 | 0.00 | 1-Apr-2017 | | Nil Movement | | |
| | Somani (Director) | | | | 0.00 | during the year | | |
| | (Director) | | | 31-Mar-2018 | | | 1000 | 0.001 |
| 9 | Akshit Diviaj Gupta | 0 | 0.00 | 1-Apr-2017 | | Nil Movement | | |
| | (Whole-time | | | | 0.00 | during the year | | |
| | Director and KMP) | | | 31-Mar-2018 | | | 0.00 | 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 2017-18.

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 | 6,795.95 | 259.30 | 62.01 | 7,117.26 |
| ii) Interest due but not paid | 21.76 | • | - | 21.76 |
| iii) Interest accrued but not due | 4.10 | | - | 4.10 |
| Total (i+ii+iii) | 6,821.81 | 259.30 | 62.01 | 7,143.12 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 1,739.64 | - | 100.66 | 1,840.30 |
| Reduction | (2,598.50) | (48.00) | (84.51) | (2,731.01) |
| Net Change | (858.86) | (48.00) | 16.15 | (890.71) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 5,945.97 | 211.30 | 78.16 | 6,235.43 |
| ii) Interest due but not paid | 8.85 | - | - | 8.85 |
| iii) Interest accrued but not due | 8.13 | | - | 8.13 |
| Total (i+ii+iii) | 5,962.95 | 211.30 | 78.16 | 6,252.41 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

(₹ in Millions)

| SI. | | | Name of MD/ WTD/ I | Manager | Total |
|-----|---|-------------------------|--|---|--------|
| No. | Particulars of Remuneration | Mr. Anil Gupta (CMD) | Mr. Rajeev Gupta (ED (Finance) & CFO) | Mr. Akshit Diviaj Gupta (Whole Time Director) | Amount |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 30.02 | 8.37 | 4.31 | 42.70 |
| | (b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961 | 4.88 | 0.02 | 0.01 | 4.91 |
| | c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | 42.39 | - | 42.39 |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | 72.83 | - | - | 72.83 |
| | - others, specify | - | - | - | |
| 5 | Others, please specify | - | - | - | |
| | Total (A) | 107.73 | 50.78 | 4.32 | 162.83 |
| | Ceiling as per the Act | | | Directors - Managing and W Nanaging or Whole-time di | |

^{*} The shareholder's 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 perquistes.

B. Remuneration to other directors:

(₹ in Millions)

| | | | N | lame of Directo | rs | | |
|------------|---|------------------------------|-------------------------------|---------------------------------|------------------------------------|-----------------------------------|-----------------|
| SI. No. | Particulars of Remuneration | Mr. Vijay Bhushan (ID) | Mr. Vikram Bhartia (ID) | Mr. Pawan Bholusaria (ID) | Mr. Kishan Gopal Somani (ID) | Mrs. Archana Gupta (NED) | Total Amount |
| 1 | Independent Directors (ID) | | | | | | |
| | • Fee for attending board committee meetings (including board meetings) | 0.65 | 0.85 | 1.10 | 0.50 | N.A. | 3.10 |
| | Commission | - | - | - | - | - | - |
| | Others | - | - | - | - | - | - |
| | Total (1) | 0.65 | 0.85 | 1.10 | 0.50 | - | 3.10 |
| 2 | Other Non-Executive Directors (NED) | | | | | | |
| | • Fee for attending board committee meetings (including board meetings) | - | - | - | - | 0.65 | 0.65 |
| | Commission | - | - | - | - | - | - |
| | Others | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | 0.65 | 0.65 |
| | Total (B)=(1+2) | 0.65 | 0.85 | 1.10 | 0.50 | 0.65 | 3.75 |
| | Total Managerial Remuneration | | | | | | |
| | Overall Ceiling as per the Act | 11 % of Net I | 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.

The Commission paid to Mr. Anil Gupta is within permissible limit as approved by the shareholders.

[#] 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)

| | | | Key Managerial | Personnel | | |
|------------|---|---------------------------------|--|-------------------------------|--------------------------------------|-----------------|
| SI. No. | Particulars of Remuneration | MD/ CEO* (Mr. Anil Gupta) | Company Secretary (Mr. Kishore Kunal) | CFO* (Mr. Rajeev Gupta) | WTD* (Mr. Akshit Diviaj Gupta) | Total Amount |
| 1. | Gross salary | | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | | 2.54 | | | 2.54 |
| | (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 | | 11.87 | | | 11.87 |
| 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 | | 14.43 | | | 14.43 |

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Туре | 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 | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty |] / | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

For KEI Industries Limited

Place : New Delhi (AN Date : August 09, 2018 Chairman-cum

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

Corporate Overview Statutory Reports Financial Statements

ANNEXURE - C

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[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, 2018 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, 2018 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 2017-2018);
 - (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; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year 2017-2018);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Financial Year 2017-2018);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Financial Year 2017-2018); 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)Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
- (xix) Apprentices Act, 1961;
- (xx) Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- (xxi) 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 with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

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 564000 equity shares under "KEI Employees Stock Option Scheme 2015" pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014.
- (ii) The Company has announced setting up of New Manufacturing Plant for Low Tension (LT) cables at Plot No. SP2-874, Industrial Area, Pathredi, 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 26, 2018

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.

"Annexure-A"

The Members **KEI Industries Limited**L74899DL1992PLC051527

D-90, Okhla Industrial Area,
Phase-1, New Delhi -110 020

Our Secretarial Audit Report for the Financial Year ended on 31st March, 2018 of even date is to be read along with this letter

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, happening of events etc. 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 26, 2018





ANNUAL REPORT ON CSR ACTIVITIES (FY: 2017-18)

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 <u>www.kei-ind.com</u> under Investors Relation Section.

2. The Composition of the CSR Committee:

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

| SI. 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 | ED (Finance) & CFO (Member) | Chartered Accountant | |

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

(₹in millions)

3. Average net profit of the Company for last three financial years:

941.84

4. Prescribed CSR Expenditure (2 % of the amount as in item 3 above):

18.84

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year:

18.84

b) Amount unspent, if any:

6.19

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) | Promoting Education | CI (ii) | Ajhai, District-Mathura, Uttar Pradesh | 5.00 | 5.00 | 5.00 | 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) | Environmental Sustainability | Cl (iv) | Ajhai, District-Mathura, Uttar Pradesh | 2.40 | 2.40 | 2.40 | Through International Society for Krishna Consciousness (ISKCON) |
| (iii) | Eradicating Hunger | CI (i) | Ajhai, District-Mathura, Uttar Pradesh | 5.60 | 2.10 | 2.10 | Through International Society for Krishna Consciousness (ISKCON) |
| 2 | Promoting Gender Equality | CI (iii) | Delhi | 0.01 | 0.01 | 0.01 | Through Rotary Viklang Kendra |
| 3 | Promoting Gender Equality | CI (iii) | Village Baliawas, Gurgaon, Haryana | 1.55 | 1.55 | 1.55 | Through Confederation of Women Enterprises (COWE) |
| 4 | Environmental Sustainability | CI (iv) | Silori, Alwar, Rajasthan | 0.41 | 0.41 | 0.41 | Through Palak Contractors |
| 5 | Promoting Education | CI (ii) | Navi Mumbai, Maharashtra | 1.00 | 1.00 | 1.00 | Through TATA Community Initiative Trust (TCIT) |
| 6 | Contribution of Prime Minister's National Relief Fund | Cl (viii) | Rakholi, Silvassa (D&H) | 0.11 | 0.11 | 0.11 | Through Rakholi Gram Panchayat |
| 7 | Contribution for Animal Welfare | Cl (iv) | Hapur, Uttar Pradesh | 0.07 | 0.07 | 0.07 | Through Shri Ganpati Ganga Gaushala |
| | Total | | | 16.15 | 12.65 | 12.65 | |

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 would be meeting its CSR obligations during Financial Year 2018-19, including the amount unspent in line with the progress of the relevant projects.

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 : August 09, 2018

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 2017-18 | | | |
| Mr. Anil Gupta (Chairman-cum-Managing Director) | 1:58 | 5% | | | |
| Mr. Rajeev Gupta [(Executive Director (Finance) & CFO)] | 1:15 | 13% | | | |
| Mr. Akshit Diviaj Gupta (Whole Time Director) | 1:9 | - | | | |
| Mr. Kishore Kunal (Company Secretary & Compliance Officer) | 1:4 | 22% | | | |

| Clause under Rule 5(1) | Prescribed Requirement | Particulars |
|------------------------------|--|--|
| (iii) | Percentage increase in the median remuneration of employees in the financial year | 8% |
| (iv) | Number of permanent employees on the rolls of Company | 1377 |
| (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 | salaries of employees other than the managerial personnel - 13% ii) Average percentage increase in the salaries of managerial personnel - 7%* |
| (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 | 107.73 | Permanent | B. Com | 37 | 31/12/1992 | 59 | NA |
| 2 | Mr. Rajeev Gupta, ED (Finance) & CFO | 50.78 | Permanent | B.Com, CA | 25 | 13/12/1993** | 54 | 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) | 46.10 | Permanent | B.Sc., Diploma (Electronics) | 36 | 01/10/1982 | 59 | NA |
| 4 | Mr. Manoj Kakkar, Executive Director (Sales & Marketing) | 21.09 | Permanent | B.Com, PGDM (Marketing) | 29 | 18/12/1990 | 49 | Premier Cable |
| 5 | Mr. Lalit Sharma, COO | 19.76 | Permanent | B.Tech., (E&C) | 22 | 10/09/2007 | 43 | Plaza Group |
| 6 | Mr. K C Sharma Sr. VP (Operations) | 13.54 | Permanent | Diploma (Electrical) | 36 | 18/01/1994 | 58 | Victor Cables |
| 7 | Mr. Manish Mantri, Sr. VP (EPC) | 13.25 | Permanent | B.E. (Chemical) | 23 | 24/01/2012 | 48 | RR Kabel Ltd. |
| 8 | Mr. Adarsh Kumar Jain, Sr. GM (Finance) | 16.60 | Permanent | B.Sc., CA | 21 | 16/09/2002 | 43 | Jagdish Chand & Co. |
| 9 | Mr. Kishore Kunal, GM (Corporate) & Company Secretary | 14.43 | Permanent | B.Com, CS, LLB | 15 | 15/12/2004 | 36 | Shri Rathi Steel Limited |
| 10 | Mr. Dilip Kumar Barnwal, VP (Operations) | 10.93 | Permanent | B.E (Electrical) | 25 | 24/08/2005 | 51 | 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.

- * Average percentage increase in the salaries of managerial personnel does not includes salary of Mr. Akshit Diviaj Gupta, Whole-time Director, who was appointed during the year w.e.f. May 10, 2017.
- ** Appointed as Director w.e.f. April 21, 2006. However, he is working with the Company w.e.f. December 13, 1993.

ANNEXURE - F

The information 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 conversation 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:

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



- · Roof top of Solar Power of more than 2 MW has been installed & is operating successfully.
- Big capacity machines are being converted from DC motors and drives to AC motors and drives resulting in good energy saving.
- Minimized generation of waste through the application of reduce, reuse and recycle principles across units.
- Boiler gates completely changed to reduce the leakage of steam.
- Started using Self cured XLPE compound to reduce the time of curing.
- All compressors were centralized and converted to Variable Frequency Drives (VFD).
- Replaced air wiping through compressed air with 0.25 KWH air blowers synchronized with main motor.
- · Usage of air knife wipers on extruders instead of compressed air for water wiping.
- Usage of Natural gas against Diesel and Furnace Oil in Boiler to eliminate toxic emission in to the environment.

CONSERVATION TOWARDS ENVIORNMENT-

- · Installation of Zero Liquid discharge (ZLD) Plant to treat the waste water, purify and recycle it.
- Installation of Sewage Treatment Plant (STP):- Waste water is circulated through STP and treated water is used in washrooms and gardening through separate pipeline.

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.
- Rubber compounds: Developed and modified compounds chemically as per European Standards for special applications as per Indian market's requirements.
- Embedded OFC for EHV Cable introduced.
- FR HDPE jacketed cable developed.
- FRLS jacket for EHV cable introduced.
- Non Magnetic Stainless Steel corrugated sheath developed.
- Bi-Color jacketed MV Cable for South African market developed.
- Round Compact 1200sq.mm Aluminum- Conductor Developed.
- Individual sheathed Triplex Cable for Australian market developed.
- Developed & manufactured 400 kV Cables.

d) Product Improvements:

- 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.

- Nano dies introduced for Round Compact Conductor.
- · New Packing developed, which is cost effective & replacing wood as packing material.

e) Process Improvement:

- 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.
- 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.
- EOT converted to VFD drive.
- 61 stranding machine procured from Smarter, China.
- Instead of Battens, PP sheet introduced for packing of drums.
- Master carton sealing machine introduced to avoid the theft/damage of packing.
- Fire hydrant system was installed in the plant.
- CO2 flooding system was installed in IT room and Battery room.
- Old bunchers were modified completely by Niehoff to increase the productivity.
- 2 Nos of Mobile cranes 12 MW were added to ease the dispatch/stores activities.
- 250 KVA UPS from Mitsubishi was added in the plant.
- One additional 5 T lift was installed for ease of housewire/flexible dispatches.
- High speed on-line taping before extrusion developed.
- A very high speed stranding machine based on new technology planned at Pathredi.
- New Process of Solar cable harnessing has been introduced in Bhiwadi plant.
- Purchasing of drawn Copper in basket form (1.60mm) rather than in 8mm Rod form for fine wire drawing.
- Replaced 1+3 Laying machine with Drum Twister (2600mm) in HT Plant to enhance the productivity of laying process.
- 72 Bobbin Armoring changed in LT Plant to enhance the productivity of armoring process.
- Expansion of Flexible and House wire in Silvassa.

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.

g) Future Plan of Action:

- The 400 kV Cable developed and manufactured shall undergo testing and certification for type test & pregualification 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.
- Ordered machines like Niehoff Multiwire drawing, niehoff Bunchers, Supermac Extruders and



Simpack coiling machines to Increase the Housewires/ Flexibles Capacity.

- Expansion of LT Cables by adding new plant in Pathredi.
- New Depot will be added in Bhiwadi for storage of Stock cables to create more free space for smooth operation in Bhiwadi and Chopanki plants.
- Expansion of Poly-winding wire to add the capacity along with winding wire.
- Plasma ion machine will be installed to improve the productivity of XLPE printed core in control and instrumentation cables.
- Hot Water Steam Generator will be installed in HT Plant to aid in energy conservation.

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 2017-18, export sales of the Company increased to ₹ 4,542.07 millions from ₹ 3,793.19 millions in the financial year 2016-17. 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 ₹ 4,542.07 millions Outgo ₹ 6,844.77 millions

FOR AND ON BEHALF OF THE BOARD

Place: New Delhi **Date: August 09, 2018**

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

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COMPANY OVERVIEW

KEI Industries Limited (hereinafter 'the Company''/ "KEI") is one of the leading manufacturers and suppliers of power and other industrial cables in India. Having an unmatched portfolio of 400 products, KEI has established a niche in addressing demands of customers across a myriad of sectors. The diversified and de-risked business model of KEI has made it one of the most trusted brands in providing wiring solutions to both retail and institutional clients across domestic and international markets. Over the years, KEI has earned a remarkable reputation in nurturing relationships, strengthening consumers trust and timely execution of orders. Moreover, the Company is continuously investing in upgrading its R&D capabilities to deliver operational excellence in all its offerings and to provide innovative technologies.

The Company primarily operates in three segments: Cables, Stainless Steel Wires and Turnkey Projects. It provides wiring and turnkey solutions to both private and public sector clients engaged in industries such as power, oil refineries, railways, automobiles, cement, steel, real estate, textile and fertilizers. Moreover, KEI is amongst the top cable manufacturing companies in India owing to its diversified product range and uncompromised commitment to quality.

The Cable division of the Company comprises a wide array of products including Extra High Voltage (EHV), High Tension and Low Tension (HT & LT), Control and Instrumentation Cables, Specialty Cables, Rubber Cables, Flexible and House Wires and Submersible Cables. It also offers a unique range of Specialty Cables like fire survival cables, zero halogen cables and braided cables.

In 2010, the Company ventured into manufacture of EHV cables (ranging from 66kV to 400kV) in collaboration with Switzerland-based BRUGG Kables at its Chopanki (Rajasthan) facility. The Company is geared to serve mega power plants, transmission companies and metro cities through EHV cables. KEI has a strong manufacturing base with state-of-the-art manufacturing facilities located at Pathredi, Chopanki, Bhiwadi and Silvassa.

The Stainless Steel Wire division of KEI offers a comprehensive range of specialty wires finding applications in several industries.

In its endeavour to further expand the opportunity horizon, the Company forayed into Engineering, Procurement and Construction (EPC) business in 2008. In this segment, it provides integrated 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 Projects of EHV and HV cable systems, conversion of overhead underground cabling systems, RE Projects etc. to Government and Private Utility.

KEI is well-positioned to exploit the upcoming growth opportunities with an aim to become the undisputed industry leader.

ECONOMIC OVERVIEW

World Economy

The global economy witnessed a significant rebound in global trade, primarily driven by investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe and signs of recovery in several commodity exporters. Resultantly, the world economy registered a growth of 3.8% in 2017, the strongest since 2011. Two-thirds of the countries accounting for about three-fourths of global output experienced a faster growth in 2017 than in the previous year. The upsurge in global trade was mainly pronounced in Emerging Market and Developing Economies (EMDEs) (with trade growth rising from 2.2% in 2016 to 6.4% in 2017), reflecting higher investments in stressed commodity exporters as well as investment recovery in advanced economies.

Across EMDEs, growth was driven by acceleration in private consumption and higher fixed investment growth. Moreover, firming activity in commodity exporters and continued growth in commodity importers led to a 4.8% growth across EMDEs in 2017. Emerging economies in Asia further strengthened owing to vibrant manufacturing activities and surging trade flows during the year. Furthermore, IMF has forecasted the EMDEs to grow by 4.9% in 2018.

Advanced Economies recorded a 2.3% growth in 2017, led by stronger investments, accommodative monetary policies, reviving financial health and turnaround of inventories. Broad-based revisions,



reflecting strengthening economic prospects for the Euro area and Japan and spillover effects of expansionary fiscal policy in the U.S. are expected to buoy the Advanced Economies, pegging growth at 2.5% in 2018.

Moving ahead, favourable market sentiments, accommodative financial conditions, expansionary fiscal policy in the U.S. and partial recovery in commodity prices are expected to trigger global economy, with a forecast to grow by 3.9% in both 2018 and 2019.

(Source: IMF World Economic Outlook, April 2018)

Indian Economy

The year 2017 observed some major structural reforms with an aim to strengthen Indian economic growth. The economy, in early 2017 suffered a setback due to the short-term challenges faced by the implementation of demonetisation and Goods & Services Tax (GST) leading to a GDP growth of 6.7% in FY 2017-18. However, the economy started recovering as 2018 set in. Resultantly, the GDP reached an impressive 7.7% in the fourth quarter of FY 2017-18.

According to Central Statistics Office (CSO) and International Monetary Fund (IMF), India's position as one of the fastest growing economies in the world continues to be led by strong democracy and partnerships. India's Index of Industrial Production (IIP) grew by 7.5% in January 2018 while retail inflation stood at 4.4% in February 2018. The upgradation of India's credit rating to Baa2 by Moody's Investor Services, jump in World Bank's Ease of Doing Business Report by 30 ranks to reach the 100th position, rapid increase in Nikkei India manufacturing Purchasing Managers' Index (PMI) to reach 54.7 in December 2017 and other factors contribute to the growth trajectory of the Indian economy.

(Source: https://www.ibef.org/economy/indian-economy-overview)

Implementation of GST was a revolutionary move adopted by the Government, primarily to overcome the multiple taxation structure by rolling out a unified tax reform. The initial phase of GST witnessed various regulatory issues by small and medium businesses. With more clarity and stability in the laws and regulations, GST is expected to enhance productivity, stimulate corporate investments and benefit the economy in the long run. Additionally, appropriate measures undertaken to resolve Non-Performing Assets (NPA) related problems, further liberalisation of FDI, implementation of RERA, recovery in investment levels are all improving the country's economic performance.

(Source: http://mofapp.nic.in:8080/economicsurvey/pdf/001027 Chapter 01 <u>Economic_Survey_2017-18.pdf)</u>

Favourable indicators such as moderate inflation levels, smoother implementation of GST regime, on-going structural reforms and growth of the industrial sector are all expected to stimulate India's growth potential. On the back of initiatives such as Make in India, Digital India, Skill India etc., the government has envisaged plans to boost the manufacturing sector, improve digital infrastructure and spur development of the economy. Organisation for Economic Co-operation and Development (OECD) has forecasted the country's GDP at 7.4% in FY 2018-19 and 7.5% in FY 2019-20. The IMF is even more bullish on Indian economy, speculating the country's GDP at 7.4% in FY 2018-19 and 7.8% in FY 2019-20 in its World Economic Outlook Report.

(Source: https://www.ibef.org/economy/indian-economy-overview)

INFRASTRUCTURE AND POWER SECTOR SCENARIO

Infrastructure is one of the key growth drivers of the Indian economy and has received significant push from the Government of India. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. According to the Department of Industrial Policy and Promotion, the construction development sector witnessed Foreign Direct Investment (FDI) worth USD 24.67 billion from April 2000 to December 2017. Moreover, a massive investment of USD 92.22 billion was allocated to the sector in the Union Budget 2018-19. Indian infrastructure space is emerging to be of notable interest to international investors and requires an investment worth ₹ 50 trillion (USD) 777.73 billion) by 2022 to boost the economic development of the country.

Some significant investments in the sector include:

- 1. CY 2017 witnessed 91 M&A deals worth USD 5.4 billion in Indian infrastructural sector.
- Private equity and venture capital investments in the infrastructure sector reached USD 3.3 billion with 25 deals during January-May 2018.

(Source: https://www.ibef.org/industry/infrastructure-sector-india.aspx)

According to IBEF, India is the world's third largest producer and fourth largest consumer of electricity in the world. The country witnessed electric production of 1,201.5 billion units (BU) in FY 2017-18, recording a growth of 55.72% over the previous fiscal year. With the strengthening of the economy, the demand for power is also expected to go in the upward direction.

(Source: https://www.ibef.org/industry/power-sector-india.aspx)

India's power sector is one of the most diversified in the world. Recognised by the Government as a key focus area, the sector holds immense potential to boost industrial growth. As on March 31, 2018, the country's total installed capacity of power stations stood at 3,44,002.39 Megawatt (MW). The Central and State projects together accounted for 55% of total installed capacity whereas, the private sector occupied a 45% share. This is further classified as under:

All India Installed Capacity (MW) Region-wise as on 31.03.2018:

| | | Thermal | | | Nuclear | Hydro | RES | Grand Total |
|------------|-------------|-----------|--------|-------------|----------|-----------|-----------|-------------|
| Region | Coal | Gas | Diesel | Total | | | | |
| Northern | 52,939.20 | 5,781.26 | 0.00 | 58,720.46 | 1,620.00 | 19,753.77 | 12,873.22 | 92,967.45 |
| Western | 70,608.62 | 10,806.49 | 0.00 | 81,415.11 | 1,840.00 | 7,447.50 | 20,446.38 | 1,11,148.99 |
| Southern | 45,782.02 | 6,473.66 | 761.58 | 53,017.26 | 3,320.00 | 11,808.03 | 34,369.28 | 1,02,514.57 |
| Eastern | 27,321.64 | 100.00 | 0.00 | 27,421.64 | 0.00 | 4,942.12 | 1,038.40 | 33,402.16 |
| North-East | 520.02 | 1,736.05 | 36.00 | 2,292.07 | 0.00 | 1,342.00 | 282.56 | 3,916.63 |
| Islands | 0.00 | 0.00 | 40.05 | 40.05 | 0.00 | 0.00 | 12.56 | 52.61 |
| ALL INDIA | 1,97,171.50 | 24,897.46 | 837.63 | 2,22,906.59 | 6,780.00 | 45,293.42 | 69,022.39 | 3,44,002.39 |

(Source: http://www.cea.nic.in/reports/monthly/executivesummary/2018/exe_summary-03.pdf)

All India Installed Capacity (MW) Sector-wise as on 31.03.2018:

| Castan | | Thern | nal | | Nuclear | Hydro | RES | Grand Total |
|-----------|-------------|-----------|--------|-------------|----------|-----------|-----------|-------------|
| Sector | Coal | Gas | Diesel | Total | | | | |
| State | 64,670.50 | 7,078.95 | 363.93 | 72,113.38 | 0.00 | 29,858.00 | 2,003.37 | 1,03,974.75 |
| Private | 75,546.00 | 10,580.60 | 473.70 | 86,600.30 | 0.00 | 3,394.00 | 65,516.72 | 1,55,511.02 |
| Central | 56,955.00 | 7,237.91 | 0.00 | 64,192.91 | 6,780.00 | 12,041.42 | 1,502.30 | 84,516.63 |
| All India | 1,97,171.50 | 24,897.46 | 837.63 | 2,22,906.59 | 6,780.00 | 45,293.42 | 69,022.39 | 3,44,002.39 |

(Source: http://www.cea.nic.in/reports/monthly/executivesummary/2018/exe_summary-03.pdf)

India achieved 45.29 GW of hydro power generating capacity and 20 GW of installed solar capacity as on the financial year ended 2018. The solar capacity installation is expected to reach 30 GW in FY 2018-19 and FY 2019-20 each. Besides this, the Government endeavours to reinstate the stalled hydro power projects and increase the wind energy production target from the current 20 GW to 60 GW by 2022.

(Source: https://www.ey.com/Publication/ vwLUAssets/ey-infra-insights-q1-cy2018/\$File/ infra-insights-q1-cy2018-final.pdf)

To provide a further boost to the sector, the Government is considering making an investment of ₹ 11.56 lac Crore in power generation sector over a period of 5 years between 2017 and 2022 across thermal, hydro, nuclear and renewable segment. The Central Electricity Authority (CEA) has envisaged plans for a total capacity addition of 58,384 MW from conventional sources comprising 47,855 MW of coal-based power stations, 406 MW of gas-based power stations, 6,823 MW of hydropower stations and 3,300 MW of nuclear stations.

(Source: https://energy.economictimes. indiatimes.com/news/power/india-to-attract-rs-1155652-crore-investment-in-power-generationthrough-2022/63678485)

Moving forward, the Government's major reform of allowing 100% FDI in the power and renewable energy sector has facilitated the growth of this sector. Resultantly, the industry attracted FDI worth USD 12.97 billion between April 2000 and December 2017, accounting for 3.52% of the total FDI inflows in the country. Through its 'Deendayal Upadhyaya Gram Jyoti Yojana' (DDUGJY) scheme, the Government aims to strengthen power scenario in the rural areas.

(Source: <u>https://www.ibef.org/industry/powersector-india.aspx)</u>

Renewable Energy- growing significance:

According to International Renewable Energy Agency (IRENA), global renewable generation capacity registered a growth of 8.3% over last year, amounting to 2,179 GW at the end of 2017. Wind



and solar energy, together accounted for 85% of new capacity installation in 2017. Asia emerged as the fastest growing region, occupying 64% share of new renewable capacity.

(Source: IRENA; https://www.irena.org/-/me-dia/Files/IRENA/Agency/Publication/2018/Mar/RE capacity highlights 2018.pdf?la=en&hash=2 1795787DA9BB41A32D2FF3A9C0702C43857B39C)

In 2017, Indian renewable energy sector was the second most attractive renewable energy market in the world. As per the Renewable Energy Investment Report 2018, India was ranked fourth for new investments in this sector during 2017. During FY 2017-18, India added record 11,788 MW of renewable energy capacity. Rising urbanisation and per capita energy consumption, economic growth is driving the energy demand of the country. The renewable energy sector is being looked upon to fulfil the energy demand of the country, which is speculated to reach 15,820 TW by 2040. India has very low conventional energy resources compared to the rising energy needs of growing population and improved economies. This scenario of exhausting conventional energy resources can be tackled by exploiting the country's huge potential in solar and hydro power sectors. Backed by improved economies and government thrust, this sector is increasingly being eyed by both domestic and foreign investors. Besides this, the Government of India, through its extensive projects and initiatives, has been targeting to achieve its ambitious and sustainable green energy mission.

(Source: https://www.ibef.org/industry/renewable-energy.aspx)

Power Transmission-on a firm footing

Power transmission sector in India is crucial for supplying electricity to the consumers. Development of a robust and non-collapsible transmission infrastructure drives growth of the power sector. Launch of 'Saubhagya' scheme for electrifying all rural households and rising share of renewable capacity demands addition in transmission infrastructure of the country.

(Source: https://enincon.com/wp-content/uploads/2018/01/Flyer-Power-Transmission-in-India-2018.pdf)

The Central Electricity Authority (CEA) has evaluated an investment requirement of ₹ 2.6 lac crore till 2022 owing to the significant growth in the power transmission sector. This estimate requires 1,00,000 ckm of transmission lines and 2,00,000 MVA transformer capacity of substations at 220 kv and above which are expected to be added in the 13th Five-Year Plan (FYP) (2017-2022). Along with this, inter-state lines with capacity of around 56,000

MW are being planned by the end of the 13th FYP.

(Source: https://www.business-standard.com/article/economy-policy/power-transmission-investment-likely-to-be-rs-2-lakh-cr-in-next-plancea-117010201016 1.html)

Transmission Lines added during Apr'16 to Mar'17 and Apr'17 to Mar'18 (ckms):

| Voltage Level | Apr 16- Mar 17 | Apr 17- Mar 18 |
|-----------------|----------------|----------------|
| +/- 500 KV HVDC | 0 | 0 |
| +/- 800 KV HVDC | 2,574 | 0 |
| 765 KV | 5,705 | 3,819 |
| 400 KV | 10,012 | 13,813 |
| 220 KV | 5,292 | 5,487 |
| All India | 23,583 | 23,119 |

(Source: http://www.cea.nic.in/reports/monthly/ executivesummary/2018/exe summary-03.pdf)

During FY 2017-18, the country added 23,119 ckm of transmission lines which surpassed the planned transmission lines of 23,086 ckm during the period, signifying a robust growth in the sector. The private and state entities have contributed significantly in the achievement of transmission lines addition i.e. 2,307 and 11,602 ckm respectively.

Target and Achievement of Transmission lines during FY 2017-18:

| Particulars | Programme | Achievement |
|-------------|-----------|-------------|
| Central | 9,279 | 9,210 |
| State | 11,545 | 11,602 |
| Private | 2,262 | 2,307 |
| TOTAL | 23,086 | 23,119 |

(Source: http://www.cea.nic.in/reports/monthly/executivesummary/2018/exe summary-03.pdf)

Rural electrification gets a boost

Government's ambitious target of electrifying 18,452 un-electrified villages by May 2018 under 'Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)' has been well achieved before the deadline. Up to 30th April, 2018, 17,181 villages have been electrified. The remaining villages are either uninhabited or are located in remote and inaccessible areas with lack of basic electrical infrastructure.

(Source: https://www.jagranjosh.com/current-affairs/all-villages-in-india-are-now-electrified-pm-narendra-modi-1525073483-1)

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UDAY Scheme

One of the major challenges faced by the Indian power sector is the financial health of the state-owned power distribution companies (DISCOMs). In 2015, the Government introduced the landmark 'UDAY' scheme for the operational and financial turnaround of the discoms. With an aim to mitigate interest burden, cost of power and power losses in distribution sector, this reform is expected to realise the Government's vision of affordable 'Power for All'.

The financial losses of the discoms have reduced by ₹ 17,352 Crore or 50% for the financial year ended 2018, but their outstanding dues to power generators have risen by over 150% to ₹ 32,071 Crore. However, the loss reduction of the discoms was attributed to factors such as savings in interest cost, power purchase cost, establishment cost and tariff rationalisation.

(Source: https://www.financialexpress.com/economy/uday-scheme-discoms-cut-losses-but-their-dues-togencos-mount/1200937/)

Till now, 27 states and 4 Union Territories have joined the remarkable scheme. With the effective implementation of UDAY programme, the Government aims to bring down the Aggregate Technical and Commercial (AT&C) losses to 15% and eliminate the average cost of supply (ACS)-average revenue realised (ARR) gap completely by FY 2018-19. This, in turn, would lead to operationally and financially stable distribution utilities, thereby reducing the stressed assets in the system. Moreover, the adaptation of UDAY scheme is stringently monitored through a dedicated web portal and mobile applications for enhanced transparency and accountability of the discoms.

(Source: https://www.iitk.ac.in/ime/anoops/FOR-17/FOR-17%20photos/PPTs/IITK%20Outreach%20 Centre%20Day%201/ppt/UDAY Challenges%20 and%20Way%20Forward KPMG%20.pdf)

Union Budget 2018-19 Highlights

- Envisaged the development of infrastructure sector by allocating ₹ 5.97 lac Crore for the sector.
- The ambitious 'Bharatmala Pariyojana' has been approved to provide seamless connectivity between interior and backward areas and India's borders, with an aim to develop around 35,000 km of roads in Phase-I at an estimated cost of ₹5,35,000 Crore.
- The Railways' Capex for 2018-19 has been pegged at ₹ 1, 48,528 Crore.
- Planned to commission around 18,000 kms of

- railway lines, compared to 4,000 kms that were targeted in Budget 2017-18.
- Announcement of the path-breaking 'Saubhagya' scheme with the objective of providing last mile electrical connectivity to four crore household connections with an outlay of ₹16,000 Crore.
- Proposed investment of ₹ 4,200 Crore to increase capacity of Green Energy corridor project along with other wind and solar power projects.
- Ambitious target to electrify a network of 4,000 km of railways in 2018-19.

(Source: https://www.pwc.infrastructure-sector-india.aspx & https://www.ibef.org/industry/infrastructure-sector-india.aspx & https://www.pwc.in/assets/pdfs/budget/2018/sectoral-analysis-india-rid-ing-the-growth-wave.pdf)

Thrust on Renewable Energy

The Government has set an ambitious goal of achieving 175 GW of capacity in renewable energy consisting of 100 GW of solar power, 60 GW of wind power, 10 GW of biomass power and 5 GW of small hydro power by 2022. Aligned to this objective, it is undertaking significant measures such as offering various incentives, capital and interest subsidies, fiscal incentives, etc. Apart from the financial support, other initiatives include setting up of exclusive solar parks; development of power transmission network through Green Energy Corridor Project; procurement of solar and wind power target through tariff based competitive bidding process, etc.

(Source: https://www.business-standard.com/article/news-cm/government-is-on-its-way-to-achieving-175-gw-target-for-installed-renewable-energy-capacity-by-2022-117122700308 1.html)

Challenges

Thermal power generation capacity has been significantly hit by the momentous shift towards the renewable energy sector. Various thermal power plants are either stuck in various stages of construction or lack Power Purchase Agreements (PPAs). This, along with the mounting idle capacity of thermal power stations and higher tariffs has resulted in the withdrawal of thermal power plants and reduced the bidding for the power. Furthermore, the reduction in Plant Load Factor (PLFs) for coal and lignite based power and non-requirement of new coal-based generation capacity addition till 2027, would lead to the technical unviability of the thermal plants. Another major parameter impacting the thermal power sector in the long run is the recent decline in the renewable power bid price,



owing to the availability of renewable non-polluting energy at a cheaper price than thermal power.

Though, the discoms have reduced their losses under UDAY scheme, their outstanding dues to the power generators have been rising. This coupled with irregular and delayed payments by discoms have resulted in stressed private generation assets, including rising NPAs of power projects.

(Source: https://www.financialexpress.com/ economy/uday-scheme-discoms-cut-losses-buttheir-dues-to-gencos-mount/1200937/)

Outlook

The energy demand in India is likely to accentuate in the years to come on the back of sustained economic growth, rising urbanisation and per capita energy consumption. By 2040, India's energy consumption is expected to grow at the fastest pace among all major economies of the world at 4.2% p.a. The robust demand is likely to bolster renewable energy development in the near future.

(Source: https://www.bp.com/content/dam/bp/en/corporate/pdf/energy-economics/energy-outlook/bp-energy-outlook-2018-country-insight-india.pdf)

The outlook for the country's renewable energy sector, powered by the solar and wind sector is positive as per India Ratings. Growth in renewable power is being driven by numerous incentives to local solar panel manufacturers, exploring windsolar hybrid projects, offshore wind projects, etc. To boost the growth of hydro projects in the country, a New Hydropower Policy for 2018-28 has been formulated. Besides this, the Ministry of New and Renewable Energy is considering providing custom and excise duty benefits to the solar rooftop sectors, thereby lowering the cost of setting as well as generating power. Additionally, renewable energy has the potential to create significant employment opportunities in the country. The Government of India, in its submission to the United Nations Framework Convention on Climate Change has speculated that India will attain 40% cumulative electric power capacity from non-fossil fuel based energy resources by 2030.

(Source: https://www.ibef.org/industry/renewable-energy.aspx)

Over the past decade, the cables and wires industry has evolved from a small to a large-scale industry. The Government's focus on Power for All, rural electrification, improving infrastructure, robust spur in the number of households, improved life-styles and new opportunities are propelling the demand of domestic cables/wires and electrical items. Evidently, this segment has grown exponentially by

13% over the past 5 years, with an expectation to clock a momentous 14.5% growth over FY 2017-22. The organised sector accounts for 60% share of the cables and wires industry. This is expected to grow significantly and reach 66% by FY 2021-22.

(Source: <u>Edelweiss Consumer Durables Report</u>)

BUSINESS OVERVIEW

During the year under review, the Company's gross revenue stood at ₹ 3,496.42 Crores, registering a growth of 23.44% from ₹ 2,832.43 Crores recorded in FY 2016-17. The Company's net profit grew by 54% and reached ₹ 144.56 Crores during FY 2017-18.

The Company continued to maintain a robust topline growth led by a healthy execution in its EPC division and strong retail sales. In the domestic market, the Company continued its thrust to expand its network across the country and managed to increase the dealer base. Strong performance of EPC and EHV divisions, exports, expanding dealer network, brand promotions to drive retail sales, strong order book are the factors having contributed to the strong revenue growth of the Company.

KEI witnessed 18% volume growth in Cable division during FY 2017-18. The Company's cable division clocked an impressive revenue of ₹ 2,648 Crores as against ₹ 2,116 Crores achieved last year, reflecting a growth of 25.15%. Within the cable division, the revenue of EHV segment increased from ₹ 102 Crores to ₹ 168 Crores. The new capacity of EHV cables production line commissioned at Chopanki unit with a capability of upto 400 kV and a healthy order book is stimulating the revenue growth in this segment. The sales of LT and HT cables together accounted for ₹ 1,916 Crores in FY 2017-18 i.e. a growth of 20.81% over last year. To keep up with the rising demand, the Company commissioned an LT cable expansion facility at Pathredinear the Chopanki unit entailing an investment of approximately ₹ 50 Crores. This massive power project has the potential to generate revenue of approximately ₹ 300 Crores per year at full utilisation. Besides, the Company is also undertaking 2nd phase of expansion for HT cables at Pathredi unit which could enhance the annual capacity by approximately ₹ 200 Crores.

Furthermore, the EPC segment saw an increase in revenue from ₹ 423 Crores to ₹ 654 Crores in FY 2017-18. This was led by an increased focus on execution of its strong order book.

Transmission and distribution sectors continue to remain the major growth drivers of the Company aided by Government thrust on renewable energy and rural electrification. KEI is expected to benefit due to higher demand from transmission and distribution companies. With over 92% of the power consumption states adopting Ujwal Discom Assurance Yojana (UDAY), state Distribution companies are expected to improve their T&D infrastructure through renewed capex, thereby benefitting KEI. EHV division has benefitted profusely from these developments and is expected to continue delivering commendable performance in the coming years.

Going forward, driven by these initiatives, the Company expects the Cable division to grow by 18-20% in terms of volume by FY 2018-19. Moreover, the Company holds immense potential to cater to the rising demand through its well-equipped and enhanced capacities.

Retail Division

The retail segment of the Company comprises Household wires as well as LT & HT cables and contributes to around 32% of the Company's revenue. The retail sales grew significantly by 40% from ₹774 Crores in FY 2016-17 to ₹1,086 Crores in FY 2017-18.

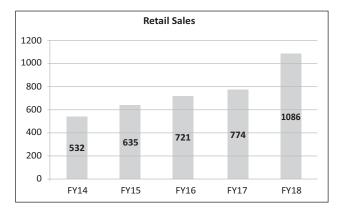
The Company has a significant pan-India presence in the retail division and has achieved phenomenal progress in this segment over the past few years. Moreover, strong focus on branding and promotions via different media and expansion in the dealer network has led to the growth trend in this segment. Aggressive advertising campaigns, outdoor marketing activities and high-profile sponsorships have enhanced the brand visibility of KEI.

KEI has a pan-India distribution network of dealers, which it intends to expand in order to strengthen its reach to potential customers. During FY 2017-18, it added 137 dealers in its distribution base, taking the total count of active dealers to 1,284 as on March 31, 2018. This reflects a significant growth of 12% in dealer base over last year. As a fair remuneration policy, the Company formulated attractive incentive schemes for dealers. Empowered with the prestigious Superbrand status for five consecutive years (2011-2016), KEI has gained consumers' trust and confidence for the brand.

For the past few years, KEI has been proactively engaged in brand building initiatives and has been spending considerably in ads across Media-Print, Air, Audio-visual and Digital platforms. Besides, with the successful sponsorship of IPL team Rajasthan Royals, engagement in various regional exhibitions, the Company aims to further the customer connect and augment the share of the retail business. To boost the brand awareness, the Company released an ad by partnering with celebrity Irrfan Khan.

Leveraging Irrfan Khan's repute, impeccable status and credibility, the campaign was successful in reaching out to customers effectively. KEI has also undertaken a multimedia campaign to target larger audience through television, social media channels, etc.

Moving ahead, owing to the low working capital requirements and better realisations, the retail segment is emerging to be the backbone of the Company's growth model. With this, KEI expects to increase the contribution of the retail segment from the present 30% to 40% of the Company's revenue in the next few years.



Institutional Business

The EPC and EHV segments of the Company posted strong numbers during the year under review. Growth in EPC and EHV segments was 54.61% and 64.70% respectively. EPC segment has been bagging large projects under Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) schemes. The Company is currently executing IPDS orders in Jammu & Kashmir and Gujarat and have bid for orders in West Bengal and Bihar. Greater spending by state transmission companies and railways augur well for the segment's growth. KEI is among the only three companies in India to manufacture EHV cables. Spurred by government initiatives like improved power availability, rural electrification, etc., the EHV segment of the Company is poised for a robust revenue expansion in the near future.

Outlook

Led by the government's sharpening focus on power generation, transmission and distribution sectors, demand for cables as part of T&D equipment is expected to expand significantly. Key government initiatives in infrastructure and real estate sector such as 'Housing for All', 'UDAY', 'Power for All', oil & gas, ship building and others are expected to benefit KEI largely in the coming years. The state discoms are increasingly focused on setting up



of transmission lines, thereby providing strong growth opportunities for the EPC players. Moreover, the government's aim to lower the AT&C losses is likely to result in higher capex by the discoms. KEI's expertise in delivering excellent EPC projects, strong order book and enviable track record is likely to fuel growth for the Company in the coming years.

Exports

Exports account for a considerable portion of the Company's earnings. KEI is a trusted name in the international market. It has a substantial global presence a more than 45 countries with focus on the Oil & Gas and utilities segment. It offers wide range of cables viz. EHV (66kV to 400kV), MV (11kV to 33kV) and LV (< 11kV) cables to the overseas customers. Moreover, the Company offers competitive pricing and customised solutions. With an aim to expand its presence in the international markets, the Company has set up marketing offices at Abu Dhabi, Singapore and Nigeria. It also has set-up representative offices in South Korea, Gambia, South Africa and Kazakhstan. It also operates through a subsidiary in Australia. Recently, the Company obtained approvals for large projects in Middle East, South Africa, Nigeria and Australia. The export market is expected to grow tremendously. KEI's participation in various international exhibitions to establish new connections and demonstrate its commitment and exclusive brand quality has further strengthened its presence in the overseas market.

During the year under review, the exports revenue jumped by 21% to ₹ 454 Crores.

Opportunities in major segments

Power & Infrastructure: The Government has announced ambitious plans for infrastructure development in the years to come. Infrastructure spending is estimated at USD 1 trillion in the next five years. Estimated FDI in infrastructure sector is USD 250 billion while USD 750 billion is expected to be mobilized locally. Resultantly, the demand for cables is expected to receive a significant boost. Demand for cables is estimated at USD 3 billion (including EHV, MV and LV cables) to be used for transmission and distribution purposes.

EPC: The EPC industry has witnessed a commendable transformation from a small segment to a mammoth industry over the past decade. EPC industry is projected to be a multi-million dollar industry on the back of rapidly growing economy and huge scale of infrastructural opportunities. Consumption of cables in EPC power project account for around 20 to 25% of the total project cost.

Building and Construction: Demand for Urban

Premium Housing is set to grow from ₹ 116 billion in FY 09 to ₹ 757 billion in FY 20. IT/ITES and BFSI sectors are expected to contribute to increased net absorption of office space. Besides, 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. Also, demand for wires is expected to witness a tremendous growth at a CAGR of 13% over the next 7-8 years.

RISKS AND CONCERNS

Risk management is an inherent feature of any business. KEI operates in a highly competitive environment which is largely affected by the fluctuations in currency rates and changes in Government policies and regulations. Moreover, the business of the Company is much dependent on commodities. This, along with longer collection period in the turnkey projects and stiff competition makes risk management a crucial exercise across the organisation.

Some of the key risks identified by the Company and the mitigation strategies adopted are as follows:

Changing Government Policies Risk

Issues & Concerns:

The two most predominant segments of the Company's business i.e. EPC and EHV divisions are likely to be affected by Government policies. These segments generally perform well under a steady policy regime and vice-versa.

Mitigation Strategy:

The Company continues to strengthen and expand the retail business as it remains unaffected by the changes in Government policies.

Cyclical Risk

Issues & Concerns:

The Company primarily serves power utilities, infrastructure, real estate and industrial sectors. These businesses are often cyclical in nature. Thus, Company's revenue and demand of its products are subject to interest rate fluctuations and capex cycles.

Mitigation Strategy:

- The Company diversifies its operations across sectors to minimise this risk.
- The Company hedges the cyclical risk prevalent in the local market by exploring opportunities overseas.

Competition Risk

Issues & Concerns:

A majority of the Company's products are highly competitive in nature and face strong threat from other players.

Corporate Overview Statutory Reports Financial Statements

Mitigation Strategy:

- The Company firmly believes in strengthening existing business by offering premium and quality products, thereby boosting its brand.
- It has an extensive distribution base and is constantly striving to reach out to potential customers through aggressive marketing initiatives with an aim to accentuate the brand visibility.
- It follows a proactive strategy in responding to competitors, which is extremely important in a competitive market.

Raw Material Price Fluctuation Risk Issues & Concerns:

- Excessive volatility in the prices of most critical raw materials - copper and aluminium tend to severally impact the profitability of the Company.
- Though the Company tries to offset the rise in raw material prices either through hiking the selling price of products or by hedging, there is no assurance that it can do so successfully in the future.

Mitigation Strategy:

- The Company regularly monitors the movement in raw material prices and adopts stringent strategies to address the volatility.
- It has inculcated price escalation clauses for large orders and three-month policy validity clause for smaller projects in an effort to mitigate this risk.
- It maintains close to 90 days of inventories of raw materials, WIP and finished goods and counterbalances it with procuring orders. This, in turn, creates a natural hedge in buying and selling.

Currency Fluctuations Risk

Issue & Concerns:

- The Company imports raw materials to a large extent. The raw material costs can be adversely affected by extreme exchange rate fluctuations, thereby weakening the profitability.
- With exports being a key contributor to the Company's revenue, excessive volatility in the currency rates can significantly impact the profitability.

Mitigation Strategy:

- The Company tracks the currency movements and adjusts its order book accordingly.
- It maintains close to 90 days of inventories of raw materials, WIP and finished goods and counterbalances it with procuring orders. This,

in turn, creates a natural hedge in buying and selling.

Human Resources Risk

Issues & Concerns:

Efficient human resources are critical to the operations of the Company. Thus, in the absence of quality human resources, the ambitious growth plans of the Company may not be successfully implemented.

Mitigation Strategy:

The Company has well-versed HR policies and practices in the industry in order to develop, nurture and retain talented personnel.

HUMAN RESOURCES

The Company firmly believes that people are the assets of the organisation, contributing to its growth and long term business sustainability. The Company's human resource policies are formulated with an objective of developing a professional, productive and dedicated workforce. Aligned to this vision, the employees are time and again provided with various skill and personal development trainings to keep them motivated. This also ensures significant growth in their competencies. The Company also places strong emphasis on maintaining a safe, conducive, stimulating and energetic work environment to boost employee morale and enhance their productivity. The Company's learning and development program is well-established to ensure that the employees remain updated of the internal and external changes. Besides this, the Company has strategically collaborated with various stakeholders to promote organisational excellence and secure support for employees.

As the Company is becoming more consumeroriented, it strives continually to put in place the best HR practices for ensuring a congenial atmosphere for employees and nurturing them to deliver best results.

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 operations 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.



Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

| 1. | Corporate Identity Number (CIN) | L74899DL1992PLC051527 | L74899DL1992PLC051527 | | | | |
|----|---|--|--|--|--|--|--|
| 2 | of the Company | KEI INDUSTRIES LIMITED | | | | | |
| 2. | Name of the Company | | | | | | |
| 3. | Registered Address | D-90, OKHLA INDUSTRIAL AREA, PHASE I, NEW DELHI-110020 | | | | | |
| 4. | Website | www.kei-ind.com | | | | | |
| 5. | E-mail Id | cs@kei-ind.com | | | | | |
| 6. | Financial Year Reported | 01st April, 2017 to 31st March, 2018 | 01 st April, 2017 to 31 st March, 2018 | | | | |
| 7. | Sector(s) that Company is engaged in (Industrial activity | Product / Service Description NIC Code No | | | | | |
| | code-wise) | Cables | 27320 | | | | |
| | | Stainless Steel Wires | 24108 | | | | |
| | | Winding Wires, Flexible Wires & House Wires | 27320 | | | | |
| | | Turnkey Projects | 42202 | | | | |
| | | As per National Industrial Classification 2008 - Ministr Statistics and Programmed Implementation, Government India. | | | | | |
| 8. | List three key products / services that the Company manufactures / provides (as in balance sheet) | | | | | | |
| 9. | Total number of locations where | business activity is undertaken by the Company | | | | | |
| a) | Locations (Provide details of major 5) | The Company has its presence in more tha including Subsidiary in Australia, Overseas man Abu Dhabi, Singapore and Nigeria and represer Korea, Gambia, South Africa and Kazakhstan. | keting offices in | | | | |
| b) | Number of National Locations | (i) Head office & Registered office in Delhi; | | | | | |
| | | (ii) Manufacturing Plants/Units located at: | | | | | |
| | | (a) SP-919, 920 & 922, RIICO Industrial Are Phase- III, Bhiwadi, (Rajasthan)-301 019 | | | | | |
| | | (b) 99/2/7, Madhuban Industrial Estate, Ra Silvassa (D& H)-396 240 | kholi, | | | | |
| | | (c) Plot No. A-280-284, RIICO Industrial Ar Chopanki, Dist Alwar (Rajasthan)-301 | | | | | |
| | | (d) Plot No.SP2-874, RIICO Industrial Area Dist Alwar (Rajasthan)-301 019 | , Pathredi, | | | | |
| | | (iii) 22 Depots;(iv) 32 Branch Offices; | | | | | |

| | rved by al/State/N | The Compnay has a global footprint that severs both National and International Markets. |
|---------------|-----------------------|---|
| International | | Local and National Markets are served by various branch office / depots of the Company and through Dealer Distribution Network. |
| | | International markets are served through Subsidiary and Overseas marketing offices. |

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

| 1. | Paid-up Capital (INR) | ₹ 156.72 Millions |
|----|---|--|
| 2. | Total Turnover (Gross) (INR) | ₹ 34,964.19 Millions |
| 3. | Total Profits after taxes (INR) | ₹ 1445.56 Millions |
| 4. | Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Refer to Annexure - D of Director's Report in the Annual Report. |
| 5. | List of activities in which expenditure in 4 above has been incurred | Refer to Annexure - D of Director's Report in the Annual Report. |

SECTION C: OTHER DETAILS:

1. Does the Company have any Subsidiary Company / Companies?

Yes, Company has 1(One) Subsidiary in Australia i.e. KEI Cables Australia Pty Ltd.

2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s):

No.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30%-60%, More than 60%]:

No.

SECTION D: BR INFORMATION

- 1. Details of Director / Director responsible for BR
 - a. Details of the Director / Director responsible for implementation of the BR policy / policies:

| DIN Number | 00006422 |
|-------------|--------------------------------|
| Name | Mr. Anil Gupta |
| Designation | Chairman-cum-Managing Director |

b. Details of the BR head:

| No. | Particulars | Details |
|-----|----------------------------|--------------------------------|
| 1. | DIN Number (if applicable) | 00006422 |
| 2. | Name | Mr. Anil Gupta |
| 3. | Designation | Chairman-cum-Managing Director |
| 4. | Telephone Number | +91-11-26818840, 26818642 |
| 5. | E-mail Id | cs@kei-ind.com |



2. Principle-wise (as per NVGs) BR Policy / Policies:

(a) Details of Compliance (Reply in Y/N):

| S. | Sr. Questions | Ы | P2 | P3 | P4 | P5 | P6 | Ь7 | P8 | P9 |
|---------|--|--|---------------------------|------------------------|---------------------------|-----------------|-------------|------------------|-------------|-----------------------|
| Š | | Ethics, Transparency and Accountability | Product Responsibility | Employee Well being | Stakeholder Engagement | Human Rights | Environment | Public Policy | CSR | Customer Relations |
| <u></u> | Do you have a policy / policies for: | > | > | >- | >- | > | > | > | > | > |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | >- | > | >- | >- | >- | >- | >- | >- | >- |
| æ. | Does the policy conform to any national / international standards? If yes, specify? (50 words)* | \ | , | > | \ | \ | > | Y | \ | >- |
| 4. | Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director? | \ | , | > | \ | > | > | \ | \ | > |
| 5. | Does the Company have a specified Committee of the Board / Director/Official to oversee the implementation of the policy? | > | \ | >- | \ | Y | X | Υ | > | >- |
| 9. | Indicate the link for the policy to be viewed online? http://www.kei-ind.com/investor-relations. | http://www.kei-i | nd.com/investor | r-relations/ | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | > | Ь | \ | Υ | Y | Y | Y | Т | \ |
| œ. | Does the Company have in-house structure to implement the policy/policies. | > | Ь | \ | Υ | Y | \ | \ | Υ | \ |
| 6 | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | > | > | > | > | > | > | * | > | >- |
| 10. | 10. Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? | > | > | >- | > | > | > | \ | > | >- |

Trading by Insider, Prevention of Sexual Harassment Policy, Corporate Social Responsibility Policy and Human Resources Policy are as per the requirements of the respective legislation of India. IMS Policy confirms to Environment Management System Standard: ISO *The Whistle Blower Policy, Code of Conduct for Directors and Senior Management, Code of Conduct to Regulate, Monitor and Report 14001:2015, Quality Management System ISO 9001:2015 & Occupational Health and Safety Management System OHSAS 18001:2007. (b) If answer to question at S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

| Sr. No. | Questions | P1 | P2 | Р3 | P4 | P5 | P6 | P7 | P8 | P9 |
|------------|---|----|----|----|------|------|------|-----|----|----|
| 1. | The Company has not understood the Principles | | | | | | | | | |
| 2. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3. | The Company does not have financial or manpower resources available for the task | | | N | OT A | PPLI | CABI | LE. | | |
| 4. | It is planned to be done within next 6 months | 1 | | | | | | | | |
| 5. | It is planned to be done within next 1 year | 1 | | | | | | | | |
| 6. | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

Business Responsibility Report is applicable to the Company for the first time based on Market capitalization calculated as on March 31, 2018. Accordingly, BR performance will be reviewed in coming financial year 2018-19 and thereafter annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is Company's first Business Responsibly Report and is published as a part of the Annual Report for the FY 2017-18. The same can be viewed by using the hyperlink: https://www.kei-ind.com/ investor-relations/.

SECTION E: PRINCIPLE - WISE PERFORMANCE:

<u>Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability</u>

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, Company has laid down a Whistle Blower Policy and Code of Conduct for Senior Management that covers issues, inter alia, related to ethics, bribery and corruption. It extends and covers all dealing between Company and its stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

For details on Investor Complaints, refer to the Corporate Governance Report which forms part of this Annual Report.

<u>Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</u>

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Fire Survival Cables, Zero Halogen Cables & Stainless Steel Wires (covered under PED certification). Life cycle assessment of all the products has been done to support the environment. This assessment is done at every stage from designing to disposal of the product.



In addition to the above, development of 400 kV is taking place on the basis of Make in India Policy and to address cost competiveness.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - (a) Reduction during sourcing / production/distribution achieved since the previous year throughout the value chain?

We have developed indigenous vendors close to the factory for constitent, monitoring of materials in order to maintain quality and faster deliveries.

Further, we have developed stock yards near the factory to maintain Just in time deliveries.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We have promoted Zero Liquid Discharge policy, by which the plant has Zero Water wastage.

We are, now, users of renewable sources of energy i.e. Solar Energy. Two of our plants at Rajasthan are set up with Solar roof top panels.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? Yes.
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has a well defined procurement procedure in IMS (PU/P/06), with the help of which suppliers are evaluated periodically to confirm the compliances.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, the Company regularly procures GI wires, filler, tapes etc. from local and small producers.

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Vendors visits are done regularly. Company constantly monitor their performance and upgrade them so that they can comply with all social, legal and environmental norms.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so.

Yes, all our major raw materials are recyclable except XLPE compound. Company recycle PVC compound in house to make PVC fillers which are then used in laying process of HT Cables. Rest of the raw materials are being sold to authorized recyclers. Also Sewage Treatment Plant (STP) is being used to treat the waste and the water recycled is used for gardening and washing purpose. Company recycles approximately 5% of its products and waste.

<u>Principle 3 - Businesses should promote the wellbeing of all employees</u>

1. Please indicate the total number of employees.

5090

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

3376

3. Please indicate the number of permanent women employees.

80

4. Please indicate the number of permanent employees with disabilities.

None.

5. Do you have an employee association that is recognized by management?

No.

- 6. What percentage of your permanent employees is members of this recognized employee association? Not Applicable.
- 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| S. No. | Category | No. of Complaints filed during the financial year | No. of Complaints pending as on end of the financial year |
|-----------|---|---|---|
| 1. | Child labour / forced labour / involuntary labour | NIL | NIL |
| 2. | Sexual harassment | NIL | NIL |
| 3. | Discriminatory employment | NIL | NIL |

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

| S. No. | Category | Safety | Skill Upgradation |
|-----------|---|---------|-------------------|
| (a) | Permanent Employees | 38.65 % | 99.00 % |
| (b) | Permanent Women Employees | 30.00 % | 99.00 % |
| (c) | Casual / Temporary / Contractual Employees | 100 % | 100 % |
| (d) | Employees with Disabilities | N.A. | N.A. |

<u>Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</u>

1. Has the Company mapped its internal and external stakeholders? Yes/No

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

3. Are there any special initiatives taken by the company to engage with disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, Company has taken special initiatives to engage with disadvantaged, vulnerable and marginalized stakeholders by implementing CSR programme through different implementing agencies.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, it extends to Company and interested stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL.

Principle 6 - Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/



Suppliers/Contractors/NGOs/Others.

Yes, our Integrated Management System (IMS) Policy covers all the interested parties associate with the Company.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company takes many initiatives to address global environmental issues such as:

- 1) Usage of Natural Gas in place of Diesel /Furnace Oil.
- 2) Usage of Solar energy.
- 3) Emission monitoring of flu gases generated through utilities.
- 4) PUC certificate monitoring of all the inbound transportation vehicles.
- 5) Installation of Zero Liquid Discharge (ZLD) Plant.
- 6) Installation of Sewage Treatment Plant (STP).
- 3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company have Aspect Impact Determination Study and Risk Library which is reviewed half yearly to fulfill all the compliances.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, Company has invested in setting renewable sources of energy through installation of solar roof panels of 1MV in Bhiwadi plant and more than 1MV in Chopanki plant.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company is taking initiatives constantly towards environment (Usage of Natural Gas instead of Diesel and Furnace Oil in running of Boilers & Furnaces, Solar Panel Setup, Installation of Sewage Treatment Plant (STP) and Zero Liquid Discharge (ZLD) Plant for zero water wastage.

6. Are the Emissions / Waste generated by the Company within permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the Air emission test is being conducted and reviewed every half yearly.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None.

<u>Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</u>

- 1. Is your company a member of any trade and chamber of association? If yes, Name only those major ones that your business deals with:
 - (a) Indian Electrical and Electronics Manufacturers Association (IEEMA);
 - (b) Projects Exports Promotion Council of India;
 - (c) India Infrastructure Publishing Private Limited;
 - (d) PHD Chambers of Commerce & Industry (PHDCCI);
 - (e) Federation of Indian Export Organization.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company responsibly and actively engages in policy advocacy through IEEMA.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes, Company has specific programs/initiatives/projects in pursuance of its CSR Policy.

Annexure-D of Director's Report for details.

2. Are the programmes / projects undertaken through in-house team/own foundation / external NGO / government structures / any other organization?

Annexure-D of Director's Report for details.

3. Have you done any impact assessment of your initiative?

Yes, the Company do it annually.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

Annexure-D of Director's Report for details.

5. Have you taken any steps to ensure that this community development initiative is successfully adopted by the Community? Please explain in 50 words or so.

Yes, it is reviewed annually.

<u>Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner</u>

1. What percentage of customer complaints / consumer cases are pending as on the end of the financial year?

None.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information).

Yes, Stenciling is done on the drums which shows all the material information. Also, Cable Handling, Laying and Storage instruction manual KEI/HLSM/QCL/101 Rev 02 is being sent with invoice.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

The Company carries out market researches through our advertisement agencies at regular intervals.



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, 2018 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 9 Directors with an Executive Chairman. Of the 9 Directors, 3 are Executive Directors and 6 are Non-Executive Directors, including one Woman Director and 5 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, 2018 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.

Note1: Shareholders at their meeting held on 19th July, 2017 had approved the appointment of Mr. Akshit Diviaj Gupta as Whole Time Director (Executive, Non-Independent) of the Company for a period of 5 (Five) years w.e.f. 10th May, 2017 to 09th May, 2022.

Note2: Board of Directors at its meeting held on 24th January, 2018 had appointed Mr. Sadhu Ram Bansal as an Additional Director (Non-Executive, Independent Director) of the Company for a period of 5 (Five) years w.e.f. 24th January, 2018 to 23rd January, 2023 subject to the shareholder's approval at the ensuing Annual General Meeting of the Company.

(B) Details of Directors as on March 31, 2018, their attendance at the Board Meetings and Annual General Meeting during the Financial Year ended March 31, 2018 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 | No. of the Board Meetings held during the Financial Year | No. of the Board Meetings attended during the Financial | Attendance at last AGM (July 19, 2017) | | s held in lic Limited panies |
|---|---|---|---|--|---|----------|------------------------------------|
| | | Companies | 2017-18 | Year 2017-18 | | Chairman | Member |
| Mr. Anil Gupta (DIN: 00006422) | Non-Independent, Executive (Promoter & CMD) | 1 | 7 | 7 | Yes | None | None |
| Mrs. Archana Gupta (DIN: 00006459) | Non-Independent, Non-Executive | 2 | 7 | 7 | No | None | None |
| Mr. Akshit Diviaj Gupta (DIN: 07814690) | Non-Independent, Executive | None | 7 | 6 | Yes | None | None |
| Mr. Pawan Bholusaria (DIN: 00092492) | Independent, Non-Executive | 2 | 7 | 7 | Yes | None | 2 |
| Mr. Kishan Gopal Somani (DIN: 00014648) | Independent, Non-Executive | 2 | 7 | 6 | Yes | None | None |
| Mr. Vijay Bhushan (DIN: 00002421) | Independent, Non-Executive | 4 | 7 | 7 | No | 1 | 2 |
| Mr. Vikram Bhartia (DIN: 00013654) | Independent, Non-Executive | None | 7 | 7 | Yes | None | None |
| Mr. Sadhu Ram Bansal* (DIN: 06471984) | Additional Director, Independent, Non-Executive | 1 | 7 | - | No | None | None |
| Mr. Rajeev Gupta (DIN: 00128865) | Non-Independent, Executive | None | 7 | 6 | Yes | None | None |

^{*} Please refer note 2 as mentioned above.

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

During the financial year 2017-18 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 2017-18.

During the year ended March 31, 2018, 7 (Seven) Board Meetings were held and these were on May 10, 2017, May 20, 2017, May 27, 2017, July 19, 2017, August 29, 2017, November 13, 2017 and January 24, 2018.

The Last Annual General Meeting (AGM) of the Company was held on 19th July, 2017.

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

Mr. Akshit Diviaj Gupta (holding DIN: 07814690) on the Board is son of Mr. Anil Gupta, Chairman-cum-Managing Director (holding DIN: 00006422) and Mrs. Archana Gupta, Director (holding DIN: 00006459). Further, Mrs. Archana Gupta, Director (holding DIN: 00006459) on the Board is spouse of Mr. Anil Gupta, Chairman-cum-Managing Director (holding DIN: 00006422) and mother of Mr. Akshit Diviaj Gupta (holding DIN: 07814690).

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 31st March, 2018 |
|-------------------------|-------------------------------------|---|
| Mrs. Archana Gupta | Non-Executive, Director | 8,37,315 |
| Mr. Pawan Bholusaria | Non-Executive, Independent Director | 4,500 |
| 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 |
| Mr. Sadhu Ram Bansal | 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 Directors 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(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year ended March 31, 2018 one meeting of Independent Directors was held on March 23, 2018.

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

| Name of the Director | Pirector Profession | | No. of Meetings attended |
|-------------------------|----------------------|---|-----------------------------|
| Mr. Vikram Bhartia | Business | 1 | 1 |
| Mr. Pawan Bholusaria | Chartered Accountant | 1 | 1 |
| Mr. Kishan Gopal Somani | Chartered Accountant | 1 | - |
| Mr. Vijay Bhushan | Business | 1 | 1 |
| Mr. Sadhu Ram Bansal | 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 guarterly/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 2017-18:

During the year ended March 31, 2018, 7 (Seven) Audit Committee Meetings were held on May 10, 2017, May 20, 2017, May 27, 2017, July 19, 2017, August 29, 2017, November 13, 2017 and January 24, 2018.

Mr. Pawan Bholusaria, Chairman of the Audit Committee was present at the last Annual General Meeting held on July 19, 2017.

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 | 7 | 7 |
| Mr. Kishan Gopal Somani | Independent Director (Member) | Chartered Accountant | 7 | 6 |
| Mr. Vikram Bhartia | Independent Director (Member) | Business | 7 | 7 |

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, Chairperson and meeting and attendance during the financial year 2017-18:

During the year ended March 31, 2018, 2 (Two) meetings were held on April 29, 2017 and January 24, 2018.

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 2017-18, 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 2017-18, the Company has not paid any remuneration to Non-Executive and Independent Director except sitting fees of ₹ 25,000/- per Board / Committee Meetings (upto the Board / Committee Meetings held on or before August 29, 2017) and ₹ 75,000/- per Board / Committee Meetings (for the Board / Committee Meetings held after August 29, 2017).

(₹ in Millions)

| Name of the Director | Amount |
|-------------------------|--------|
| Mr. Pawan Bholusaria | ₹1.10 |
| Mr. Kishan Gopal Somani | ₹ 0.50 |
| Mr. Vikram Bhartia | ₹ 0.85 |
| Mr. Vijay Bhushan | ₹ 0.65 |
| Mrs. Archana Gupta | ₹ 0.65 |

(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, 2018:

The aggregate value of salary, perquisites and commission paid for the year ended March 31, 2018 to the Chairman-cum-Managing Director (CMD) and Whole Time Directors (WTD) are as follows:

(₹ in Millions)

| Name | Salary | Commission | Co's Cont. to PF | Perquisites | Sitting Fees | Other | Total |
|---|--------|------------|---------------------|-------------|-----------------|--------|--------|
| Mr. Anil Gupta (CMD) | 30.00 | 72.83 | 0.02 | 4.88 | NIL | NIL | 107.73 |
| Mr. Rajeev Gupta [ED (Finance) & CFO] | 8.37 | NIL | 0.02 | 42.39* | NIL | NIL | 50.78 |
| Mr. Akshit Diviaj Gupta (Whole time Director) | 4.29 | NIL | 0.02 | 0.01 | NIL | NIL | 4.32 |
| Total | | | | | | 162.83 | |

^{*} Including value of Employee Stock Option.

(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 2017-18, Share Allotment Committee at its meeting held on September 25, 2017 has allotted 1,50,000 Equity Shares of face value ₹ 2/- each at an Exercise Price of ₹ 35/- per Equity Shares to Mr. Rajeev Gupta, Executive Director (Finance) & CFO (Previous year has allotted 1,50,000 Equity Shares of face value ₹ 2/- each at an Exercise Price of ₹ 35/- per Equity Shares in Share Allotment Committee meeting held on September 24, 2016).

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, 2018, 4 (Four) meetings of the Committee were held on May 10, 2017, August 29, 2017, November 13, 2017 and January 24, 2018.

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 |

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.

(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, 2018 are as follows:

| Sr. No. | Nature of Grievances | Received | Status/ Pending |
|------------|---|----------|-----------------|
| 1 | Non-Receipt of Annual Report / Dividend Warrant/ Others | 01 | Resolved |
| 2 | Non-Receipt of Transfer / Transmission / Duplicate / Split etc. | NIL | NIL |
| 3 | Non Receipt of electronic credit / demat | NIL | NIL |
| 4 | SEBI / ROC | 01 | Resolved |
| 5 | Others | NIL | NIL |
| | Total | 02 | Resolved |

Number of pending Shareholders complaints and Share Transfer as on March 31, 2018 was Nil.

Beside the above, the Board of Directors has Share Allotment Committee, Finance Committee, CSR Committee and Internal Complaint 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, 2018, 1 (One) meeting of the Committee was held on September 25, 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. 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, 2018, 7 (Seven) meetings were held on April 21, 2017, June 15, 2017, June 30, 2017, September 08, 2017, October 05, 2017, February 21, 2018 and March 21, 2018.

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 | 7 | 7 |
| Mrs. Archana Gupta | Non-Independent, Non- Executive (Member) | Business | 7 | 7 |
| Mr. Rajeev Gupta | Non-Independent, Executive (Member) | Chartered Accountant | 7 | 7 |

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

9. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

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

- Formulating and recommending to Board, a CSR policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the CSR activities;



- Monitoring the Corporate Social Responsibility Policy of the Company from time to time;
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

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

During the year ended March 31, 2018, 3 (Three) meeting was held on July 19, 2017, January 24, 2018 and March 16, 2018.

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 | 3 | 3 |
| Mr. Anil Gupta | Non-Independent, Executive (Member) | Business | 3 | 3 |
| Mr. Rajeev Gupta | Non-Independent, Executive (Member) | Chartered Accountant | 3 | 3 |

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 |
|------|-----------|-----------------------|------------|--|--|
| 2017 | Wednesday | July 19, 2017 | 10:00 A.M. | 2 | Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003 |
| 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 |

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(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 <u>www.kei-ind.com</u>. Simultaneously, financial results of the Company are also available at <u>www.bseindia.com</u> and <u>www.nseindia.com</u>.

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) 26th Annual General Meeting - Date, Day, Time and Venue:

| Day | Date | Time | Venue |
|-----------|-----------------------|-----------|--|
| Wednesday | September 19, 2018 | 10:00 A.M | Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003 |

(ii) Financial year:

Financial Year 1st April, 2018 to 31st March, 2019

Adoption of Quarterly Results for the quarter ending (tentative and subject to change):

June, 2018 1^{st} / 2^{nd} week of August, 2018 September, 2018 1^{st} / 2^{nd} week of November, 2018 December, 2018 1^{st} / 2^{nd} week of February, 2019 March, 2019 3^{rd} / 4^{th} week of May, 2019



(iii) Dividend Payment:

Dividend payment on or after September 24, 2018 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 2018-19 has been paid in time by the Company to Stock Exchanges viz. BSE, NSE & CSE.

(v) Stock Code:

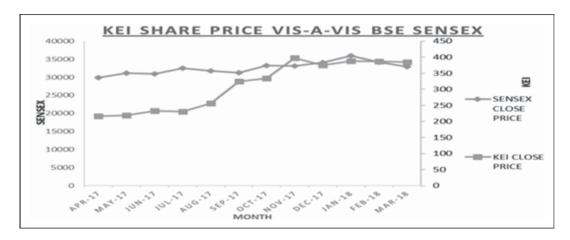
National Stock Exchange of India Ltd. : KEI

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, 2017 | 219.45 | 184.00 | 219.30 | 185.05 | |
| May, 2017 | 238.25 | 198.00 | 238.00 | 198.00 | |
| June, 2017 | 239.50 | 210.00 | 239.50 | 210.00 | |
| July, 2017 | 248.85 | 225.25 | 263.80 | 227.50 | |
| August, 2017 | 265.00 | 206.75 | 264.90 | 206.00 | |
| September, 2017 | 366.80 | 253.35 | 366.70 | 253.25 | |
| October, 2017 | 371.95 | 312.95 | 371.90 | 312.10 | |
| November, 2017 | 410.00 | 315.00 | 409.70 | 314.45 | |
| December, 2017 | 423.45 | 351.15 | 423.50 | 351.00 | |
| January, 2018 | 421.00 | 365.15 | 421.00 | 354.50 | |
| February, 2018 | 407.90 | 334.50 | 407.60 | 331.10 | |
| March, 2018 | 398.35 | 346.00 | 391.80 | 345.25 | |

(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, E-mail:- <u>info@masserv.com</u> website: <u>www.masserv.com</u>

(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 Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) within 7 days.

(xi) Distribution Schedule of Shareholding as on March 31, 2018:

| No. of Shareholders | % to Total | Shareholding of Nominal Value of (₹) | No. of Shares | Amount in (₹) | % of Total |
|------------------------|------------|---|------------------|---------------|---------------|
| 42942 | 97.978 | 0001 TO 5000 | 7254390 | 14508780 | 9.258 |
| 425 | 0.97 | 5001 TO 10000 | 1591545 | 3183090 | 2.031 |
| 192 | 0.438 | 10001 TO 20000 | 1451213 | 2902426 | 1.852 |
| 68 | 0.155 | 20001 TO 30000 | 873245 | 1746490 | 1.114 |
| 32 | 0.073 | 30001 TO 40000 | 566144 | 1132288 | 0.722 |
| 25 | 0.057 | 40001 TO 50000 | 578493 | 1156986 | 0.738 |
| 50 | 0.114 | 50001 TO 100000 | 1881807 | 3763614 | 2.401 |
| 94 | 0.214 | 100001 AND ABOVE | 64164601 | 128329202 | 81.883 |
| 43828 | 100.00 | TOTAL | 78361438 | 156722876 | 100.00 |



Shareholding Pattern as on March 31, 2018:

| Category | No. of Shareholders | No. of Shares (face value of ₹ 2/- each) | No. of shares in demat form | % of Shareholding |
|---|------------------------|--|-----------------------------------|----------------------|
| Promoters | 8 | 36248466 | 36248466 | 46.26 |
| Bodies Corporate | 363 | 2475985 | 2474985 | 3.16 |
| NRI/OCBs/Clearing Members/Trust | 1021 | 893258 | 873258 | 1.14 |
| Mutual Funds / Bank / Financial Institutions/ FIIs/ Foreign Portfolio Investors | 66 | 15870562 | 15870562 | 20.25 |
| Indian Public | 42370 | 22873167 | 22714690 | 29.19 |
| Total | 43828 | 78361438 | 78181961 | 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. 78,181,961 Equity shares of ₹2/- each forming 99.77 % of the share capital of the Company stands dematerialized as on March 31, 2018. 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 31/03/2018, 7,83,61,438 equity shares of face value of ₹ 2/- each are listed at The National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

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

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2018.

(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
- 4) Plot No. SP2-874, RIICO Industrial Area, Patherdi, Dist-Alwar (Rajasthan).

(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, E-mail:- **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, E-mail: 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. 46.

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(1)(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 EXTEND 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.

<u>DECLARATION BY THE CHAIRMAN & CEO PURSUANT TO CLAUSE D OF SCHEDULE V OF THE SEBI</u> (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, 2018.

Place: New Delhi Date: August 09, 2018 (ANIL GUPTA)
Chairman-cum-Managing Director
DIN:00006422

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

The Company does not have any shares in the Demat Suspense Account or Unclaimed Suspense Account.

OTHER USEFUL INFORMATION FOR SHAREHOLDERS:

(I) Green initiative in Corporate Governance:

The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively and Companies Act, 2013 has allowed

the Companies to send official document(s) / communication(s) 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 e-mail 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 e-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) | Unclaimed Dividend as on 31.03.2018 |
|------------------------------------|--------------------------------|---|-------------------------------------|
| 2010-11 | 15.09.2011 | 22.10.2018 | 1,35,583.00 |
| 2011-12 | 13.09.2012 | 20.10.2019 | 1,68,138.20 |
| 2012-13 | 21.06.2013 | 28.07.2020 | 1,67,135.20 |
| 2013-14 | 19.09.2014 | 26.10.2021 | 1,27,110.20 |
| 2014-15 | 16.09.2015 | 23.10.2022 | 2,86,774.80 |
| 2015-16 | 06.09.2016 | 13.10.2023 | 2,54,828.00 |
| 2016-17 | 19.07.2017 | 25.08.2024 | 3,49,563.80 |

(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 2017-18. 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 subsidiary in Australia under the name "KEI Cables Australia Pty Ltd" and one Joint Venture under the name of Joint Venture of "M/s KEI Industries Ltd., New Delhi & M/s Brugg Kabel AG, Switzerland (JV)". The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110-'Consolidated Financial Statements' and Indian Accounting Standards (Ind AS) 111 – 'Financial Reporting of interest in Joint Venture' specified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. 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, 2018 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, 2018 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 17, 2018 (ANIL GUPTA)
Chairman-cum-Managing Director
DIN: 00006422

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

COMPLIANCE CERTIFICATE BY AUDITOR'S PURSUANT TO CLAUSE E OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

TO THE MEMBERS OF KEI INDUSTRIES LIMITED

- We have examined the compliance of conditions of Corporate Governance by KEI INDUSTRIES LIMITED ("the Company"), for the year ended on 31st March 2018, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
- 3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India.
 - In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us and the representations by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31st March 2018.
- 4. We state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Pawan Shubham & Co. Firm Reg. No. 011573C Chartered Accountants

Place: New Delhi Dated: August 09, 2018 (PAWAN KUMAR AGARWAL)
Partner
M.No. 092345



Independent Auditor's Report

TO THE MEMBERS OF KEI INDUSTRIES LIMITED Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

 We have audited the accompanying standalone Ind AS financial statements of KEI Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone Ind AS 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 Ind AS financial statements based on our audit.
- 4. In conducting our audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material mis-statement.
- 6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.
- 7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS 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 Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

9. The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 10th May, 2017 and 21st May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements is not modified in respect of this

Report on Other Legal and Regulatory Requirements

- 10. As required by Section 143 (3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations

- received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note No. 44;
 - ii. The Company did not have any longterm contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2018.
 - 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 31st March, 2018.
- 11. 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 ("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 Bastatement on the matters specified in paragraphs 3 and 4 of the Order.

Date: 17th May, 2018

For PAWAN SHUBHAM & CO. **Chartered Accountants** Firm Registration Number: 011573C

CA Pawan Kumar Agarwal Place of signature: New Delhi Partner Membership Number:092345



Annexure A to the Independent Auditor's Report

Referred to in paragraph 10 (f) of the Independent Auditor's Report of even date to the members of **KEI Industries Limited** on the standalone Ind AS financial statements for the year ended 31st March, 2018.

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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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. 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.
- 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, to the best of our information and according to the explanations given to us, 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, 2018, 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 PAWAN SHUBHAM & CO. Chartered Accountants Firm Registration Number: 011573C

CA Pawan Kumar Agarwal
Place of signature: New Delhi Partner
Date: 17th May, 2018 Membership Number:092345

Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of KEI Industries Limited on the Standalone Ind AS financial statements as of and for the year ended 31st March, 2018.

- 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 3 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 7).
 - (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.
- n. 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, goods and service tax, 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, goods and service tax, service tax, value added tax/ sales tax, entry tax, customs duty and excise duty as at 31st March, 2018 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 |
|------------------------|--|------------------------------|--|--------------------------------|
| Sales/ Entry | Central Sales Tax | 0.67 | 1999-2000 | Tax Board |
| Tax Act | West Bengal Tax on Entry of Goods into Local Areas Act,2012 | 7.14 | 2013-14 to 2017-18 | Hon'ble High Court |
| Central Excise Duty | Excise Duty | 7.75 | 2005-06, 2007-08 & 2008-09 | CESTAT |
| | Excise Duty | 19.75 | 2010-11 | Commissioner |
| Finance Act | Service Tax | 34.85 | 2011-12 to 2015-16 | Commissioner (Appeals) |

- 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 money 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 Indian Accounting Standard (Ind AS) 24, 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 noncash 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 PAWAN SHUBHAM & CO. Chartered Accountants Firm Registration Number: 011573C

CA Pawan Kumar Agarwal
Place of signature: New Delhi Partner

Date: 17th May, 2018 Membership Number:092345



Balance Sheet As At 31st March, 2018

| | Note | As at | As at | As at |
|---|----------|-------------------------------------|---|--|
| Particulars | No. | 31st March, 2018 (₹ in Millions) | 31 st March, 2017 (₹ in Millions) | 1 st April, 2016 (₹ in Millions) |
| | | , | , | • |
| ASSETS | | | | |
| Non-Current Assets | | 4 000 50 | 4 00 4 75 | 2 2 / 2 2 2 |
| (a) Property, Plant and Equipment | 3 | 4,039.50 | 4,024.75 | 3,262.20 |
| (b) Capital Work -in- Progress | 4 | 229.81 | 31.54 | 293.36 |
| (c) Other Intangible Assets | 5 | 30.31 | 27.26 | 17.17 |
| (d) Financial Assets | , | 28.30 | 27.28 | 20.50 |
| (i) Investments | 6 7 | 40.67 | 33.10 | 28.64 |
| (ii) Loans (iii) Other | 8 | 2.60 | 36.62 | 18.61 |
| (e) Other Non-Current Assets | 9 | 118.79 | 13.99 | 192.68 |
| (e) Other Non-Current Assets | 7 | 4,489.98 | 4,194.54 | 3,833.16 |
| Current Assets | | 4,407.70 | 4,174.34 | 3,033.10 |
| (a) Inventories | 10 | 5,555.88 | 4,989.24 | 4,224.68 |
| (b) Financial Assets | | 3,333.00 | 1,707.21 | 1,22 1.00 |
| (i) Trade Receivables | 11 | 10,205.86 | 8,245.76 | 6,249.62 |
| (ii) Cash and Cash Equivalents | 12 | 594.50 | 321.03 | 23.04 |
| (iii) Bank Balances other than (ii) above | 13 | 168.78 | 12.06 | 16.03 |
| (iv) Loans | 14 | 13.89 | 10.10 | 10.13 |
| (c) Other Current Assets | 15 | 1,137.24 | 1,183.41 | 837.00 |
| | | 17,676.15 | 14,761.60 | 11,360.50 |
| TOTAL | | 22,166.13 | 18,956.14 | 15,193.66 |
| EQUITY AND LIABILITIES | | | | |
| Equity (a) Equity Share Capital | 16 | 156.72 | 155.59 | 154.47 |
| (b) Other Equity | 17 | 5,888.60 | 4,453.54 | 3,475.10 |
| (b) Other Equity | 17 | 6,045.32 | 4,609.13 | 3,629.57 |
| Liabilities | | 0,045.52 | 4,007.13 | 3,027.37 |
| Non-Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 18 | 1,456.62 | 763.51 | 1,634.57 |
| (b) Provisions | 19 | 67.21 | 50.63 | 40.02 |
| (c) Deferred Tax Liability (Net) | 20 | 398.44 | 353.18 | 319.50 |
| | | 1,922.27 | 1,167.32 | 1,994.09 |
| Current Liabilities | | | | |
| (a) Financial Liabilities | | | | a .=c = : |
| (i) Borrowings | 21 | 6,041.69 | 6,159.51 | 3,179.54 |
| (ii) Trade Payables | 22 | 6,272.00 | 4,805.22 | 4,321.66 |
| (iii) Other Financial Liabilities | 23 | 941.35 | 1,232.59 | 836.54 |
| (b) Other Current Liabilities (c) Provisions | 24 25 | 798.70 | 881.38 | 1,136.85 |
| (d) Current Tax Liability (Net) | 26 | 111.29 33.51 | 86.86 14.13 | 63.68 31.73 |
| (u) Current lax Liability (Met) | 20 | 14,198.54 | 13,179.69 | 9,570.00 |
| TOTAL | | 22,166.13 | 18,956.14 | 15,193.66 |
| Significant Accounting Policies And Notes on | 1 to 55 | 22,100.13 | 10,730.14 | 13,173.00 |
| Financial Statements | | | | |
| \ C | | | l | |

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(PAWAN KUMAR AGARWAL)

Partner M.No. 092345

Place of Signing: New Delhi

Date: 17th May, 2018

(KISHORE KUNAL)

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi Date: 17th May, 2018

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

(ADARSH KUMAR JAIN)

Sr. General Manager (Finance) M.No. 502048

Statement Of Profit & Loss For The Year Ended 31st March, 2018

| | | Year | Ended | Year Ended | | |
|--|-------------|------------------|-----------|------------------|-----------|--|
| Particulars | Note No. | 31st March, 2018 | | 31st March, 2017 | | |
| | 1101 | (₹ in M | illions) | (₹ in M | illions) | |
| Revenue | | | | | | |
| Revenue from Operations(Gross) | 27 | | 34,964.19 | | 28,324.25 | |
| Other Income | 28 | | 92.99 | | 100.67 | |
| Total Income | | | 35,057.18 | | 28,424.92 | |
| Expenses | | | | | | |
| Cost of Materials Consumed | 29 | | 24,422.77 | | 18,686.70 | |
| Purchases of Stock in Trade | 30 | | 14.34 | | 15.96 | |
| Changes in inventory of Finished goods, Work-in-progress | | | | | | |
| and Stock-in-trade | 31 | | (326.19) | | (426.75) | |
| Employee Benefit Expense | 32 | | 1,467.92 | | 1,117.27 | |
| Finance Costs | 33 | | 1,113.04 | | 1,244.25 | |
| Depreciation and Amortisation Expense | 34 | | 322.30 | | 284.04 | |
| Sub Contractor expense for turnkey projects | 35 | | 1,085.54 | | 579.29 | |
| Excise Duty | 36 | | 376.20 | | 2,039.69 | |
| Other Expenses | 37 | | 4,539.66 | | 3,621.96 | |
| Total Expenses | | | 33,015.58 | | 27,162.41 | |
| Profit Before Tax | | | 2,041.60 | | 1,262.51 | |
| Tax Expense | 38 | | | | | |
| Current tax | | 668.35 | | 376.62 | | |
| MAT Credit Entitlement | | (121.51) | | (90.18) | | |
| Deferred tax | | 49.14 | | 37.62 | | |
| Short/(Excess) Provision-Earlier Years | | 0.06 | 596.04 | 0.17 | 324.23 | |
| Profit for the Year | | | 1,445.56 | | 938.28 | |
| Other Comprehensive Income | 39 | | | | | |
| Items not to be reclassified to Profit & Loss | | (9.85) | | (4.61) | | |
| Income Tax on above | | 3.88 | | 3.94 | | |
| Items to be reclassified to Profit & Loss | | - | | - | | |
| Income Tax on above | | - | | - | | |
| Other Comprehensive Income for the year net of Tax | | | (5.97) | | (0.67) | |
| Total Comprehensive Income for the year net of Tax | | | 1,439.59 | | 937.61 | |
| (Comprising Profit/Loss and Other Comprehensive | | | | | | |
| Income) | | | | | | |
| Earnings per Equity Share: | 40 | | | | | |
| Equity shares of face value ₹ 2/- each | | | | | | |
| Basic (₹) | | | 18.51 | | 12.10 | |
| Diluted (₹) | | | 18.19 | | 11.80 | |
| Significant Accounting Policies And Notes on | 1 to 55 | | | | | |
| Financial Statements | | | | | | |

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

(ANIL GUPTA)

Chairman-cum-Managing Director DIN: 00006422

(PAWAN KUMAR AGARWAL)

Partner **M.No. 092345**

Place of Signing : New Delhi Date : 17th May, 2018

(KISHORE KUNAL)

GM (Corporate) & Company Secretary M.No. FCS-9429

Place of Signing : New Delhi Date : 17th May, 2018

(RAJEEV GUPTA)

Executive Director (Finance) & CFO DIN: 00128865

(ADARSH KUMAR JAIN)

Sr. General Manager (Finance) M.No. 502048



Cash Flow Statement For The Year Ended 31st March, 2018

| Parti | culars | Year Ended 31st March, 2018 (₹ in Millions) | Year Ended 31st March, 2017 (₹ in Millions) |
|-------|---|---|---|
| (A) | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before tax and Extraordinary items | 2,041.60 | 1,262.51 |
| | Adjustments for : | | |
| | Depreciation and Amortisation Expense | 322.30 | 284.04 |
| | Dividend received | (0.04) | (0.04) |
| | Interest Income | (6.48) | (5.10) |
| | Interest/Finance Charges | 1,113.04 | 1,244.25 |
| | Share based payment expenses | 33.04 | 62.56 |
| | Provision for leave encashment/Gratuity | 28.85 | 17.00 |
| | Provision for Expected Credit Loss (ECL) | 4.09 | 43.94 |
| | Provision for warranty | 1.05 | 5.41 |
| | Fair Value adjustment due to security deposit/Loan to staff | 0.18 | 0.35 |
| | FCMITDA written off | - | 8.59 |
| | Fixed Assets written off | 3.58 | 1.71 |
| | Loss on sale of Fixed Assets | 1.36 | 0.36 |
| | OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 3,542.57 | 2,925.58 |
| | Working capital adjustments : | | |
| | (Increase)/Decrease in Trade & Other Receivables | (1,930.23) | (2,390.98) |
| | (Increase)/Decrease in Inventories | (566.64) | (764.57) |
| | Increase/(Decrease) in Trade and other Payables | 1,375.43 | 245.70 |
| | Cash Generated from operations | 2,421.13 | 15.73 |
| | Direct Taxes paid | (527.52) | (304.22) |
| | Net Cash from Operating Activities | 1,893.61 | (288.49) |
| (B) | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets and other capital expenditure | (655.82) | (625.06) |
| | Sale of Fixed Assets | 8.15 | 6.52 |
| | Sale of Investments | 0.25 | - |
| | Investments in subsidiary (*₹ 3,988/-, Previous Year ₹ Nil) | _* | - |
| | Interest Income | 6.48 | 5.10 |
| | Dividend Received | 0.04 | 0.04 |
| | Investments/proceed from deposits with banks | (122.49) | (13.98) |
| | Net Cash from Investing Activities | (763.39) | (627.38) |

Cash Flow Statement For The Year Ended 31st March, 2018 (Contd...)

| Parti | culars | Year Ended 31st March, 2018 (₹ in Millions) | Year Ended 31st March, 2017 (₹ in Millions) |
|-------|---|---|---|
| (C) | CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| | Proceeds from long term borrowings (Banks) | 1,729.51 | 4.26 |
| | Proceeds from long term borrowings (others) | - | 312.23 |
| | Repayment of long term borrowings (Banks) | (437.12) | (348.07) |
| | Repayment of long term borrowings (Others) | (888.75) | (490.00) |
| | Proceeds from finance lease | 6.10 | 20.89 |
| | Repayment of finance lease | (13.54) | (15.02) |
| | Interest/Finance Charges | (1,113.04) | (1,244.25) |
| | Inter corporate & other deposits (Net of repayments) | (31.85) | 270.14 |
| | Working capital demand loan from banks | 101.19 | 3,803.24 |
| | Issue of Equity Share Capital (including premium) upon exercise of ESOS | 19.74 | 19.60 |
| | Dividend paid to equity shareholders | (46.68) | (38.62) |
| | Dividend Distribution Tax | (9.50) | (7.86) |
| | Net Cash from Financing Activities | (683.94) | 2,286.54 |
| | NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C) | 446.28 | 1,370.67 |
| | Cash & Cash Equivalents as at 1st April (Opening Balance) | (268.57) | (1,639.24) |
| | Cash & Cash Equivalents as at 31st March (Closing Balance) | 177.71 | (268.57) |
| | Cash & Cash Equivalents for the purpose of Cash Flow | 31st March, 2018 | 31st March, 2017 |
| | Cash and Cash Equivalents (Refer Note no. 12) | 594.50 | 321.03 |
| | Less: Bank Overdraft | (416.79) | (589.60) |
| | Total | 177.71 | (268.57) |

Note:

- i The Cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7-"Statement of Cash Flows".
- ii Amounts in brackets, represent Cash Outflow.
- iii Previous Year's figures have been regrouped and rearranged whenever necessary.

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(PAWAN KUMAR AGARWAL)

Partner **M.No. 092345**

Place of Signing : New Delhi

Date: 17th May, 2018

(KISHORE KUNAL)

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing : New Delhi Date : 17th May, 2018

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

(ADARSH KUMAR JAIN)

Sr. General Manager (Finance) M.No. 502048



STATEMENT OF CHANGES IN EQUITY

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| Particulars | Balance as at 1 st April, 2016 | as at 1 st 2016 | Change in Equity Share Capital during the year | n Equity tal during ear | Balance as at 31 st March, 2017 | at 31st 017 | Change in Equi during | Change in Equity Share Capital during the year | Balance as at 31st March, |
|--|--|-------------------------------|--|-----------------------------------|---|----------------|--|--|---------------------------------|
| Noe of Charac | 7.7 | 77 737 438 | | 240 000 | 7.77 | 86 1 707 77 | | 564 000 | 78 361 /138 |
| Amount in Millions | | 154.47 | | 1.12 | 111 | 155.59 | | 1.13 | 156.72 |
| B. Other Equity | | | | | | | | ₹) | (₹ in Millions) |
| | | | Reserve | Reserve and Surplus | | | Other Compr | Other Comprehensive Income | |
| Particulars | Capital Reserve | Security Premium | Gen- eral Reserve | Accumu- lated Profit & Loss | FCMITDA | ESOP | Re-Measure- ment of the Net defined benefit Plans | Equity Instru- ments through other Compre- hensive Income | Total |
| 2016-17 | | | | | | | | | |
| Balance as at 1st April, 2016 | 28.00 | 726.06 | 21.09 | 2,680.32 | (6.27) | 43.27 | (6.75) | (10.62) | 3,475.10 |
| Addition during the year | | • | | 938.28 | (2.32) | | | | 932.96 |
| Other Comprehensive Income for the Year | • | • | • | | - | ı | (7.43) | 97.9 | (0.67) |
| Total comprehensive income for the year 2016-17 | • | • | • | 938.28 | (2.32) | • | (7.43) | 9.76 | 935.29 |
| Emplyee Stock Compensation cost for the year | • | • | • | • | | 62.56 | | • | 62.56 |
| Dividend Paid (including dividend distribution Tax) for 2015-16 appoved | 1 | | | (46.48) | | • | • | 1 | (46.48) |
| by Shareholders in Annual Genral Meeting held on 6" September, 2016 | | | | | C | | | | C |
| Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA) during the year | ı | 1 | • | | 8.59 | • | | • | 8.59 |
| Securities Premium on allotement of Equity Share (ESOP) during the year | | 58.31 | • | | | (39.83) | 1 | | 18.48 |
| Balance as at 31st March, 2017 | 28.00 | 784.37 | 21.09 | 3,572.12 | • | 99.00 | (14.18) | (3.86) | 4,453.54 |
| 2017-18 | | | | | | | | | |
| Addition during the year | - | • | | 1,445.56 | • | • | - | - | 1,445.56 |
| Other Comprehensive Income for the Year | | • | • | - | - | | (7.23) | 1.26 | (5.97) |
| Total comprehensive income for the year 2017-18 | • | • | • | 1,445.56 | • | • | (7.23) | 1.26 | 1,439.59 |
| Emplyee Stock Compensation cost for the year | • | • | - | • | • | 33.04 | - | • | 33.04 |
| Dividend Paid (including dividend distribution Tax) for 2016-17 appoved | 1 | • | • | (56.18) | • | • | • | • | (56.18) |
| by Shareholders in Annual Genral Meeting held on 19th July, 2017 | | 1 | | | | | | | |
| Securities Premium on allotement of Equity Share (ESOP) during the year | • | 58.72 | | • | • | (40.11) | • | • | 18.61 |
| Balance as at 31st March, 2018 | 28.00 | 843.09 | 21.09 | 4,961.50 | • | 58.93 | (21.41) | (2.60) | 5,888.60 |

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO. Chartered Accountants Firm Registration No: 011573C

(PAWAN KUMAR AGARWAL) Partner **M.No. 092345**

Place of Signing: New Delhi Date: 17th May, 2018

Place of Signing : New Delhi Date : 17th May, 2018

(RAJEEV GUPTA) Executive Director (Finance) & CFO DIN: 00128865 (KISHORE KUNAL) GM (Corporate) & Company Secretary M.No. FCS-9429 (ANIL GUPTA) Chairman-cum-Managing Director DIN: 00006422

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

Summary of Significant Accounting Policies and Other Explanatory Statements for the year ended 31st March, 2018

1. Company Overview:

KEI Industries Ltd (hereinafter referred to as "KEI" or "the Company") is a public limited Company incorporated under the provisions of the Companies Act, 1956 having registered office at D-90, Okhla Industrial Area, Phase-I, New Delhi-110020. It was established as a partnership firm "Krishna Electrical Industries" in the year 1968. The firm was later converted into Limited Company on 31st December, 1992. The Company is listed at National Stock Exchange of India Ltd (NSE), BSE Ltd (BSE) and The Calcutta Stock Exchange Ltd. Company has four manufacturing facilities / plants located at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa in Dadra & Nagar Haveli. The Company is engaged in the business of manufacturing, sale and marketing of all range of power cables up to 400kV - Low Tension (LT), High Tension (HT) and Extra High Voltage (EHV), control and instrumentation cables, specialty cables, elastomeric / rubber cables, submersible cables, flexible and house wires, winding wires which address the cabling requirements of a wide spectrum of sectors such as power, oil refineries, railways, automobiles, cement, steel, fertilizers, textile and real estate, amongst others. The Company is also engaged in execution of Engineering, Procurement and Construction (EPC) projects for survey, supply of materials, design, erection, testing & commissioning on a turnkey basis. The Company is manufacturer of Stainless Steel Wire as well. The Company has three major segments cables & wires, turnkey projects and stainless steel wire.

1.1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS

The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These are the Company's First Financial Statements prepared in accordance with Ind AS. The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1st April, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind AS, as at 1st April, 2016 and of the Profit/(Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31st March, 2017. (See note 52 for explanation of the transition to Ind AS).

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities:

- i. Certain Financial Assets & Financial Liabilities and Contingent Consideration that are measured at fair value.
- ii. Assets held for sale measured at lower of cost or fair value less cost to sell.
- iii. Defined benefit plan assets measured at fair value.
- iv. Share-based payment liability measured at fair value.

The Company has uniformly applied the Accounting Policies during the period presented, unless otherwise stated.

All amounts are stated in Millions of Rupees.

The Standalone Financial Statements for the year ended 31st March, 2018 were authorized and approved for issue by the Board of Directors on 17th May, 2018.

2. Summary of Significant Accounting Policies:

The Standalone Financial Statements have been prepared using the Accounting Policies and measurement basis summarized below.



2.1. PROPERTY, PLANT AND EQUIPMENT

2.1.1. RECOGNITION

Freehold land is carried at historical cost.

The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

Borrowing Cost attributable to acquisition, construction of qualifying assets is capitalized until such time as the assets are substantially ready for their intended use. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

2.1.2. SUBSEQUENT MEASUREMENT

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs & maintenance are charged to Statement of Profit and Loss.

2.1.3. DEPRECIATION

Depreciation on Property, Plant and Equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by Independent valuer and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

The following useful lives are applied:

| Asset category | Estimated useful life (in years) |
|---|----------------------------------|
| Land | |
| - Lease Hold (Finance Lease) | As per Lease Agreement |
| - Perpetual Lease | Treated as Freehold Land |
| Buildings | |
| - Factory Buildings | 30 Years |
| - Building (other than factory buildings) | 60 Years |
| - Other (including temporary structure, etc.) | 05 Years |
| - Leasehold Building Improvements | As per Lease Agreement |
| Plant and Machinery | 10 - 20 Years |
| Project Tools | 05 Years |
| Furniture and Fittings | 05 - 10 Years |
| Motor Vehicles | |
| - Hire Purchase & Owned | 08 - 10 Years |
| Office Equipment | 05 Years |
| Computers | |
| - Servers and networks | 06 Years |
| - End user devices viz. desktops, laptops, etc. | 03 Years |

Leasehold land is amortised on a straight line basis over the unexpired period of their respective lease ranging from 75-95 years. Leasehold improvements are depreciated on straight line basis over their initial agreement period.

Property, Plant and Equipment individually costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.1.4. DE-RECOGNITION

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the asset is derecognised.

2.2. CAPITAL WORK IN PROGRESS

Assets in the course of construction are capitalized in capital work in progress account. 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.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of Property, Plant and Equipment. Costs are capitalised till the period of commissioning of an asset.

2.3. INTANGIBLE ASSETS

2.3.1. INTANGIBLE ASSETS WITH FINITE USEFUL LIFE

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. The cost of Intangible Assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities).

2.3.2. AMORTISATION

Amortisation is recognised in Statement of Profit and Loss account on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

| Asset category | Estimated useful life (in years) |
|-------------------|----------------------------------|
| Computer Software | 05 Years |

2.3.3. DE-RECOGNITION

An item of Intangible Asset or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss Account when the asset is derecognised.

2.4. IMPAIRMENT OF NON FINANCIAL ASSETS

Carrying amount of assets is reviewed at each reporting date where there is any indication of impairment based on internal/external indicators. An impairment loss is recognised in the Statement of Profit and Loss where carrying amount exceeds recoverable amount of assets. Impairment loss is reversed, if, there is change in recoverable amount and such loss either no longer exists or has decreased or indication on which impairment was recognised no longer exists.



2.5. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.5.1. FINANCIAL ASSETS

2.5.1.1. INITIAL RECOGNITION & MEASUREMENT

Financial Assets are recognised when the Company becomes a party to the contractual provisions of the Financial Instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement of profit and loss.

2.5.1.2. SUBSEQUENT MEASUREMENT

- Debt Instruments at Amortised Cost A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. All other debt instruments are measured at Fair Value through Other Comprehensive Income (FVOCI) or Fair value through Profit and Loss (FVTPL) based on Company's business model.

- ii. Equity Investments All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through Profit and Loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through Other Comprehensive Income (FVOCI) or Fair Value through Profit and Loss (FVTPL) on an instrument to instrument basis.
- **Mutual Funds** All mutual funds in scope of Ind AS 109 are measured at Fair Value through Other Comprehensive Income (FVOCI).

2.5.1.3. IMPAIRMENT OF FINANCIAL ASSETS

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits and Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'Simplified Approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a

significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized under the head 'Other Expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- i. Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.
- **ii. Debt instruments measured at FVTPL:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of Profit and Loss.
- iii. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'Accumulated Impairment Amount' in the OCI. The Company does not have any Purchased or Originated Credit Impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

2.5.1.4. DE-RECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i. The rights to receive cash flows from the asset has expired, or
- **ii.** The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement and either:
 - (a) The Company has transferred substantially all the risks and rewards of the asset, or
 - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



2.5.2. FINANCIAL LIABILITIES

2.5.2.1. INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified at initial recognition as-

- Financial liabilities at fair value through Profit or Loss
- Loans and Borrowings
- Payables

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs.

The Company's financial liabilities include Loans and Borrowings including Bank Overdraft, Trade Payable, Trade Deposits, Retention Money, Liabilities towards Services and Other Payables.

Financial Liabilities are classified as at amortised cost.

2.5.2.2. SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, measurement of financial liabilities depends on their classification, as described below:

- i. Financial liabilities at Fair Value through Profit and Loss (FVTPL) Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- ii. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.
- iii. Loans and Borrowings After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (hereinafter referred as EIR) method. Gains and Losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as Finance Costs in the statement of profit and loss.
- iv. Buyers Credit The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials and capital goods. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled within twelve months (for raw materials) and up to thirty six months (for capital goods). Where these arrangements are for raw materials with a maturity of up to twelve months, the economic substance of the

transaction is determined to be operating in nature and these are recognised as operational buyers' credit (under current borrowings). Where these arrangements are for capital goods with a maturity up to 36 months only, the economic substance of the transaction is determined to be financing in nature, and these are classified as capital buyers' credit within borrowings in the statement of financial position.

v. Trade and Other Payables- These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.5.2.3. DE-RECOGNITION OF FINANCIAL LIABILITIES

A Financial Liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on the previous experience of Management and actual facts of each case and recognised in other Operating Income if arising during normal course of business. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.5.3. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

2.5.4. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6. INVESTMENTS IN SUBSIDIARIES

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost as per Ind AS 27. The cost comprises price paid to acquire investment and directly attributable cost.

2.7. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.



An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The investment in joint ventures and associates are carried at cost as per Ind AS 27. The cost comprises price paid to acquire investment and directly attributable cost.

2.8. INVENTORIES

2.8.1. BASIS OF VALUATION

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

2.8.2. METHOD OF VALUATION

- i. Cost of Finished Goods is determined by taking derived material costs, excise duty as applicable and other overheads.
- ii. Cost of Packing Materials, Stores & Spares are determined on weighted average basis.
- iii. Work in Process includes raw material costs and allocated production overheads.
- iv. Cost of raw materials is determined on First in First out (FIFO) basis.
- v. **Net realisable value** is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.9. TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision for impairment. As a practical expedient the Company has adopted 'Simplified Approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

2.10. CASH AND CASH EOUIVALENTS

Cash and Cash Equivalents comprise Cash in Hand, Balances in Bank Account, Remittance in Transit, Cheques in hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11. TAXES

2.11.1. CURRENT INCOME TAX

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside Profit or Loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.11.2. DEFERRED TAX

Deferred Income Taxes are calculated using Balance Sheet Approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax expense for the year comprises of current tax and deferred tax.

2.11.3. INDIRECT TAX - GST/ VAT

Expenses and assets are recognised net of the amount of GST/ VAT paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- **ii.** When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of recoverable or payables in the balance sheet.

2.12. EQUITY AND RESERVES

- **i. Share Capital** represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from retained earnings, net of any related income tax benefits.
- **ii. Other Components of Equity** includes Other Comprehensive Income arising from actuarial gain or loss on re-measurement of defined benefit liability and return on plan assets
- iii. Retained Earnings include all current and prior period retained profits.

2.13. DIVIDEND PAYMENTS

Annual dividend distribution to shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on Dividend Distribution is recognised directly in equity.



2.14. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Amounts disclosed are inclusive of Excise Duty, and net of returns, Trade Discounts, Rebates, Value Added Taxes, Goods and Service Tax (GST) and amount collected on behalf of third parties.

The Company recognizes revenue when the amount can be reliably measured, regardless of when the payment is being made, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.14.1. SALE OF GOODS

Timing of recognition- Sale of goods is recognized when substantial risks and rewards of ownership are passed to the customers, depending on individual terms, and are stated net of Trade Discounts, Rebates, Incentives, Subsidy, Sales Tax, Value Added Tax, and Goods & Service Tax (GST) except Excise Duty.

Measurement of revenue- Accumulated experience is used to estimate and provide for discounts, rebates, incentives & subsidies. No element of financing is deemed present as the sales are made with credit terms, which is consistent with market practice.

2.14.2. SERVICES

Revenue from services is recognized in the accounting period in which the services are rendered.

2.14.3. 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/ GST.

No profit is recognized till a minimum of 10% progress is achieved on the contract.

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.

2.15. INCOME RECOGNITION

2.15.1. DIVIDEND INCOME

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.15.2. INTEREST INCOME

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all

contractual terms of the financial instrument but does not consider the expected credit losses.

2.15.3. OTHER INCOME

Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.

2.16. BORROWING COSTS

Borrowing Costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. 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. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

2.17. EXPENDITURE

Expenses are accounted on accrual basis.

2.18. EMPLOYEE BENEFIT SCHEMES

2.18.1. SHORT-TERM EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

2.18.2. COMPENSATED ABSENCES

Company provides for the encashment of accumulated leaves with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

2.18.3. **GRATUITY**

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to fund maintained by LIC of India and administered through a separate irrevocable trust set up by the Company.

Actuarial gains and losses arising from changes in actuarial assumptions are recognized in Other Comprehensive Income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

2.18.4. PROVIDENT FUND

Eligible employees of the Company receive benefits from a Provident Fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

2.19. SHARE-BASED PAYMENTS

The fair value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments.



The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At end of the reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

2.20. FOREIGN CURRENCY

2.20.1. FUNCTIONAL AND PRESENTATION CURRENCY

The Standalone Financial Statements are presented in Indian Rupee ($^{\prime}\xi^{\prime}$), which is Company's functional Currency and presentation currency.

2.20.2. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are not retranslated.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the Other Comprehensive Income.

2.21. LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

2.21.1. COMPANY AS A LESSEE

2.21.1.1. FINANCE LEASES

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a Finance Lease. Finance Leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

The interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease. The leased asset is depreciated over the useful life of the asset or lease term whichever is lower.

2.21.1.2. OPERATING LEASES

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to Statement of Profit and Loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

2.22. EARNINGS PER SHARE

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares.

- i. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.
- **ii. Diluted EPS** is computed using the net profit for the year attributable to the shareholder's and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

2.23. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

2.23.1. PROVISIONS

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost.

2.23.2. WARRANTY PROVISIONS

Provision for warranty-related costs is recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

2.23.3. CONTINGENT LIABILITIES

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees including Guarantees given on behalf of Subsidiary & Joint Venture Companies are also provided in the normal course of business.

There are certain obligations which management of the Company has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Show cause notice received are not treated as Contingent Liabilities.

Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.



2.23.4. CONTINGENT ASSETS

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

2.24. CASH FLOW STATEMENT

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.25. SEGMENT REPORTING

- i. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.
- **ii.** Revenue and Expenses are identified to segments on the basis of their relationship to the operating activities of the segment.
- iii. Inter segment revenue are accounted for, based on the Arm's Length Price.
- iv. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

2.26. MISCELLANEOUS EXPENDITURE

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

2.27. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company has presented Non-Current Assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

- i. An asset is classified as current when it is:
 - Expected to be realised or intended to be sold or consumed in normal operating cycle,
 - b) Held primarily for the purpose of trading,
 - c) Expected to be realised within twelve months after the reporting period, or
 - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- ii. All other assets are classified as non-current.
- iii. A liability is classified as current when it is:
 - a) Expected to be settled in normal operating cycle,
 - b) Held primarily for the purpose of trading,
 - c) Due to be settled within twelve months after the reporting period, or
 - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- iv. All other liabilities are classified as non-current.
- **v.** The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.
- vi. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.28. FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Other Fair Value related disclosures are given in the relevant notes.

2.29. ROUNDING OFF

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Millions, unless otherwise stated.

2.30. EXCEPTIONAL ITEMS

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/ write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.



2.31. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

The preparation of Standalone Financial Statements requires management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income & expenses during the periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Although these estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of financial statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying financial statements.

Any revision to accounting estimates is recognized prospectively from the period in which results are known/ materialise in accordance with applicable Indian accounting standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

2.32. SIGNIFICANT MANAGEMENT JUDGEMENTS

The following are Significant Management Judgements in applying the Accounting Policies of the Company that have the most significant effect on the Financial Statements.

2.32.1. PROPERTY, PLANT & EQUIPMENT AND USEFUL LIFE OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment & Intangible Assets recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment & Intangible Assets. The estimate of useful life is reviewed at the end of each financial year and changes are accounted for prospectively.

2.32.2. EVALUATION OF LEASE OF LAND AS FINANCE LEASE OR OPERATING LEASE

One important consideration for evaluating lease of land is that land has an indefinite economic life and it is expected that the value of land generally appreciates. Where in substance there is no transfer of risks and rewards, it should be considered as an operating lease. Some of the indicators to consider in the overall context of whether there is transfer of risks and rewards incidental to ownership include the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value etc.

Accordingly, classification as operating or finance lease requires exercise of judgement based on evaluation of facts and circumstances in each case, while considering the indicators envisaged as above.

2.32.3. EVALUATION OF INDICATORS FOR IMPAIRMENT OF ASSETS

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

2.33. ESTIMATION UNCERTAINTY

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

2.33.1. REVENUE RECOGNITION

Where revenue contracts include deferred payment terms, the management of Company determines the fair value of consideration receivable using the expected collection period and interest rate applicable to similar instruments with a similar credit rating prevailing at the date of transaction.

2.33.2. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as Liquidity Risk, Credit Risk and Volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.33.3. IMPAIRMENT OF FINANCIAL ASSETS

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.33.4. INVENTORIES

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

2.33.5. RECOVERABILITY OF ADVANCES/ RECEIVABLES

The Company from time to time review the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

2.33.6. PROVISIONS FOR WARRANTIES

Warranty provisions are determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is very unlikely that actual warranty claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

2.33.7. INCOME TAXES

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.



2.33.8. PROVISIONS AND CONTINGENCIES

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

2.33.9. DEFINED BENEFIT OBLIGATION (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses.

2.34. STANDARDS ISSUED BUT NOT EFFECTIVE

2.34.1. Appendix B to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1st April 2018. The Company is currently evaluating the requirements of the amendment and the effect of the disclosure on the financial statements is being evaluated.

2.34.2. Ind AS 115- Revenue from Contract with Customers

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective method Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- **Cumulative effect method** Under this method, an entity would recognise the impact of the new standard from the date of initial application with no requirement to restate the comparative period

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April 2018.

The Company will adopt the standard on 1st April 2018 by using the Cumulative effect method and accordingly comparatives for the year ending or ended 31st March 2018 will not be retrospectively adjusted.

The Company is currently evaluating the requirements of the amendment and the effect of the disclosure on the financial statements is being evaluated.

3. Property, Plant and Equipment:

| Particulars | Freehold Land | Lease hold Land | Freehold Buildings | Lease hold Buildings Improv- ements | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Computers | Asset Taken on Finance Lease - Hire Purchase Vehicles | Total |
|--------------------------------------|------------------|--------------------|-----------------------|---|----------------------|----------------------------|----------|----------------------|-----------|---|----------|
| Gross Carrying Amount | | | | | | | | | | | |
| Deemed Cost as at 1st April, 2016 | 3.66 | 317.45 | 890.42 | 55.15 | 1,874.30 | 40.50 | 16.28 | 6.82 | 20.43 | 37.19 | 3,262.20 |
| Additions | - | - | 158.47 | - | 813.65 | 23.50 | 0.10 | 8.66 | 19.39 | 25.50 | 1,049.27 |
| Disposals/Adjustments | - | - | - | - | 2.30 | 0.02 | 6.80 | 0.02 | - | - | 9.14 |
| At 31st March, 2017 | 3.66 | 317.45 | 1,048.89 | 55.15 | 2,685.65 | 63.98 | 9.58 | 15.46 | 39.82 | 62.69 | 4,302.33 |
| Additions | - | - | 22.90 | 27.53 | 242.66 | 10.55 | 2.04 | 12.72 | 15.17 | 7.28 | 340.85 |
| Disposals/Adjustments | - | - | - | 4.16 | 8.76 | - | 1.13 | - | 1.20 | - | 15.25 |
| At 31st March, 2018 | 3.66 | 317.45 | 1,071.79 | 78.52 | 2,919.55 | 74.53 | 10.49 | 28.18 | 53.79 | 69.97 | 4,627.93 |
| Depreciation and Impairment | | • | | | • | | | • | | | |
| At 1st April, 2016 | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge for the year | - | 3.57 | 34.75 | 20.41 | 182.94 | 12.08 | 3.74 | 2.72 | 10.95 | 6.97 | 278.13 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Disposals/Adjustments | - | - | - | - | 0.02 | - | 0.53 | - | - | - | 0.55 |
| At 31st March, 2017 | - | 3.57 | 34.75 | 20.41 | 182.92 | 12.08 | 3.21 | 2.72 | 10.95 | 6.97 | 277.58 |
| Depreciation charge for the year | - | 3.57 | 38.47 | 19.13 | 210.07 | 12.94 | 3.01 | 4.48 | 13.57 | 7.77 | 313.01 |
| Impairment | - | - | - | - | - | - | - | - | - | - | |
| Disposals/Adjustments | - | - | - | 1.28 | 0.54 | - | 0.27 | - | 0.07 | - | 2.16 |
| At 31st March, 2018 | - | 7.14 | 73.22 | 38.26 | 392.45 | 25.02 | 5.95 | 7.20 | 24.45 | 14.74 | 588.43 |
| Net book value | | | | | | | | | | | |
| At 31st March, 2018 | 3.66 | 310.31 | 998.57 | 40.26 | 2,527.10 | 49.51 | 4.54 | 20.98 | 29.34 | 55.23 | 4,039.50 |
| At 31st March, 2017 | 3.66 | 313.88 | 1,014.14 | 34.74 | 2,502.73 | 51.90 | 6.37 | 12.74 | 28.87 | 55.72 | 4,024.75 |
| At 1st April, 2016 | 3.66 | 317.45 | 890.42 | 55.15 | 1,874.30 | 40.50 | 16.28 | 6.82 | 20.43 | 37.19 | 3,262.20 |

- **3.1 (a)** Carrying value of Assets acquired under hire purchase as on 31.03.2017 exclude the amount related to hire purchase agreement settled during the current year.
 - (b) Addition to Property, Plant & Equipment includes capitalisation on account of exchange gain (net) ₹ Nil (31st March, 2017: ₹ 10.92/- Millions, 31st March, 2016 ₹ Nil).
 - (c) Property, Plant & Equipment pledged as security Note no. 18 & 21.



4. Capital Work in Progress:

(₹ in Millions)

| Particluars | Building | Plant & Equipment | Furniture & Fixtures | Construction Period Expenses Pending allocation | Total |
|--|----------|----------------------|-------------------------|---|----------|
| Opening balance at 1st April, 2016 | 69.37 | 213.18 | 0.43 | 10.38 | 293.36 |
| Additions | 92.49 | 617.09 | 15.96 | 29.06 | 754.60 |
| Adjustments | 161.86 | 798.73 | 16.39 | 39.44 | 1,016.42 |
| Closing balance at 31st March, 2017 | - | 31.54 | - | - | 31.54 |
| Additions | 171.01 | 212.41 | 31.52 | 10.09 | 425.03 |
| Adjustments | 23.19 | 172.11 | 31.46 | - | 226.76 |
| Closing balance at 31st March, 2018 | 147.82 | 71.84 | 0.06 | 10.09 | 229.81 |
| Net Book Value | | | | | |
| At 31st March, 2018 | 147.82 | 71.84 | 0.06 | 10.09 | 229.81 |
| At 31st March, 2017 | - | 31.54 | - | - | 31.54 |
| At 1 st April, 2016 | 69.37 | 213.18 | 0.43 | 10.38 | 293.36 |

- **4.1 (a)** Contractual commitments for the acquisition of Property, Plant & Equipment is ₹ 132.92 Millions (31st March, 2017: ₹ 70.33 Millions, 31st March, 2016: ₹ 248.12 Millions).
 - **(b)** Addition in Capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 on "Borrowing Cost". Assetwise break up of borrowing cost capitalised is as below:

(₹ in Millions)

| Particulars | 31st March, 2018 | 31st March, 2017 | 1 st April, 2016 |
|--|------------------|------------------|-----------------------------|
| Building | | 8.18 | - |
| Plant & Equipment | - | 32.74 | - |
| Construction Period Expenses Pending allocation | 6.76 | - | 21.59 |
| Total | 6.76 | 40.92 | 21.59 |

(c) Capitalisation rate 10.71% (31st March, 2017: 12.15%, 31st March, 2016: 12.78%) has been used to determine amount of borrowing cost eligible for capitalisation.

5. Other Intangible Assets:

| Particulars | Other Intangibles (Computer software) | Total |
|-------------------------------------|---------------------------------------|-------|
| Opening balance at 1st April, 2016 | 17.17 | 17.17 |
| Addition during the year | 16.00 | 16.00 |
| Adjustment | - | - |
| Closing balance at 31st March, 2017 | 33.17 | 33.17 |
| Addition during the year | 12.34 | 12.34 |
| Adjustment | - | - |
| Closing balance at 31st March, 2018 | 45.51 | 45.51 |
| Amortisation and Impairment | | |
| Opening balance at 1st April, 2016 | - | - |

(₹ in Millions)

| Particulars | Other Intangibles (Computer software) | Total | |
|-------------------------------------|--|-------|--|
| Amortisation | 5.91 | 5.91 | |
| Impairment | - | • | |
| Closing balance at 31st March, 2017 | 5.91 | 5.91 | |
| Amortisation | 9.29 | 9.29 | |
| Impairment | - | - | |
| Closing balance at 31st March, 2018 | 15.20 | 15.20 | |
| Net book value | | | |
| At 31st March, 2018 | 30.31 | 30.31 | |
| At 31st March, 2017 | 27.26 | 27.26 | |
| At 1 st April, 2016 | 17.17 | 17.17 | |

6. Non-Current Investments:

| . 1011 | -Current investments: | | | (< in Millions) |
|--------|--|--|--|---|
| Par | ticulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
| 1 | Investments Equity Instruments (Quoted and Unquoted) | | | |
| | a) In Subsidiary* | 0.01 | 0.01 | 0.01 |
| | b) Others ** (Investments at fair value through OCI (fully paid) | 25.26 | 23.94 | 17.97 |
| | Total Investments in Equity Instruments | 25.27 | 23.95 | 17.98 |
| 2 | Investments Mutual Funds (Unquoted) (Investments at fair value through OCI) | | | |
| | a) Investments in Mutual Funds*** | 3.03 | 3.33 | 2.52 |
| | Total Investments in Mutual Funds | 3.03 | 3.33 | 2.52 |
| 3 | Investment in Joint Venture (Unquoted) (Investments at Cost) | | | |
| | a) Investments in Joint Venture of KEI Industries Ltd, New Delhi & Brugg Kabel AG, Switzerland (refer note 6.1) | - | - | - |
| | Total Investments | 28.30 | 27.28 | 20.50 |
| | * Investments in Equity Shares Unquoted (at cost) | | | |
| | KEI Cables Australia PTY Ltd. (principal place of business - Australia) 180 (31st March, 2017 : 100, 1st April, 2016 : 100) Equity Shares of AUD 1 each fully paid | 0.01 | 0.01 | 0.01 |
| | Total Investments in Subsidiary | 0.01 | 0.01 | 0.01 |
| | ** Equity Shares Quoted | | | |
| | State Bank of India 670 (31st March, 2017 : 670, 1st April, 2016 : 670) Equity Shares of ₹ 1 each fully paid | 0.17 | 0.20 | 0.13 |
| | PNB Gilts Limited 8000 (31st March, 2017 : 8000, 1st April, 2016 : 8000) Equity Shares of ₹ 10 each fully paid | 0.28 | 0.43 | 0.20 |



(₹ in Millions)

| | | (₹ in Million |
|--|--|---|
| As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
| 1.05 | 1.66 | 0.93 |
| 0.05 | 0.10 | 0.0 |
| 1.38 | 1.25 | 1.0 |
| 0.39 | 0.39 | 0.2 |
| 0.04 | 0.05 | 0.0 |
| 21.90 | 19.86 | 15.3 |
| 25.26 | 23.94 | 17.9 |
| | | |
| 0.67 | 0.61 | 0.5 |
| 2.36 | 2.48 | 1.7 |
| - | 0.24 | 0.2 |
| 3.03 | 3.33 | 2.5 |
| 28.62 | 28.62 | 28.6 |
| 25.26 | 23.94 | 17.9 |
| 3.04 | 3.34 | 2.5 |
| - | - | |
| | 31st March, 2018 1.05 0.05 1.38 0.39 0.04 21.90 25.26 0.67 2.36 - 3.03 28.62 25.26 | As at 31st March, 2018 As at 31st March, 2017 1.05 1.66 0.05 0.10 1.38 1.25 0.39 0.39 21.90 19.86 25.26 23.94 0.67 0.61 2.36 2.48 3.03 3.33 28.62 28.62 25.26 23.94 |

6.1 Company has formed a Joint Venture under name of Joint Venture of KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland (JV) principal place of business india. This Joint Venture is a Jointly Controlled Entity within the meaning of Ind AS - 111 on "Joint Arrangements". The Joint Venture is in form of a Association of Persons (AOP) and the Company is holding 100% share in Profit / Loss of AOP. Company has not invested any amount as capital in Joint Venture. Investment in Joint Venture is accounted for in accordance with Ind AS-28 " Investments in Associates and Joint Ventures".

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7. Non-Current Loans:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--------------------------------------|---------------------------|---------------------------|--------------------------------------|
| Unsecured, considered good | | | |
| Security Deposits to Related Parties | 1.80 | 1.61 | 1.45 |
| Security Deposits to Others | 35.51 | 28.35 | 25.73 |
| Loans to Related Parties | 0.46 | 0.76 | 0.67 |
| Loans to Workers & Staff- Others | 2.90 | 2.38 | 0.79 |
| Total | 40.67 | 33.10 | 28.64 |

Break-up for Related Parties:

7.1 Non-Current Security Deposit to Related Parties:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| Unsecured, considered good | | | |
| Projection Financial & Management Consultants Private Limited * | 1.65 | 1.46 | 1.30 |
| Anil Gupta HUF * | 0.15 | 0.15 | 0.15 |
| Total | 1.80 | 1.61 | 1.45 |

^{*} Security Deposit (Interest Free) for premises taken on rent by Company

7.2 Non-Current Loans to Related Party:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|----------------------------|---------------------------------------|---------------------------|--------------------------------------|
| Unsecured, considered good | | | |
| Kishore Kunal* | 0.46 | 0.76 | 0.67 |
| Total | 0.46 | 0.76 | 0.67 |

^{*} Against Salary

7.3 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

(i) Maximum Outstanding Balance during the year (At Fair Value):

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| Projection Financial & Management Consultants Private Limited | 1.65 | 1.46 | 1.30 |
| Anil Gupta HUF | 0.15 | 0.15 | 0.15 |

(ii) Maximum Outstanding Balance during the year (At Cost):

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|------------------------|---------------------------------------|--------------------------------------|
| Projection Financial & Management Consultants Private Limited | 2.40 | 2.40 | 2.40 |
| Anil Gupta HUF | 0.15 | 0.15 | 0.15 |



7.4 Investments by Loanee in Equity shares of Company:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------------------|--------------------------------------|
| Projection Financial & Management Consultants Private Limited | 114.20 | 114.20 | 114.20 |
| Anil Gupta HUF | 13.62 | 13.62 | 13.62 |
| Total | 127.82 | 127.82 | 127.82 |

8. Other Non-Current Financial Assets:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1st April, 2016 |
|--|---------------------------|---------------------------------------|--------------------------|
| Fixed Deposits with more than 12 month Maturity | 1.46 | 35.60 | 17.69 |
| (Fixed Deposits under lien/custody with Banks /Others) | | | |
| Unpaid Dividend Bank Account | 1.14 | 1.02 | 0.92 |
| Total | 2.60 | 36.62 | 18.61 |

9. Other Non-Current Assets:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|------------------|---------------------------|---------------------------|--------------------------------------|
| Capital Advances | 116.34 | 11.98 | 190.35 |
| Other Advances | | | |
| Prepaid Expenses | 2.45 | 2.01 | 2.33 |
| Total | 118.79 | 13.99 | 192.68 |

10. Inventories: (₹ in Millions)

| Particulars | Method of Valuation | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---------------------------------------|--|---------------------------------------|---------------------------|--------------------------|
| Raw Materials Including In Transit | At Cost | 1,518.96 | 1,274.69 | 946.64 |
| Work -in- Progress | At Cost | 1,623.35 | 1,766.88 | 1,935.77 |
| Finished Goods Including in Transit | At lower of cost or net realisable value | 2,228.38 | 1,778.30 | 1,176.64 |
| Stock in Trade | At Cost | 10.62 | 6.64 | 6.80 |
| Stores & Spares Including In Transit | At Cost | 70.42 | 69.46 | 66.68 |
| Project Materials | At Cost | 4.71 | 20.02 | 29.86 |
| Packing Materials | At Cost | 78.03 | 67.50 | 50.68 |
| Scrap | At net realisable value | 21.41 | 5.75 | 11.61 |
| Total | | 5,555.88 | 4,989.24 | 4,224.68 |

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10.1 Break-up for Goods-in-Transit:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|-------------------|---------------------------|---------------------------|--------------------------------------|
| Finished Goods | 723.53 | 195.35 | - |
| Raw Materials | 410.44 | 85.93 | 217.87 |
| Stores & Spares | 0.89 | 2.31 | 2.17 |
| Packing Materials | - | 1.38 | 1.71 |
| Total | 1134.86 | 284.97 | 221.76 |

10.2 Finished Goods held at Net Realisable Value:

(₹ in Millions)

| Particulars | As at | As at | As at |
|----------------|------------------------------|------------------|-----------------------------|
| | 31 st March, 2018 | 31st March, 2017 | 1 st April, 2016 |
| Finished Goods | 85.22 | 274.47 | 159.58 |

Refer Note no. 18 and 21 for Inventories hypothecated as security against bank borrowings.

11. Current Trade Receivables:

(₹ in Millions)

| Particulars Particulars | As at | As at | As at |
|---|------------------|------------------|-----------------------------|
| r ai ticulai s | 31st March, 2018 | 31st March, 2017 | 1 st April, 2016 |
| Trade receivables | | | |
| Receivables from Related Parties | 141.74 | - | 52.00 |
| Others | 10,226.02 | 8,403.57 | 6,311.49 |
| Total | 10,367.76 | 8,403.57 | 6,363.49 |
| Less: Impairment Allowance | 161.90 | 157.81 | 113.87 |
| Total | 10,205.86 | 8,245.76 | 6,249.62 |
| Break-up for Trade Receivables:- | | | |
| Particulars | | | |
| Secured, Considered Good | - | - | - |
| Unsecured, Considered Good | 10,226.02 | 8,403.57 | 6,311.49 |
| Doubtful | - | - | - |
| Less: Impairment Allowance | 161.90 | 157.81 | 113.87 |
| Total | 10,064.12 | 8,245.76 | 6,197.62 |
| Break-up for Related Parties: | | | |
| Particulars | | | |
| Receivables from Joint Venture of KEI Industries | | | |
| Ltd., New Delhi & Brugg Kabel AG, Switzerland | - | - | 52.00 |
| Receivables from KEI Cables Australia PTY Limited | 141.74 | - | - |
| Total | 141.74 | - | 52.00 |

No trade or other receivable are due from directors or officers of Company either severally or jointly with other person. Nor any trade or other receivable are due from firms or private Companies respectively in which any director is a partner, a director or a member.

The carrying amount of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement Company has transferred the relevant receivables to factor in exchange for cash and is prevented from selling or pledging the receivables. However Company has retained late payment and credit risk. Company therefore continues to recognise transferred assets in their entirely in its Balance Sheet. Amount repayable under the factoring arrangement is presented as secured borrowing.

11.1 Relevant carrying amounts are as follows:

| , | | | , |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
| Total Transferred Receivables | 2,185.97 | 1,011.21 | 689.59 |
| Associated Secured Borrowing (Refer Note No. 21) | 2,185.97 | 1,011.21 | 689.59 |



12. Cash and Cash Equivalents:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--|------------------------|---------------------------|--------------------------------------|
| Cash in Hand | 3.65 | 3.80 | 4.89 |
| Balances with Banks | | | |
| Current Accounts | 448.34 | 317.22 | 15.54 |
| Fixed Deposits with less than 3 Month Maturity | 142.51 | 0.01 | 2.61 |
| Total | 594.50 | 321.03 | 23.04 |

12.1 (₹ in Millions)

| Particulars | As at | As at | As at |
|--|------------------|------------------|-----------------------------|
| | 31st March, 2018 | 31st March, 2017 | 1 st April, 2016 |
| Fixed Deposits under lien/custody with Banks /Others | - | 0.01 | 2.61 |

13. Bank Balances other than Cash and Cash Equivalents:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|---|---------------------------|---------------------------|--------------------------------------|
| Fixed Deposits with original maturity of more than 3 months but less than 12 months | 165.03 | 8.62 | 12.66 |
| Unpaid Dividend Accounts | 0.35 | 0.26 | 0.29 |
| Fixed Deposits with Banks as Deposits Repayment Reserve Account | 3.40 | 3.18 | 3.08 |
| Total | 168.78 | 12.06 | 16.03 |

13.1 (₹ in Millions)

| Particulars | As at | As at | As at |
|--|------------------|------------------|-----------------------------|
| | 31st March, 2018 | 31st March, 2017 | 1 st April, 2016 |
| Fixed Deposits under lien/custody with Banks /Others | 85.03 | 8.62 | 12.66 |

14. Current Loans: (₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|----------------------------------|---------------------------|---------------------------------------|--------------------------------------|
| Unsecured, Considered Good | | | |
| Security Deposits to Others | 4.16 | 4.11 | 5.11 |
| Loans to Related Party | 0.29 | 0.27 | 0.13 |
| Loans to Workers & Staff- Others | 9.44 | 5.72 | 4.89 |
| Total | 13.89 | 10.10 | 10.13 |

14.1 Current Loans to Related Party:

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|---------------------------|---------------------------|---------------------------------------|--------------------------------------|
| Unsecured Considered Good | | | |
| Kishore Kunal* | 0.29 | 0.27 | 0.13 |
| Total | 0.29 | 0.27 | 0.13 |

^{*} Against salary

15. Other Current Assets:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|------------------------------------|---------------------------|---------------------------------------|--------------------------------------|
| Balance with Excise Authorities | - | 191.32 | 67.25 |
| Others | | | |
| Advances to Suppliers | 228.80 | 253.34 | 135.44 |
| Advances to Related Party | 2.20 | 0.29 | 3.18 |
| Advances Recoverable | 29.38 | 33.10 | 19.96 |
| Unbilled Revenue | 521.02 | 290.36 | 276.81 |
| Interest Accrued | 6.92 | 6.18 | 4.58 |
| Prepaid Expenses | 63.04 | 58.66 | 41.33 |
| Earnest Money | 59.69 | 36.96 | 107.18 |
| Claims Recoverable from Government | 226.19 | 313.20 | 181.27 |
| Total | 1,137.24 | 1,183.41 | 837.00 |

15.1 Break-up of Advance to Related Party:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|-------------------------------------|---------------------------------------|---------------------------|--------------------------------------|
| Recoverable from Joint Venture | 0.91 | - | 3.18 |
| Recoverable from Subsidiary Company | 1.29 | 0.29 | - |
| Total | 2.20 | 0.29 | 3.18 |

16. Equity Share Capital:

(₹ in Millions)

| 220.00 | 220.00 | 220.00 |
|--------|-----------------|---|
| 30.00 | 30.00 | 30.00 |
| | | |
| 250.00 | 250.00 | 250.00 |
| 156.72 | 155.59 | 154.47 |
| 154 72 | 155 50 | 154.47 |
| | 30.00 250.00 | 30.00 30.00 250.00 250.00 156.72 155.59 |

16.1 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.



16.2 Reconciliation of Number of Equity Shares:

| | As at 31st March, 2018 | | As at 31 st March, 2017 | | As at 1 st April, 2016 | |
|---|---------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------------------|--------------------------|
| Particulars | Nos. | Amount in Millions | Nos. | Amount in Millions | Nos. | Amount in Millions |
| Balance as at the beginning of the year | 77,797,438 | 155.59 | 77,237,438 | 154.47 | 77,237,438 | 154.47 |
| Add: Issued during the Year * | 564,000 | 1.13 | 560,000 | 1.12 | - | - |
| Balance as at the end of the year | 78,361,438 | 156.72 | 77,797,438 | 155.59 | 77,237,438 | 154.47 |

^{*}Equity Shares of face value ₹ 2/- each issued to eligible employees of the Company under KEI Employees Stock Option Scheme, 2015.

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

| Name of shareholder | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1 st April, 2016 | |
|--|---------------------------|--------|---------------------------|--------|--------------------------------------|--------|
| | Nos. | % age | Nos. | % age | Nos. | % age |
| Mr. Anil Gupta | 13,680,776 | 17.46% | 13,680,776 | 17.59% | 15,580,776 | 20.17% |
| M/s Projection Financial and Management Consultants Private Limited | 7,900,000 | 10.08% | 7,900,000 | 10.15% | 7,900,000 | 10.23% |
| M/s Anil Gupta HUF beneficiary Mr. Anil Gupta | 4,650,375 | 5.93% | 4,650,375 | 5.98% | 4,650,375 | 6.02% |
| Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund | 5,220,550 | 6.66% | 4,500,000 | 5.78% | 2,104,773 | 2.73% |
| IDFC Sterling Equity Fund | 910,000 | 1.16% | 1,512,244 | 1.94% | 4,670,571 | 6.05% |

16.4 Equity Shares reserved and issued under KEI Employees Stock Option Scheme, 2015:

| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|---------------------------------------|---------------------------|--------------------------|
| | Nos. of shares | Nos. of shares | Nos. of shares |
| Options available under ESOS | | | |
| Options available at the beginning of the year | 1,692,000 | 2,252,000 | - |
| Options granted during the year | - | | 2,252,000 |
| Equity Shares issued during the year | | | |
| Under KEI ESOS 2015 option Plan: Equity shares of ₹ 2 each. | 564,000 | 560,000 | - |
| Options available at the close of the year | 1,128,000 | 1,692,000 | 2,252,000 |

For terms and other details refer Note No. 42

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17. Other Equity:

Refer Statement of Changes in Equity for detailed movement in Equity balance:

A. Summary of Other Equity balance:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|---|------------------------|---------------------------|--------------------------------------|
| Capital Reserve | 28.00 | 28.00 | 28.00 |
| Securities Premium Account | 843.09 | 784.37 | 726.06 |
| General Reserve | 21.09 | 21.09 | 21.09 |
| Retained Earnings | 4,961.50 | 3,572.12 | 2,680.32 |
| Foreign Currency Monetary Item Translation Difference Account (FCMITDA) | - | - | (6.27) |
| Employee Stock Options Outstanding | 58.93 | 66.00 | 43.27 |
| Other Comprehensive Income | (24.01) | (18.04) | (17.37) |
| Total | 5,888.60 | 4,453.54 | 3,475.10 |

B. Nature and purpose of reserves

- (a) Capital Reserve: Subscribed capital forfeited due to non-receipt of call money treated as Capital reserve.
- (b) Securities Premium Account: Amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions difference between fair value on grant date and nominal value of share is accounted as Securities Premium Account.
- **(c) Employee Stock Options Outstanding (ESOS):** Fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding.
- (d) General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.
- **(e) Retained Earnings:** Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders.
- (f) Foreign Currency Monetary Item Translation Difference Account (FCMITDA): Company has amortised exchange difference on other than depreciable capital items over period of External Commercial Borrowings/ Foreign Currency Convertible Bonds. This is not available for capitalisation/declaration of dividend/ share buy-back.

18. Non Current Borrowings:

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| (i) Secured | | | |
| Term Loan | | | |
| Term Loans from Banks | 467.39 | 163.64 | 470.12 |
| Foreign Currency Term Loans from Banks | 274.12 | 231.53 | 231.53 |
| External Commercial Borrowings | 412.92 | - | - |
| Term Loans from Non-Banking Financial Company | 205.77 | 279.61 | 867.54 |
| Finance Lease Obligations on Hire Purchase of Vehicles | 18.26 | 24.92 | 22.31 |
| (ii) Unsecured | | | |
| Deposits | | | |



| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|-------------------------------|---------------------------------------|---------------------------|--------------------------------------|
| Public Deposits | 48.81 | 52.99 | 35.22 |
| Deposits from Related Parties | 29.35 | 7.82 | 3.35 |
| Loans from Related Parties | - | 3.00 | 4.50 |
| Total | 1,456.62 | 763.51 | 1,634.57 |

18.1 Nature of Security and Repayment Terms of Term Loan:

| | 31st | 31st | 1st | | | | |
|------------|----------------|----------------|----------------|---|--|--|--|
| SI. No. | March, 2018 | March, 2017 | April, 2016 | Rate of interest | Terms of repayment of term loan outstanding as at 31st March, 2018 | | |
| 1 | - | 867.54 | 1,343.67 | 9.25%+Spread (3.10%) | Repaid during F.Y. 2017-18 | | |
| 2 | - | - | 125.00 | 6 month LIBOR + 300 bps | Repaid during F.Y. 2016-17 | | |
| 3 | 101.42 | 138.93 | 147.77 | 1 year MCLR (8.30%) + Spread (1.85%) | Repayable in 5 Years upto October 2020 | | |
| 4 | 233.97 | 231.53 | 235.20 | 6 month LIBOR + 90bps, 6 month LIBOR + 81bps | Drawn in three tranche, repayable in January 2019 and February 2019 | | |
| 5 | 107.21 | 167.63 | 230.20 | 1 year MCLR (7.95%) + Spread (1.35%) | Repayable in 5 Years including moratorium period of 15 months payable upto November 2019 | | |
| 6 | - | 61.56 | 122.83 | 1 year MCLR (7.95%) + Spread (1.35%) | Repaid during F.Y. 2017-18 | | |
| 7 | - | 102.00 | 138.24 | 9.50% + Spread (3.75%) | Repaid during F.Y. 2017-18 | | |
| 8 | - | - | 43.89 | 10.40% + Spread (2.25%) | Repaid during F.Y. 2016-17 | | |
| 9 | 280.37 | 298.37 | - | 9.75% (Fixed Rate) | Repayable in 5 Years including moratorium period of 12 months upto December 2021 | | |
| 10 | 365.46 | - | - | 9.10%+Spread (0.50%) | Repayable in 3 Years upto May 2020 | | |
| 11 | 212.32 | - | - | 1 year MCLR (9.10%) + Spread (0.50%) | Repayable in 5 Years upto June 2022 | | |
| 12 | 455.72 | - | 1 | 4.40%(Fixed Rate) | Repayable in 3 Years including moratorium period of 6 months upto December 2020 | | |
| 13 | 514.72 | - | - | 3 MONTH LIBOR + 190 bps | Repayable in 5 Years including moratorium period of 12 months upto December 2022 | | |
| Total | 2,271.19 | 1,867.56 | 2,386.80 | 80 | | | |
| Less: | 910.99 | 1,192.78 | 817.61 | 61 Current Maturities of Long Term Borrowings (Note 23) | | | |
| Total | 1,360.20 | 674.78 | 1,569.19 | Borrowings Non-Current (Note 18) | | | |

⁻⁻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, RIICO Industrial Area, Chopanki; SP-919, RIICO Industrial Area, Phase-III, Bhiwadi, SP 2/874, RIICO Industrial Area, Pathredi and 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa. Further they are secured by personal guarantee of Shri Anil Gupta, Chairman-cum-Managing Director of the Company.

- **18.2** Finance Lease Obligations are secured against hypothecation of vehicles.
- **18.3** Unsecured Deposits are repayable within 3 years from the date of acceptance.
- **18.4** For Loans & Deposits from Related Parties refer note no. 46.

19. Non Current Provisions:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--------------------------------|---------------------------|---------------------------|--------------------------------------|
| Employee benefits | | | |
| Provision for Leave Encashment | 67.21 | 50.63 | 40.02 |
| | 67.21 | 50.63 | 40.02 |

20. Deferred Tax Liability (Net):

(₹ in Millions)

| | | | (|
|---|---------------------------------------|---------------------------------------|--------------------------------------|
| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
| Deferred Tax Liability : | | | |
| Additional depreciation/amortisation on PPE and Other Intangible Assets | 515.89 | 460.67 | 403.47 |
| Other timing differences | 9.32 | 8.69 | 14.04 |
| Total Deferred Tax Liabilities | 525.21 | 469.36 | 417.51 |
| Deferred Tax Asset : | | | |
| Liabilities / provisions that are deducted for tax purposes when paid | 51.45 | 46.83 | 49.69 |
| Provision for doubtful debts/impairment allowance | 56.57 | 54.61 | 39.40 |
| Defined benefit obligations | 11.39 | 7.51 | 3.57 |
| Other timing differences | 7.36 | 7.23 | 5.35 |
| Total Deferred Tax Assets | 126.77 | 116.18 | 98.01 |
| Net Deferred Tax Assets/ (Liabilities) | (398.44) | (353.18) | (319.50) |

20.1 Movement in Deferred Tax Assets:

| Particulars | Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off | Defined benefit obligations | Liabilities / provisions that are deducted for tax purposes when paid | Other items | Total deferred tax assets |
|-----------------------------------|--|-----------------------------------|--|----------------|---------------------------------|
| As at 1 st April, 2016 | 39.40 | 3.57 | 49.69 | 5.35 | 98.01 |
| (Charged)/credited : | | | | | |
| Profit and Loss | 15.21 | - | (2.86) | 1.88 | 14.23 |
| Other Comprehensive Income | - | 3.94 | - | - | 3.94 |
| Equity | - | - | - | - | - |
| As at 31st March, 2017 | 54.61 | 7.51 | 46.83 | 7.23 | 116.18 |
| (Charged)/credited : | | | | | |
| Profit and Loss | 1.96 | - | 4.62 | 0.13 | 6.71 |
| Other Comprehensive Income | - | 3.88 | - | - | 3.88 |
| Equity | - | - | - | - | - |
| As at 31st March, 2018 | 56.57 | 11.39 | 51.45 | 7.36 | 126.77 |



20.2 Movement in Deferred Tax Liabilities:

(₹ in Millions)

| Particulars | Additional depreciation/ amortisation on PPE and Other Intangible Assets | Other items | Total deferred tax liabilities |
|------------------------------------|--|-------------|-----------------------------------|
| As at 1 st April, 2016 | 403.47 | 14.04 | 417.51 |
| (Charged)/credited : | | | |
| Profit and Loss | 57.20 | (5.35) | 51.85 |
| Other Comprehensive Income | - | - | - |
| Equity | - | - | - |
| As at 31 st March, 2017 | 460.67 | 8.69 | 469.36 |
| (Charged)/credited : | | | |
| Profit and Loss | 55.22 | 0.63 | 55.85 |
| Other Comprehensive Income | - | - | - |
| Equity | - | - | - |
| As at 31st March, 2018 | 515.89 | 9.32 | 525.21 |

20.3 Unused Tax Credit:

| Particulars | As at 31 st March, 2018 | | As at 31st March, 2017 | | As a 1 st April, | - |
|---|---------------------------------------|----------------|---------------------------|----------------|--------------------------------|----------------|
| Particulars | Amount (₹ in Millions) | Expiry Year | Amount (₹ in Millions) | Expiry Year | Amount (₹ in Millions) | Expiry Year |
| Unused Tax Credits (Minimum Alternate Tax [MAT] Credit not Recognised) | 1 | 1 | 121.51 | 2025-26 | 206.39 | 2025-26 |

21. Current Borrowings:

| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|----------------------------------|---------------------------------------|---------------------------|--------------------------------------|
| (i) Secured: | | | |
| Working Capital Loans from Banks | 2,266.79 | 3,489.60 | 1,962.27 |
| Buyer's Credit | 1,377.63 | 1,401.20 | 519.58 |
| Factoring Arrangements | 2,185.97 | 1,011.21 | 689.59 |
| (ii) Unsecured: | | | |
| Loans from Related Parties | | | |
| Loans from Related Party * | 205.00 | 250.00 | - |
| Inter Corporate Deposits | 0.80 | 0.80 | 2.60 |
| Deposits from Others | | | |
| Inter Corporate Deposits | 5.50 | 5.50 | 5.50 |
| Public Deposits | - | 1.20 | - |
| Total | 6,041.69 | 6,159.51 | 3,179.54 |

^{*} For Loans From Related Party Refer Note No. 46.

21.1 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 920-922, 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, SP 2/874, RIICO Industrial Area, Pathredi 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.

22. Current Trade Payables:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|-------------------------------------|---------------------------|---------------------------------------|--------------------------------------|
| Micro, Small and Medium Enterprises | - | - | - |
| Acceptances | 2,329.05 | 1,831.13 | 1,803.57 |
| Others | 3,942.95 | 2,974.09 | 2,518.09 |
| Total | 6,272.00 | 4,805.22 | 4,321.66 |

22.1 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.

23. Other Current Financial Liabilities:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|---|---------------------------|---------------------------|--------------------------------------|
| Current Maturities of Long Term Debts | | | |
| From Banks | 319.03 | 306.48 | 212.82 |
| Foreign Currency Loans from Banks | 415.57 | - | 3.66 |
| External Commercial Borrowings | 101.80 | - | 125.00 |
| From Others (Non-Banking Financial Company) | 74.59 | 886.30 | 476.13 |
| (Refer Note 18.1) | | | |
| Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles | 11.89 | 12.67 | 9.42 |
| (Refer Note 18.2) | | | |
| Interest on Borrowings | | | |
| Accrued but not due | 8.13 | 4.10 | 1.10 |
| Accrued and due | 8.85 | 21.76 | 7.20 |
| Unpaid Dividend (Refer Note 23.1) | 1.49 | 1.28 | 1.21 |
| Total | 941.35 | 1,232.59 | 836.54 |

23.1 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.



24. Other Current Liabilities:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|---|---------------------------------------|---------------------------|--------------------------------------|
| Income Received in Advance | 19.27 | 14.41 | 616.30 |
| Security Deposits Received | 14.77 | 14.73 | 14.94 |
| Employee Benefits Payable | 98.85 | 101.29 | 73.70 |
| Sundry Creditors -Capital Goods | 77.42 | 57.16 | 77.01 |
| Advance from Customers/Payables to Customer | 372.85 | 439.91 | 173.33 |
| Statutory Dues Payable | 215.54 | 253.88 | 181.57 |
| Total | 798.70 | 881.38 | 1,136.85 |

25. Current Provisions:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--------------------------------|---------------------------|---------------------------|--------------------------------------|
| Employee Benefits | | | |
| Provision for Leave Encashment | 9.54 | 6.88 | 5.25 |
| Provision for Gratuity | 82.89 | 62.17 | 46.03 |
| Other Provisions | 18.86 | 17.81 | 12.40 |
| Total | 111.29 | 86.86 | 63.68 |

25.1. Movement of Provisions (Current and Non Current):

(₹ in Millions)

| Particulars | Leave encashment | Gratuity | Warranty Provision |
|--------------------------|---------------------|----------|-----------------------|
| As at 1st April, 2017 | 57.51 | 62.17 | 17.81 |
| Credited during the year | 23.84 | 20.72 | 17.29 |
| Utilised during the year | 4.60 | - | - |
| Unused amount reversal | - | - | 16.24 |
| As at 31st March, 2018 | 76.75 | 82.89 | 18.86 |

Provision for Leave Encashment:

Leave encashment is a terminal employee benefit, which covers Company's liability for earned leave.

Provision for Gratuity:

Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are elegible for gratuity. Gratuity plan is a funded plan and company makes contributions to fund maintained by LIC of India and administrated through irrevocable trust setup by Company.

Provision for Warranty:

Provision for warranty relates to estimated outflow in respect of warranty for products sold/contracts executed by Company. Due to nature of such costs it is not possible to estimate timing/uncertainties relating to the outflows of economic benefits.

25.2. Disclosures under Ind AS 19 "Employee Benefits":

Defined Contribution Plan:

Amount recognized as an expense in defined contribution plans:

| Particulars | Expense recognised in 2017-18 | Expense recognised in 2016-17 |
|--|-------------------------------|-------------------------------|
| Contributory Provident Fund & Employees Pension Scheme 1995 | 40.58 | 23.67 |

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a) The amounts recognised in the Balance Sheet is as under:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|---|---------|----------|---------------------|
| Dresent value of obligations as at the end of year | 2017-18 | 171.11 | 76.75 |
| Present value of obligations as at the end of year | 2016-17 | 137.39 | 57.51 |
| Esir value of plan access as at the and of the year | 2017-18 | 88.22 | - |
| Fair value of plan assets as at the end of the year | 2016-17 | 75.22 | - |
| Funded status | 2017-18 | (82.89) | (76.75) |
| Funded status | 2016-17 | (62.17) | (57.51) |
| Not Appete //Linkility) your private in halance shoot | 2017-18 | 82.89 | 76.75 |
| Net Assets/(Liability) recognized in balance sheet | 2016-17 | 62.17 | 57.51 |
| Company's best estimate of expense for the next Annual reporting period | | 36.20 | 28.02 |

b) Expense recognized in Statement of Profit and Loss is as under:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|---|---------|----------|---------------------|
| Current Service Cost | 2017-18 | 18.19 | 14.96 |
| Current Service Cost | 2016-17 | 13.45 | 9.86 |
| Interest Cost on Defined Benefit Obligation | 2017-18 | 9.89 | 4.14 |
| | 2016-17 | 8.08 | 3.40 |
| leterest la seus en Dieu Assets | 2017-18 | 5.42 | - |
| Interest Income on Plan Assets | 2016-17 | 4.63 | - |
| Not Astronial (Cair) / Language and in the assist | 2017-18 | 4.48 | - |
| Net Actuarial (Gain) / Loss recognized in the period | 2016-17 | 3.45 | - |
| Even and a construction of the contract of Durality and I are | 2017-18 | 22.66 | 23.84 |
| Expenses recognized in Statement of Profit and Loss | 2016-17 | 16.90 | 15.16 |

c) Expenses recognized in Other Comprehensive Income is as under:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|---|---------|----------|---------------------|
| Astropial (Caina) / Language Defined Bonefit Obligation | 2017-18 | 11.65 | - |
| Actuarial (Gains)/Loss on Defined Benefit Obligation | 2016-17 | 12.09 | - |
| Astronial (Caina) (Lagrana Assat | 2017-18 | (0.54) | - |
| Actuarial (Gains)/Loss on Asset | 2016-17 | (0.72) | - |
| Actuarial Gain/(Loss) recognized in Other | 2017-18 | 11.11 | - |
| Comprehensive Income | 2016-17 | 11.37 | - |

d) Movements in the present value of the Defined Benefit Obligations:

| Particulars | Period | Gratuity | Leave Encashment |
|--|---------|----------|---------------------|
| Present Value of Obligations as at beginning of year | 2017-18 | 137.39 | 57.51 |
| | 2016-17 | 107.77 | 45.27 |
| A contact on A disease on the | 2017-18 | 1 | - |
| Acquisition Adjustment | 2016-17 | - | - |



| Particulars | Period | Gratuity | Leave Encashment |
|--|---------|----------|---------------------|
| Interest Cost | 2017-18 | 9.89 | 4.14 |
| Interest Cost | 2016-17 | 8.08 | 3.40 |
| Commant Samiles Coat | 2017-18 | 18.19 | 14.96 |
| Current Service Cost | 2016-17 | 13.45 | 9.86 |
| Actuarial (Gains)/Losses arising from: | | | |
| Changes in Danas and his Assumptions | 2017-18 | Nil | Nil |
| Changes in Demographic Assumptions | 2016-17 | Nil | Nil |
| Change in Figure 1 A annual in a | 2017-18 | 6.74 | 2.53 |
| Changes in Financial Assumptions | 2016-17 | 3.11 | 1.10 |
| F A disease and | 2017-18 | 4.90 | 2.21 |
| Experience Adjustments | 2016-17 | 8.98 | 0.80 |
| Death Coming Cont | 2017-18 | - | - |
| Past Service Cost | 2016-17 | - | - |
| D. C. D. I | 2017-18 | (6.01) | (4.60) |
| Benefits Paid | 2016-17 | (4.00) | (2.93) |
| December of all sections and affecting | 2017-18 | 171.11 | 76.75 |
| Present value of obligations as at end of year | 2016-17 | 137.39 | 57.51 |

e) Movements in the fair value of the Plan Assets:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|--|---------|----------|---------------------|
| Fair Value of plan assets as on beginning of year | 2017-18 | 75.22 | - |
| rail value of plan assets as on beginning of year | 2016-17 | 61.74 | - |
| Interest Income | 2017-18 | 5.42 | - |
| interest income | 2016-17 | 4.63 | - |
| Re-measurement Gain/(Loss) - return on plan assets | 2017-18 | 0.54 | - |
| (excluding amounts included in net interest expense) | 2016-17 | 0.72 | - |
| Contributions from the France | 2017-18 | 13.05 | - |
| Contributions from the Employer | 2016-17 | 12.14 | - |
| Donofito noi d | 2017-18 | (6.01) | - |
| Benefits paid | 2016-17 | (4.00) | - |
| | 2017-18 | 88.22 | - |
| Fair value of Plan Assets at the end of year | 2016-17 | 75.22 | - |

f) Actuarial Assumptions are as under:

| Particulars | Period | Gratuity | Leave Encashment |
|---|---------|----------|---------------------|
| Discount Rate | 2017-18 | 7.70% | 7.70% |
| Discount Rate | 2016-17 | 7.20% | 7.20% |
| Expected rate of Future Salary Increase | 2017-18 | 7.00% | 7.00% |
| | 2016-17 | 6.00% | 6.00% |
| Dating many Area | 2017-18 | 58 yrs | 58 yrs |
| Retirement Age | 2016-17 | 58 yrs | 58 yrs |

| Particulars | Period | Gratuity | Leave Encashment |
|---------------------|---------|------------|----------------------|
| | 2017-18 | | ian Assured |
| Mortality rates | 2016-17 | | ity (2006-08) ble |
| Acc | | Withdrawal | Withdrawal |
| Age | | Rate | Rate |
| Unite 20 Veers | 2017-18 | 3.00% | 3.00% |
| Up to 30 Years | 2016-17 | 3.00% | 3.00% |
| From 21 to 44 years | 2017-18 | 2.00% | 2.00% |
| From 31 to 44 years | 2016-17 | 2.00% | 2.00% |
| Above 44 years | 2017-18 | 1.00% | 1.00% |
| | 2016-17 | 1.00% | 1.00% |

Risks Associated with Plan Provisions

Valuations are based on certain assumptions which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

| Salary Increases | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
|---------------------------|--|
| Investment Risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If the plan liability is funded and return on plan assets is below this rate it will create a plan deficit. |
| Discount Rate Risk | A decrease in the bond interest rate (discount rate) will increase the plan liability. |
| Mortality & Disability | The present value of the defined benefit plan liability is calucated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability. |

g) Maturity Profile of Defined Benefit Obligation is as under:

Duration of defined benefit obligation

| Particulars | Period | Gratuity | Leave Encashment |
|-------------|---------|----------|---------------------|
| 1 | 2017-18 | 48.47 | 9.54 |
| · | 2016-17 | 41.85 | 6.88 |
| 2 | 2017-18 | 5.43 | 7.40 |
| 2 | 2016-17 | 7.13 | 6.40 |
| 3 | 2017-18 | 5.01 | 6.65 |
| 3 | 2016-17 | 4.26 | 5.10 |
| 4 | 2017-18 | 8.74 | 6.52 |
| | 2016-17 | 3.95 | 4.57 |
| 5 | 2017-18 | 5.98 | 5.44 |
| 5 | 2016-17 | 7.20 | 4.55 |
| Al | 2017-18 | 97.48 | 41.21 |
| Above 5 | 2016-17 | 72.99 | 30.00 |



h) Summary of Membership Data:

| | As at 31st March, 2018 | |
|--|------------------------|---------------------|
| Particulars | Gratuity | Leave Encashment |
| Number of Employees | 1,518 | 1,489 |
| Total Monthly Salary for Gratuity (₹ in Millions) | 37.50 | - |
| Total Monthly Salary for leave Availment (₹ in Millions) | - | 37.06 |
| Average Past Service (Years) | 6.09 | 6.04 |
| Average Age (Years) | 36.67 | 36.59 |
| Average Remaining Working Life (Years) | 21.33 | 21.41 |

i) Major Category of Plan Assets (as percentage of total plan assets) is as under:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|-------------------------|---------|----------|---------------------|
| Fund Managad by Jacobs | 2017-18 | 82.89 | Nil |
| Fund Managed by Insurer | 2016-17 | 62.17 | Nil |

j) Sensitivity analysis is as under:

Impact of the change in Discount Rate:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|------------------------------|---------|----------|---------------------|
| Impact due to Increase of 1% | 2017-18 | 158.41 | 71.94 |
| | 2016-17 | 127.53 | 53.98 |
| Impact due to Decrease of 1% | 2017-18 | 186.03 | 82.20 |
| | 2016-17 | 148.88 | 61.48 |

Impact of the Change in Salary Increase:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|------------------------------|---------|----------|---------------------|
| Impact due to Increase of 1% | 2017-18 | 185.99 | 82.18 |
| | 2016-17 | 148.90 | 61.49 |
| Impact due to Decrease of 1% | 2017-18 | 158.22 | 71.87 |
| | 2016-17 | 127.34 | 53.91 |

26. Current Tax Liability (Net):

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------|--------------------------------------|
| Tax expense comprises of: | | | |
| Opening balance (Receivables)/Payables | 14.13 | 31.73 | 23.35 |
| Current tax payable for the year | 668.41 | 376.79 | 328.96 |
| Less : Taxes paid during the year | 527.52 | 304.21 | 195.96 |
| Less : MAT Credit Entitlement | 121.51 | 90.18 | 124.62 |
| Closing balance Liabilities (Net) | 33.51 | 14.13 | 31.73 |

^{26.1} Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ 121.51 Millions (In 31st March, 2017 : ₹ 90.18 Millions, In 31st March, 2016 ₹ 124.62 Millions).

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27. Revenue From Operations (Gross):

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | | | Ended ch, 2017 |
|---|--------------------------------|-----------|-----------|-------------------|
| Sale of Products | | | | |
| Manufactured Goods | 25,938.26 | | 22,986.17 | |
| Traded Goods | 10.83 | 25,949.09 | 17.44 | 23,003.61 |
| Income from Turnkey Projects | | 8,672.21 | | 5,050.30 |
| (Refer note 27.3) | | | | |
| Job Work | | 3.91 | | 4.45 |
| Other operating Revenues | | | | |
| Export Benefits | 42.23 | | 18.88 | |
| Unadjusted Credit balances written back | 28.69 | | 4.42 | |
| Scrap | 268.06 | 338.98 | 242.59 | 265.89 |
| Total | | 34,964.19 | | 28,324.25 |

Revenue from Operations include in few cases VAT & Service Tax, wherever prices are inclusive of Taxes.

27.1 Details of Sales (Manufactured Goods):

(₹ in Millions)

| Class of Goods | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--------------------------------------|--------------------------------|--------------------------------|
| Cables | 18,746.61 | 17,409.09 |
| Stainless Steel Wires | 1,167.85 | 1,128.24 |
| Winding Wire, Flexible & House Wires | 6,023.80 | 4,448.84 |
| Total | 25,938.26 | 22,986.17 |

27.2 Details of Sales (Traded Goods):

(₹ in Millions)

| Class of Goods | Year Ended 31st March, 2018 | | Ended ch, 2017 |
|----------------|--------------------------------|-------|-----------------------|
| Miscellaneous | 10.83 | | 17.44 |
| Total | | 10.83 | 17.44 |

27.3 Income from Turnkey Projects:

| Particulars | Year Ended 31st March, 2018 | Ended ch, 2017 |
|------------------------------|--------------------------------|-------------------|
| Income from Turnkey Projects | 8,672.21 | 5,050.30 |
| Total | 8,672.21 | 5,050.30 |



28. Other Income: (₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | Ended ch, 2017 |
|---|--------------------------------|-------------------|
| Dividend from long term investments | 0.04 | 0.04 |
| Interest Income from Bank Deposits/Other | 6.48 | 5.10 |
| Interest Income from financial assets at amortised cost | 1.57 | 1.03 |
| Miscellaneous Income | - | 3.31 |
| Insurance Claims | 10.00 | 13.56 |
| Exchange Fluctuation (Net) | 74.90 | 77.63 |
| Total | 92.99 | 100.67 |

29. Cost of Materials Consumed:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | | | |
|---------------------------|--------------------------------|-----------|-----------|-----------|
| Raw Materials Consumed | | | | |
| Opening Stock | 1,188.75 | | 728.76 | |
| Add : Purchases | 21,072.75 | | 16,822.47 | |
| Less : Closing Stock | 1,108.52 | | 1,188.75 | |
| Less : Captive use | 13.84 21,139.14 | | 11.87 | 16,350.61 |
| Turnkey Project Materials | | | | |
| Opening Stock | 20.02 | | 29.86 | |
| Add : Purchases | 3,268.32 | | 2,326.25 | |
| Less: Closing Stock | 4.71 | 3,283.63 | 20.02 | 2,336.09 |
| Total | | 24,422.77 | | 18,686.70 |

30. Purchases of Stock in Trade:

(₹ in Millions)

| Class of Goods | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|----------------|--------------------------------|-------|--------------------------------|-------|
| Miscellaneous | | 14.34 | | 15.96 |
| Total | | 14.34 | | 15.96 |

31. Changes in Inventory of Finished Goods, Work in Progress and Stock in trade:

| Particulars | culars Year Ended Year Ended 31st March, 2018 31st March | | | |
|----------------------|--|----------|----------|----------|
| Opening Stock | | | | |
| Finished Goods | 1,778.30 | | 1,176.64 | |
| Stock in Trade | 6.64 | | 6.80 | |
| Work in Progress | 1,766.88 | | 1,935.77 | |
| Scrap | 5.75 | 3,557.57 | 11.61 | 3,130.82 |
| Less : Closing Stock | | | | |
| Finished Goods | 2,228.38 | | 1,778.30 | |
| Stock in Trade | 10.62 | | 6.64 | |
| Work in Progress | 1,623.35 | | 1,766.88 | |
| Scrap | 21.41 | 3,883.76 | 5.75 | 3,557.57 |
| Total | | (326.19) | | (426.75) |

32. Employee Benefits Expense:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | | | Ended ch, 2017 |
|--|--------------------------------|----------|--------|-------------------|
| Salaries,Wages & Other Benefits | 1,314.36 | | 961.76 | |
| Contribution to Provident & Other Funds | 64.19 | | 48.54 | |
| Expense on Share Based Payments to Employees | 33.04 | | 62.56 | |
| Staff Welfare Expenses | 56.33 | 1,467.92 | 44.41 | 1,117.27 |
| Total | | 1,467.92 | | 1,117.27 |

For Managerial remuneration refer Related Party Disclosure Note no. 46.

33. Finance Costs: (₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | | Ended ch, 2017 |
|-----------------------|--------------------------------|----------|-------------------|
| Interest expenses | | 884.47 | 945.07 |
| Other borrowing costs | | 228.57 | 299.18 |
| Total | | 1,113.04 | 1,244.25 |

34. Depreciation and Amortisation Expense:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | Ended ch, 2017 |
|---|--------------------------------|-------------------|
| Depreciation on Property, Plant & Equipment | 313.01 | 278.13 |
| Amortisation on Other Intangible Assets | 9.29 | 5.91 |
| Total | 322.30 | 284.04 |

35. Sub Contractor Expenses for Turnkey Projects:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|---------------------------|--------------------------------|----------|--------------------------------|--------|
| Sub Contractor's Expenses | | 1,085.54 | | 579.29 |
| Total | | 1,085.54 | | 579.29 |

36. Excise Duty: (₹ in Millions)

| Particulars | Year Ended 31 st March, 2018 | Year Ended 31st March, 2017 |
|---------------------------------|--|--------------------------------|
| Excise Duty on Sales | 505.50 | 1661.10 |
| Excise Duty on Stock/Transfers* | (129.30) | 378.59 |
| Total | 376.20 | 2,039.69 |

^{*}Represents excise duty borne by Company and difference between excise duty on opening stock and closing stock of finished goods and stock transfers.



37. Other Expenses: (₹ in Millions)

| Particulars | Year E 31 st Marc | | | Ended ch, 2017 |
|---|---------------------------------|----------|--------|-------------------|
| Stores, Spares & Consumables | | 147.42 | | 109.96 |
| Packing Expenses | | 813.04 | | 727.92 |
| Job Work Charges | | 565.88 | | 497.49 |
| Power, Fuel & Lighting | | 440.02 | | 388.72 |
| Repairs & Maintenance | | | | |
| Plant & Machinery | 154.49 | | 137.68 | |
| Building | 9.07 | | 18.60 | |
| Others | 23.08 | 186.64 | 27.64 | 183.92 |
| Freight, Handling and Octroi (Net) | | 784.34 | | 600.25 |
| Rebate, Discount, Commission on Sales | | 186.71 | | 152.65 |
| Bad Debts Written off | | 124.96 | | 52.83 |
| ECL on Debtors | | 4.09 | | 43.94 |
| Rates & Taxes | | 116.51 | | 75.89 |
| Rent | | 75.30 | | 52.97 |
| Insurance (Net) | | 57.54 | | 49.05 |
| Travelling & Conveyance | | 177.06 | | 114.81 |
| Advertisement & Publicity | | 148.51 | | 75.27 |
| Auditor's Remuneration | | 4.40 | | 4.55 |
| (Refer Note 37.1) | | | | |
| Loss on sales of Fixed Assets (Net) | | 1.36 | | 0.36 |
| Fixed Assets Written off | | 3.58 | | 1.71 |
| Communication Expenses | | 33.18 | | 29.61 |
| Donations | | 4.00 | | 1.26 |
| Director's Meeting Fee | | 3.75 | | 1.68 |
| Professional & Consultancy Charges | | 145.09 | | 127.20 |
| Miscellaneous Expenses | | 503.63 | | 313.65 |
| Corporate Social Responsibility Expenditure | | 12.65 | | 7.68 |
| (Refer Note 37.3) | | | | |
| FCMITDA written off | | - | | 8.59 |
| Total | | 4,539.66 | | 3,621.96 |

37.1 Auditor's Remuneration:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--------------------|--------------------------------|--------------------------------|
| Audit Fee | 3.00 | 3.00 |
| Limited Review Fee | 0.60 | 0.60 |
| Tax Audit | 0.60 | 0.60 |
| Certification | 0.20 | 0.35 |
| Total | 4.40 | 4.55 |

37.2 Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 18.84 Millions (31st March, 2017 ₹ 11.40 Millions).

37.3 Amount spent during the year on:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | Year E 31st Marc | |
|---|--------------------------------|---------------------|------|
| i) Construction/Acquisition of any assets | - | | - |
| ii) On purpose other than (i) above | 12.65 | | 7.68 |
| Total | 12.65 | 1 | 7.68 |

38. Income Tax Expense:

| | V F I I V F I I | | | |
|---|--------------------------------|--------------------------------|--|--|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | | |
| (a) Income tax expense | | | | |
| Current tax | | | | |
| Current tax on Profit for the year | 668.35 | 376.62 | | |
| MAT Credit Entitlement | (121.51) | (90.18) | | |
| Adjustment to current tax of prior periods | 0.06 | 0.17 | | |
| Total current tax expenses | 546.90 | 286.61 | | |
| Deferred tax | | | | |
| (Decrease) /Increase in deferred tax liabilities | 49.14 | 37.62 | | |
| Total deferred tax expenses/(benefit) | 49.14 | 37.62 | | |
| Total Income tax expense | 596.04 | 324.23 | | |
| (b) Reconciliation of tax expense and accounting profit multiplied by India tax rate | | | | |
| Profit from operations before income tax expense | 2,041.60 | 1,262.51 | | |
| India Tax Rate | 34.608% | 34.608% | | |
| Tax effect of amounts which are not deductible (allowable) in calculating taxable income: | | | | |
| Depreciation on PPE for seprate consideration | 322.30 | 280.44 | | |
| Employee benefits for seprate consideration | 34.64 | 39.13 | | |
| Corporate social responsibility expenditure/ | 16.65 | 8.94 | | |
| Donation | | | | |
| Other items : | | | | |
| Deduction under various sections of Income Tax Act, 1961 | 24.42 | 99.39 | | |
| | 398.01 | 427.90 | | |
| Tax effect of amounts which are deductible (allowable) in calculating taxable income: | | | | |
| Exempt income | 0.04 | 0.04 | | |
| Depreciation on PPE for seprate consideration | 465.82 | 449.88 | | |
| Employee benefits for seprate consideration | 19.81 | 14.57 | | |
| Other items : | | | | |
| Corporate Social Responsibility expenditure/ Donation | 7.51 | 3.52 | | |
| Investment allowance | - | 120.48 | | |
| Allowed under various sections of Income Tax Act, 1961 | 15.24 | 13.69 | | |
| | 508.42 | 602.18 | | |
| Total Net Taxable Income | 1,931.19 | 1,088.23 | | |
| Tax at India tax rate | 668.35 | 376.62 | | |
| Actual Tax Expense booked | 668.35 | 376.62 | | |
| Effective Tax Rate | 32.74% | 29.83% | | |



39. Other Comprehensive Income:

(₹ in Millions)

| Particulars | Year Ended 31 st March, 2018 | Ended ch, 2017 |
|---|--|-----------------------|
| Items that will not be reclassified to profit or loss : | | |
| Re-measurement gains (losses) on defined benefit plans | (11.11) | (11.37) |
| Net (loss)/gain on FVTOCI equity securities | 1.26 | 6.76 |
| Income tax effect of the above | 3.88 | 3.94 |
| Items that will be reclassified to profit or loss: | | |
| Net gain on hedge of a net investment | - | - |
| Income tax effect | - | - |
| Exchange differences on translation of foreign operations | - | - |
| Income tax effect | - | - |
| Total | (5.97) | (0.67) |

40. Earnings Per Equity Share ('EPS') pursuant to Ind AS-33 has been calculated as follows:

(A) Earnings Per Equity Share:

| Particulars | Year Ended 31st March, 2018 | Ended ch, 2017 |
|---------------------------------|--------------------------------|-----------------------|
| Profit after taxation (₹) | 1,445.56 | 938.28 |
| Basic Earnings Per Share (₹) | 18.51 | 12.10 |
| Diluted Earnings Per Share (₹) | 18.19 | 11.80 |
| Face Value Per Equity Share (₹) | 2.00 | 2.00 |

(B) Weighted Average Number of Equity Shares Used as Denominator:

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| Number of Equity shares at the beginning of the year | 77,797,438 | 77,237,438 |
| Add: Weighted average number of equity shares issued during the year | 290,499 | 289,973 |
| Weighted average number of Equity shares for Basic EPS | 78,087,937 | 77,527,411 |
| Add:Adjustment for Employee Stock Options outstanding | 1,401,501 | 1,962,027 |
| Weighted average number of equity shares for Diluted EPS | 79,489,438 | 79,489,438 |

41. In terms of provision of Ind AS -11 on "Construction Contracts" for Lump Sum Turnkey Projects for contract in progress as on 31st March, 2018:

- i) The aggregate amount of cost incurred and recognised profit upto 31st March, 2018 ₹ 16,137.26 Millions, (31st March, 2017: ₹ 12,765.05 Millions).
- ii) The amount of advances received ₹ 237.04 Millions (31st March, 2017: ₹ 270.88 Millions).
- iii) The amount of retention ₹ 1,607.22 Millions (31st March, 2017: ₹ 1,269.51 Millions).
- iv) Gross amount due to customers ₹ 1,710.75 Millions (31st March, 2017: ₹ 14.40 Millions).
- v) Gross amount due from customers ₹ 652.78 Millions (31st March, 2017: ₹ 290.36 Millions).

42. 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 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 | Weighted average exercise price (₹) | Weighted average remaining life in years |
|---|----------------|-------------------------------------|---|
| 1st vesting - at the end of 1st year from the date of grant | 560,000 | 35.00 | 1.04 |
| 2^{nd} vesting - at the end of 2^{nd} year from the date of grant | 564,000 | 35.00 | 2.04 |
| 3 rd vesting - at the end of 3 rd year from the date of grant | 564,000 | 35.00 | 3.04 |
| 4^{th} vesting - at the end of 4^{th} year from the date of grant | 564,000 | 35.00 | 4.04 |
| Total Options Granted at an exercise price of ₹ 35.00 per op | tion | | |

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 2016-17 & 2017-18, Share Allotment Committee allotted Equity Shares of face value ₹ 2/-each to the eligible employees as per Scheme.

Summary of options granted under the Scheme are:

| Post of the law | KEI ESOS 2015 | | |
|---|---------------|------------|--|
| Particulars | 2017-18 | 2016-17 | |
| Date of Grant | 23.09.2015 | 23.09.2015 | |
| Options outstanding at the beginning of the year | 1,692,000 | 2,252,000 | |
| Options Granted during the year | Nil | Nil | |
| Option forfeited during the year | Nil | Nil | |
| Option vested | 564,000 | 560,000 | |
| Option exercised | 564,000 | 560,000 | |
| Option expired during the year | Nil | Nil | |
| Options outstanding at the end of the year | 1,128,000 | 1,692,000 | |
| Weighted Average Share Price at the date of excersie of Options (₹ per share) | 312.68 | 120.75 | |

Refer Note 32 for expense recognised during the year on account of ESOP as per Ind AS 102 - Share Based Payments.



c) The fair value has been calculated using the Black - Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

| Particulars | KEI ESOS 2015 | |
|--|---------------|---------|
| Particulars | 2017-18 | 2016-17 |
| 1. Weighted average risk-free interest rate | 7.63% | 7.44% |
| 2. Weighted average expected life of options | 2.04 | 1.04 |
| 3. Weighted average expected volatility | 63.55% | 59.40% |
| 4. Weighted average expected dividends over the life of the option | 0.27% | 0.27% |
| 5. Weighted average exercise price | 35.00 | 35.00 |
| 6. Weighted average share price at the time of option grant | 98.80 | 98.80 |

The expected price volatality is based on historical volatility.

43. Lease obligations:

43.1 Future lease obligation by way of lease rental on Hire Purchase of Vehicles: (₹ in Millions)

| Due | Total Minimum lease payments outstanding Future Interest outstanding | | _ | minimu | value of m lease nents | |
|---|---|---------|---------|---------|------------------------------|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Within one year | 14.14 | 15.67 | 2.25 | 3.00 | 11.89 | 12.67 |
| Later than one year and not later than five years | 19.95 | 28.09 | 1.69 | 3.17 | 18.26 | 24.92 |
| More than Five years | NIL | NIL | NIL | NIL | NIL | NIL |
| Total: | 34.09 | 43.76 | 3.94 | 6.17 | 30.15 | 37.59 |

43.2 Company has taken land on long term financial lease from various Government Authorities in India. Present value of minimum lease payment under finance lease is NIL.

43.3 Operating Leases - Other than non-cancellable:

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. Operating lease payments are recognised in the Profit & Loss under respective heads.

44. Contingent Liabilities & Commitments:

| | Par | rticulars | Year E 31 st Marc | | Ended ch, 2017 |
|------|-----|--|---------------------------------|-------|-------------------|
| 44.1 | | ims against Company not acknowledged debt: | | | |
| | a) | Sales Tax / Entry Tax demands under appeal | | 9.49 | 7.73 |
| | b) | Income tax Matters: | | | |
| | | Demand due to Additions / disallowances during Assessments, which are under Appeal | | 2.16 | 2.16 |
| | c) | Excise / Service tax demands under appeal | | 76.80 | 144.50 |

| 44.2 | Guarantees against Performance/Security/ EMD | 7,895.13 | 7,699.95 |
|------|---|----------|----------|
| 44.3 | Other money for which Company is contingently liable: | | |
| | a) Unutilised Letter of Credits | 615.53 | 121.35 |
| | b) Outstanding LC Discounted | 884.19 | 669.48 |
| 44.4 | Commitments: | | |
| | Estimated amount of contracts remaining to be executed on Capital Account | 132.92 | 70.33 |

45. Investment in subsidiary and joint venture:

- a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 " Separate Financial Statements".
- **b)** Company's investment in direct subsidiary are as under:

| | Country of | | on of own terest as | • | Method used to |
|----------------------------------|---------------|------------------------|------------------------------------|-----------------------------------|----------------------------------|
| Particulars | Incorporation | 31st March, 2018 | 31 st March, 2017 | 1 st April, 2016 | account for the Investment |
| KEI Cables Australia PTY Limited | Australia | 90% | 100% | 100% | Cost |

c) Company's investment in Joint Venture is as under:

| | Country of | Portion of ownership interest as at | | | Method used to |
|---|--------------------------|-------------------------------------|--------------------------------|-----------------------------------|----------------------------------|
| Particulars | Country of Incorporation | 31st March, 2018 | 31st March, 2017 | 1 st April, 2016 | account for the investment |
| KEI Industries Ltd, New Delhi & Brugg Kabel AG, Switzerland | India | 100% in Profit & Loss | 100% in Profit & Loss | 100% in Profit & Loss | Cost |

46. Related party Disclosures as required by Indian Accounting Standard (IND AS-24):

a) Name of Related Parties:

i) Subsidiary Company

KEI Cables Australia PTY Limited

| Place of Business/Country of | Ownership Interest | | | | |
|------------------------------|--------------------|------------|------------|--|--|
| Incorporation | 31.03.2018 | 31.03.2017 | 01.04.2016 | | |
| Australia | 90% | 100% | 100% | | |

ii) Jointly Controlled Entity

Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons).

| Place of Business/Country of | (| Ownership Interest | | | | |
|------------------------------|---|--------------------|------------|--|--|--|
| Incorporation | 31.03.2018 | 31.03.2017 | 01.04.2016 | | | |
| India | 75% participation and 100% share in Profit/Loss | | | | | |



iii) 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

iv) Key Managerial Personnel:

Shri Anil Gupta, Chairman-cum-Managing Director

Shri Rajeev Gupta, Executive Director Finance

Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10th May, 2017

Shri Kishore Kunal, Company Secretary

v) Relatives of Key Managerial Personnel with whom transaction have taken place:

Shri Sunil Gupta

Smt. Archana Gupta, Director

Late Smt. Sumitra Devi Gupta (Expired on 9th June, 2017)

Smt. Shashi Gupta

Smt. Vimla Devi

Smt. Veena Agarwal

Smt. Shweta Jha

Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10th May, 2017

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 Private Limited

(b) Transactions during the year

| | nons during the year | () | |
|---------|--|---------|---------|
| Particu | lars | 2017-18 | 2016-17 |
| (i) | Investment in Subsidiary Company equity shares | | |
| | Subsidiary Company | | |
| | KEI Cables Australia PTY Limited ₹ 3988 (Previous Year NIL) | - | - |
| | | • | - |
| (ii) | Sales | | |
| | Subsidiary Company | | |
| | KEI Cables Australia PTY Limited | 914.39 | - |
| | | 914.39 | 1 |
| | Jointly Controlled entity | | |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons) | - | 4.18 |
| | | - | 4.18 |
| (iii) | Discount On Sales | | |
| | Subsidiary Company | | |
| | KEI Cables Australia PTY Limited | 3.05 | - |
| | | 3.05 | - |

| Jointly Joint \ Kabel (v) Purcha Jointly Joint \ Kabel (vi) Reimb Jointly Joint \ Kabel Subsic KEI Ca (vii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | Asse - Project Material (Controlled entity (enture of M/s KEI Industries Limited, New Delhi & Brugg (AG, Switzerland (Association of Persons) (Asse - Fixed Assets (Controlled entity (enture of M/s KEI Industries Limited, New Delhi & Brugg (AG, Switzerland (Association of Persons) (ursment of Expenses Paid (Controlled entity (enture of M/s KEI Industries Limited, New Delhi & Brugg (AG, Switzerland (Association of Persons) (Iliary Company (bles Australia PTY Limited (Ursment of Expenses Received (Ursment Of E | - - - 0.62 0.62 5.50 5.50 | 2.36 2.36 2.52 2.52 5.23 5.23 |
|--|--|---|-------------------------------|
| Jointly Joint \ Kabel (v) Purche Jointly Joint \ Kabel (vi) Reimb Jointly Joint \ Kabel Subsic KEI Ca (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | AG, Switzerland (Association of Persons) AG, Switzerland (Association of Persons) ASSE - Fixed Assets Controlled entity Yenture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) Ursment of Expenses Paid Controlled entity Yenture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) Idiary Company Isolated PTY Limited Ursment of Expenses Received | 0.62 5.50 | 2.36 2.52 2.52 5.23 |
| Joint \ Kabel (v) Purche Joint \ Joint \ Kabel (vi) Reimb Joint \ Kabel Subsic KEI Ca (vii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) Asse - Fixed Assets Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) ursment of Expenses Paid Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | 2.36 2.52 2.52 5.23 |
| (vi) Reimb Jointly Joint \ Kabel \ Kabel \ (vii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | AG, Switzerland (Association of Persons) ase - Fixed Assets Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) ursment of Expenses Paid Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | 2.36 2.52 2.52 5.23 |
| (vi) Reimb Jointly Jointly Jointly Jointly Jointly Kabel KEI Ca (vii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | r Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) ursment of Expenses Paid r Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | 2.52 2.52 5.23 |
| (vii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | r Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) ursment of Expenses Paid r Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | 5.23 |
| Joint \ Kabel . (vi) Reimb Joint \ Joint \ Kabel . Subsic KEI Ca (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) ursment of Expenses Paid v Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | 5.23 |
| (vii) Reimb Jointly Joint N Kabel Subsic KEI Ca (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | ursment of Expenses Paid Controlled entity Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | 5.23 |
| (vii) Reimb Jointly Joint \ Kabel Subsid KEI Ca (viii) Reimb Subsid KEI Ca (viii) Advan Subsid KEI Ca | ursment of Expenses Paid r Controlled entity renture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | 5.23 |
| Jointly Jointly Jointly Kabel Subsic KEI Ca (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | Controlled entity Centure of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | 5.23 |
| Jointly Jointly Jointly Kabel Subsic KEI Ca (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | Controlled entity Centure of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | |
| Joint \ Kabel . Subsic KEI Ca (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | Venture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | |
| Kabel Kabel Subsic KEI Ca (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | AG, Switzerland (Association of Persons) liary Company bles Australia PTY Limited ursment of Expenses Received | 0.62 5.50 | |
| Subsic KEI Ca (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | liary Company bles Australia PTY Limited ursment of Expenses Received | 5.50 | 5.23 |
| (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | bles Australia PTY Limited ursment of Expenses Received | 5.50 | |
| (viii) Reimb Subsic KEI Ca (viii) Advan Subsic KEI Ca | bles Australia PTY Limited ursment of Expenses Received | | - |
| (viii) Reimb Subsid KEI Ca (viii) Advan Subsid KEI Ca | ursment of Expenses Received | | - |
| Subsic KEI Ca (viii) Advan Subsic KEI Ca | | | |
| Subsic KEI Ca (viii) Advan Subsic KEI Ca | | | |
| (viii) Advan Subsic KEI Ca | | | |
| Subsic KEI Ca | bles Australia PTY Limited | 0.38 | - |
| Subsic KEI Ca | | 0.38 | - |
| KEI Ca | ce Given | | |
| | liary Company | | |
| Jointly | bles Australia PTY Limited | 0.95 | 0.29 |
| Jointly | | 0.95 | 0.29 |
| | Controlled entity | | |
| | Yenture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) | 7.76 | 18.90 |
| | | 7.76 | 18.90 |
| (ix) Loan (| Given | | |
| Key M | anagerial Personnel | | |
| Shri Ki | shore Kunal, Company Secretary | - | 0.50 |
| | | - | 0.50 |
| ` ′ | ce Outstanding | | |
| l l | liary Company | | |
| KEI Ca | bles Australia PTY Limited | 1.29 | 0.29 |
| | | 1.29 | 0.29 |
| - | Controlled entity | | |
| I | | 0.91 | - |
| Total | enture of M/s KEI Industries Limited, New Delhi & Brugg AG, Switzerland (Association of Persons) | 0.91 | |



| Particu | are | 2017-18 | in Millions |
|---------|---|---------|-------------|
| | | 2017-10 | 2010-17 |
| (xi) | Loan Outstanding | | |
| | Key Managerial Personnel | 0.75 | 1 02 |
| | Shri Kishore Kunal, Company Secretary | 0.75 | 1.03 |
| (v::) | Maximum halance of advance given duving the year | 0.75 | 1.03 |
| (xii) | Maximum balance of advance given during the year | | |
| | Subsidiary Company KEI Cables Australia PTY Limited | 1 21 | 0.20 |
| | REI Cables Australia PTY Limited | 1.31 | 0.29 |
| | Jointly Controlled entity | 1.31 | 0.29 |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg | 1.78 | 23.54 |
| | Kabel AG, Switzerland (Association of Persons) | 1.70 | 23.54 |
| | Trabel 710/ SWIZZITATIA (7.533Clation of 1.6136115) | 1.78 | 23.54 |
| (xiii) | Maximum balance of loan given during the year | 11,70 | 20.0 1 |
| (XIII) | Key Managerial Personnel | | |
| | Shri Kishore Kunal, Company Secretary | 1.02 | 1.19 |
| | Similar Ramar, company secretary | 1.02 | 1.19 |
| (xiv) | Debtors Outstanding | | 1117 |
| (2017) | Subsidiary Company | | |
| | KEI Cables Australia PTY Limited | 141.74 | _ |
| | | 141.74 | _ |
| (xv) | Interest expense on deposits/ Unsecured Loan | | |
| (211) | Other related parties in the group where common control exists | | |
| | Anil Gupta (HUF) | 1.28 | 0.38 |
| | Soubhagya Agency Private Limited | - | 0.18 |
| | KEI Cables Private Limited | 0.08 | 0.09 |
| | | 1.36 | 0.65 |
| | Relatives of Key Managerial Personnel with whom transaction | | |
| | have taken place | | |
| | Late Smt. Sumitra Devi Gupta (Expired on 9th June, 2017) | 0.02 | 0.07 |
| | Shri Sunil Gupta | 0.35 | 0.13 |
| | Smt. Shweta Jha | 0.17 | 0.03 |
| | | 0.54 | 0.23 |
| | Key Managerial Personnel | | |
| | Shri Kishore Kunal, Company Secretary | 0.05 | - |
| | Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10 th May, 2017 | 0.02 | 0.04 |
| | | 0.07 | 0.04 |
| | Enterprises Over which person mentioned in a (v) above are able to | | |
| | exercise signigicant control and transactions have taken place | | |
| | Sunil Gupta (HUF) | 0.31 | 0.28 |
| | | 0.31 | 0.28 |
| (xvi) | Deposits/Unsecured Loan received during the year | | |
| | Other related parties in the group where common control exists | | |
| | Anil Gupta (HUF) | 18.50 | - |
| | | 18.50 | - |

| Relatives of Key Managerial Personnel with whom transaction have taken place Shri Sunil Gupta | 2017-18 | 2016-17 |
|---|---------|---------|
| have taken place Shri Sunil Gupta | | |
| Shri Sunil Gupta | | |
| · | 5.00 | 2.50 |
| Smt. Shweta Jha | 1.85 | 1.75 |
| | 6.85 | 4.25 |
| Key Managerial Personnel | | |
| Shri Anil Gupta, Chairman-cum-Managing Director | - | 250.00 |
| Shri Akshit Diviaj Gupta, Whole Time Director 10 th May, 2017 | - | 0.42 |
| | - | 250.42 |
| Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place | | |
| Sunil Gupta (HUF) | 4.00 | - |
| | 4.00 | - |
| (xvii) Deposits/Unsecured Loan paid during the year | | |
| Other related parties in the group where common control exists | | |
| Anil Gupta (HUF) | 3.00 | 1.50 |
| Soubhagya Agency Private Limited | - | 1.80 |
| | 3.00 | 3.30 |
| Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| Late Smt. Sumitra Devi Gupta (Expired on 9 th June, 2017) | 0.65 | - |
| Shri Sunil Gupta | 2.50 | - |
| Smt. Shweta Jha | 1.75 | - |
| | 4.90 | - |
| Key Managerial Personnel | | |
| Shri Anil Gupta, Chairman-cum-Managing Director | 45.00 | - |
| Shri Kishore Kunal, Company Secretary | 1.20 | - |
| Shri Akshit Diviaj Gupta, Whole Time Director 10 th May, 2017 | 0.42 | - |
| | 46.62 | - |
| 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 | - |
| (xviii) Credit balance outstanding as at the year end | | |
| Other related parties in the group where common control exists | | |
| Anil Gupta (HUF) | 18.50 | 3.00 |
| KEI Cables Private Limited | 0.80 | 0.80 |
| | 19.30 | 3.80 |
| Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| Late Smt. Sumitra Devi Gupta (Expired on 9th June, 2017) | - | 0.65 |
| Shri Sunil Gupta | 5.00 | 2.50 |
| Smt. Shweta Jha | 1.85 | 1.75 |
| | 6.85 | 4.90 |



| | | · · | in Millions |
|----------|---|---------|-------------|
| Particul | ars | 2017-18 | 2016-17 |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 205.00 | 250.00 |
| | Shri Akshit Diviaj Gupta, Whole Time Director 10 th May, 2017 | - | 0.42 |
| | | 205.00 | 250.42 |
| | Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place | | |
| | Sunil Gupta (HUF) | 4.00 | 2.50 |
| | | 4.00 | 2.50 |
| (xix) | Rent paid for use of assets | | |
| | Other related parties in the group where common control exists | | |
| | Anil Gupta (HUF) | 0.60 | 0.60 |
| | Projection Financial & Management Consultants Private Limited | 2.90 | 2.40 |
| | Dhan Versha Agency Private Limited | 3.00 | 2.40 |
| | | 6.50 | 5.40 |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Smt. Archana Gupta, Director | 0.96 | 0.96 |
| | Shri Sunil Gupta | 14.40 | 11.80 |
| | | 15.36 | 12.76 |
| (xx) | 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 | 1.65 | 1.46 |
| | | 1.80 | 1.61 |
| (xxi) | Manegerial remuneration | | |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 107.73 | 70.54 |
| | Shri Rajeev Gupta, Executive Director Finance | 50.78 | 20.34 |
| | Shri Akshit Diviaj Gupta, Whole Time Director 10 th May, 2017 | 4.32 | - |
| | | 162.83 | 90.88 |
| (xxii) | Employee Benefits Expenses | | |
| | Key Managerial Personnel | | |
| | Shri Kishore Kunal, Company Secretary | 14.43 | 5.86 |
| | | 14.43 | 5.86 |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Shri Akshit Diviaj Gupta, Whole Time Director 10 th May, 2017 | 0.24 | 1.89 |
| | | 0.24 | 1.89 |
| (xxiii) | Expenses Payable | | |
| - · | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 4.21 | 24.64 |
| | Shri Rajeev Gupta, Executive Director Finance | 0.58 | 0.05 |

| Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10th May, 2017 Shri Kishore Kunal, Company Secretary 0.17 0.14 6.68 24.91 | | | ` | in Millions) |
|--|----------|---|-------|--------------|
| Shri Kishore Kunal, Company Secretary 0.17 0.14 | Particul | | | 2016-17 |
| (xxiv) Director's Meeting Fees Relatives of Key Managerial Personnel with whom transaction have taken place Smt. Archana Gupta, Director 0.65 0.40 | | Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10 th May, 2017 | 1.72 | 0.08 |
| (xxiv) Director's Meeting Fees Relatives of Key Managerial Personnel with whom transaction have taken place Smt. Archana Gupta, Director 0.65 0.40 | | Shri Kishore Kunal, Company Secretary | 0.17 | 0.14 |
| Relatives of Key Managerial Personnel with whom transaction have taken place Smt. Archana Gupta, Director Dividend Paid 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 Dhan Versha Agency Private Limited Exercise Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Veena Agarwal ₹ 300/- (Previous Year ₹ 750/-) Smt. Veena Agarwal ₹ 300/- (Previous Year ₹ 750/-) Smt. Veena Agarwal ₹ 300/- (Previous Year ₹ 50/-) Consult Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Scurity Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Scurity Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary A.95 | | | 6.68 | 24.91 |
| Nave taken place Smt. Archana Gupta, Director 0.65 0.40 | (xxiv) | Director's Meeting Fees | | |
| Smt. Archana Gupta, Director 0.65 0.40 | | | | |
| (xxv) Dividend Paid Other related parties in the group where common control exists Anil Gupta (HUF) Projection Financial & Management Consultants Private Limited 4.74 3.95 Shubh Laxmi Motels & Inns Private Limited 2.09 1.74 3.95 Shubh Laxmi Motels & Inns Private Limited 1.88 1.56 0.60 0.50 0.79 1.305 0.79 1.305 0.79 1.305 0.79 1.305 0.79 1.305 0.79 1.305 0.79 1.305 0.79 1.305 0.87 1.305 1.305 0.87 1.305 0.305 1.305 0.305 1.305 0 | | Smt. Archana Gupta. Director | 0.65 | 0.40 |
| Dividend Paid 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 2.09 1.74 Soubhagya Agency Private Limited 1.88 1.56 Dhan Versha Agency Private Limited 0.60 0.50 0.75 0.75 13.05 10.87 13.05 13. | | | | |
| 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 Et Cables Private Limited Relatives of Key Managerial Personnel with whom transaction have taken place Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Veena Agarwal ₹ 300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Shri Rajeev Gupta, Executive Director Finance Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Shri Kishore Kunal, Company Secretary Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary | (xxv) | Dividend Paid | 0.00 | |
| Anil Gupta (HUF) Projection Financial & Management Consultants Private Limited Shubh Laxmi Motels & Inns Private Limited Soubhagya Agency Private Limited Dhan Versha Agency Private Limited 0.60 KEI Cables Private Limited 0.75 Relatives of Key Managerial Personnel with whom transaction have taken place Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹ 300/- (Previous Year ₹ 750/-) Smt. Veena Agarwal ₹ 300/- (Previous Year ₹ 750/-) Smt. Veena Agarwal ₹ 300/- (Previous Year ₹ 750/-) Smt. Veena Agarwal ₹ 300/- (Previous Year ₹ 50/-) Smt. Veena Agarwal ₹ 180/- (Previous Year ₹ 50/-) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.08 0.08 0.08 0.08 0.08 0.08 0.08 0. | (5017) | | | |
| Projection Financial & Management Consultants Private Limited Shubh Laxmi Motels & Inns Private Limited Soubhagya Agency Private Limited Dhan Versha Agency Private Limited Dhan Versha Agency Private Limited KEI Cables Private Limited Relatives of Key Managerial Personnel with whom transaction have taken place Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹ 300/- (Previous Year ₹ 750/-) Smt. Veena Agarwal ₹ 300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 3.95 3.93 3.93 3.93 3.93 3.93 3.93 3.9 | | | 2 79 | 2 22 |
| Shubh Laxmi Motels & Inns Private Limited Soubhagya Agency Private Limited Dhan Versha Agency Private Limited Dhan Versha Agency Private Limited EEL Cables Private Provided EEL Cables Private | | | | |
| Soubhagya Agency Private Limited Dhan Versha Agency Private Limited Dhan Versha Agency Private Limited (El Cables Private Limited (El Cables Private Pri | | | | |
| Dhan Versha Agency Private Limited KEI Cables Private Limited Relatives of Key Managerial Personnel with whom transaction have taken place Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 3.38 3.38 (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 3.495 4.95 4.95 5.779 5.790 1.390 1.390 1.390 | | | | · · |
| KEI Cables Private Limited 0.95 0.79 13.05 10.87 | | | | |
| Relatives of Key Managerial Personnel with whom transaction have taken place Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance | | , | | |
| Relatives of Key Managerial Personnel with whom transaction have taken place Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance | | KEI Cables Private Limited | 0.95 | 0.79 |
| Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Kishore Kunal, Company Secretary Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.08 0.38 0.38 (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.38 0.38 0.38 (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.38 0.38 0.38 0.38 | | | 13.05 | 10.87 |
| Smt. Archana Gupta, Director Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary Ecuity Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance | | | | |
| Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.08 0.30 0.30 0.30 0.30 0.30 0.30 0.3 | | Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) | 0.00 | 0.00 |
| Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) Smt. Vimla Devi Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.08 0.30 0.30 0.30 0.30 0.30 0.30 0.3 | | Smt. Archana Gupta, Director | 0.50 | 0.42 |
| Smt. Vimla Devi Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary D.00 O.00 | | Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) | 0.00 | 0.00 |
| Smt. Veena Agarwal ₹300/- (Previous Year NIL) Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹180/- (Previous Year ₹50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹25,227/- (Previous Year ₹23/-) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.30 0.30 0.30 0.30 0.38 0.38 (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 1.39 1.39 | | · · · · · · · · · · · · · · · · · · · | 0.04 | 0.03 |
| Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.30 0.30 0.30 0.30 0.30 0.30 0.38 0.38 (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance 1.39 1.39 | | | | _ |
| Enterprises Over which person mentioned in a (v) above are able to exercise signigicant control and transactions have taken place Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.08 0.30 0.30 0.30 0.30 (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance | | (reviews real rule) | | 0.45 |
| Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) Key Managerial Personnel Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary O.08 O.09 O.00 A.20 O.30 | | ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' ' | 0.51 | 0. 15 |
| Company Secretary0.000.00Key Managerial Personnel8.217.79Shri Anil Gupta, Chairman-cum-Managing Director8.217.79Shri Rajeev Gupta, Executive Director Finance0.100.01Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-)0.030.00(xxvi)Equity Share Allotment (ESOS Scheme)8.347.80Key Managerial Personnel7.807.80Shri Rajeev Gupta, Executive Director Finance0.300.30(xxvii)Security Premium on share allottment (ESOS Scheme)0.080.38Key Managerial Personnel8.217.79Shri Rajeev Gupta, Executive Director Finance4.954.95Shri Kishore Kunal, Company Secretary1.391.39 | | | 0.00 | 0.00 |
| Shri Anil Gupta, Chairman-cum-Managing Director Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 1.39 1.39 | | | 0.00 | 0.00 |
| Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 1.39 1.39 | | Key Managerial Personnel | | |
| Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary O.38 O.30 O.3 | | Shri Anil Gupta, Chairman-cum-Managing Director | 8.21 | 7.79 |
| (xxvi) Equity Share Allotment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary O.30 O.30 O.30 O.30 O.30 O.30 O.38 O.38 (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 1.39 1.39 | | Shri Rajeev Gupta, Executive Director Finance | 0.10 | 0.01 |
| (xxvi)Equity Share Allotment (ESOS Scheme)Key Managerial Personnel0.30Shri Rajeev Gupta, Executive Director Finance0.08Shri Kishore Kunal, Company Secretary0.080.080.38(xxvii)Security Premium on share allottment (ESOS Scheme)Key Managerial Personnel4.95Shri Rajeev Gupta, Executive Director Finance4.95Shri Kishore Kunal, Company Secretary1.39 | | Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) | 0.03 | 0.00 |
| Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary O.38 O.38 (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 1.39 1.39 | | | 8.34 | 7.80 |
| Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary O.30 O.30 O.30 O.30 O.30 O.30 O.30 O.3 | (xxvi) | | | |
| Shri Kishore Kunal, Company Secretary O.08 O.0 | | | 0.30 | 0.30 |
| (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 0.38 0.38 0.38 1.39 | | | | 0.08 |
| (xxvii) Security Premium on share allottment (ESOS Scheme) Key Managerial Personnel Shri Rajeev Gupta, Executive Director Finance Shri Kishore Kunal, Company Secretary 4.95 1.39 | | | | 0.38 |
| Shri Rajeev Gupta, Executive Director Finance 4.95 Shri Kishore Kunal, Company Secretary 1.39 | (xxvii) | | 3.5 | |
| Shri Kishore Kunal, Company Secretary 1.39 1.39 | | 1 - | 195 | <i>1</i> 95 |
| | | | | |
| | | Similatione Runal, Company Secretary | 6.34 | 6.34 |





| Particul | ars | 2017-18 | 2016-17 |
|----------|---|---------|---------|
| (xxviii) | Defined Benefit Obligation for Gratuity Benefit | | |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 36.06 | 34.23 |
| | Shri Rajeev Gupta, Executive Director Finance | 4.39 | 3.69 |
| | Shri Kishore Kunal, Company Secretary | 0.58 | 0.40 |
| | Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10 th May, 2017 | 0.07 | 0.03 |
| | | 41.10 | 38.35 |
| (xxix) | Defined Benefit Obligation for Leave Encashment Benefit | | |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | - | - |
| | Shri Rajeev Gupta, Executive Director Finance | 1.32 | 1.20 |
| | Shri Kishore Kunal, Company Secretary | 0.50 | 0.39 |
| | Shri Akshit Diviaj Gupta, Whole Time Director 10 th May, 2017 | 0.09 | 0.02 |
| | | 1.91 | 1.61 |

c) Non-Financial Transactions

- (i) Shri Anil Gupta has given personal guarantee to banks for Company's borrowings.
- (ii) The Company has given Performance Bank Gurantees of ₹ 61.61 Millions (Previous Year ₹ 61.61 Millions) on behalf of Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland.
- (iii) The Company has given Performance Bank Gurantees of ₹ 55.52 Millions (Previous Year NIL) on behalf of KEI Cables Australia PTY Limited.
- (iv) Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

47. Disclosure as per Indian Accounting Standard (Ind AS) 108 "Operating Segments":

a) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. Management currently identifies the Company's three product lines as its Operating Segments as per Ind AS 108 "Operating Segments".

- Cables
- Stainless Steels & Wires
- Turnkey Projects

b) Segment Revenue & Expenses

Revenue & Expenses directly attributable to the segment is considered as "Segment Revenue & Segment Expenses". Interest expenses are shown in unallocated.

Segment Assets & Liabilities: Û

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Others".

The following tables present Revenue and Profit Information and certain Assets and Liability information regarding the Company's reportable segments for the years ended March 31, 2018 and March 31, 2017-

(₹ in Millions)

| | Cables | 90 | Stainless Steel Wire | tool Wire | Turnkey | Turnkey Projects | | Unllocated | Inter Seament Flimination | + Flimination | Total | <u>.</u> |
|---|-----------|-----------|----------------------|-----------|----------|------------------|------------|------------|---------------------------|---------------|------------|------------|
| Particulars | | 3 | | | | 2336 | | 3 | 6 | | 2 | |
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Revenue (Gross) | | | | | | | | | | | | |
| External | 24,246.26 | 20,435.62 | 1,182.56 | 1,139.05 | 9,561.48 | 6,754.40 | | | (26.11) | (4.82) | 34,964.19 | 28,324.25 |
| Inter-Segment Revenue | 3,019.06 | 2,283.01 | | | | | | | (3,019.06) | (2,283.01) | • | |
| Total Revenue | 27,265.32 | 22,718.63 | 1,182.56 | 1,139.05 | 9,561.48 | 6,754.40 | | | (3,045.17) | (2,287.83) | 34,964.19 | 28,324.25 |
| Result | | | | | | | | | | | | |
| Segment Result | 2,955.50 | 2,654.65 | 70.60 | 77.04 | 1,038.42 | 617.73 | | | (26.11) | (4.82) | 4,038.41 | 3,344.60 |
| Unallocated Expenditure net of unallocated income | | | | | | | (890.29) | (842.98) | | | (890.29) | (842.98) |
| Interest Expenses | | | | | | | (1,113.04) | (1,244.25) | | | (1,113.04) | (1,244.25) |
| Interest Income | | | | | | | 6.48 | 5.10 | | | 6.48 | 5.10 |
| Dividend Income | | | | | | | 0.04 | 0.04 | | | 0.04 | 0.04 |
| Profit Before Taxation | 2,955.50 | 2,654.65 | 70.60 | 77.04 | 1,038.42 | 617.73 | (1,996.81) | (2,082.09) | (26.11) | (4.82) | 2,041.60 | 1,262.51 |
| Taxation | | | | | | | | | | | 596.04 | 324.23 |
| Net Profit | | | | | | | | | | | 1,445.56 | 938.28 |
| Other Information | | | | | | | | | | | | |
| Segment Assets | 14,736.95 | 13,672.01 | 624.71 | 525.78 | 5,727.34 | 4,149.68 | 1,077.13 | 79.809 | | | 22,166.13 | 18,956.14 |
| Segment Liabilities | 7,358.63 | 4,854.09 | 380.29 | 257.36 | 1,410.61 | 1,321.51 | 4,591.77 | 5,687.56 | | | 13,741.30 | 12,120.52 |
| Capital Expenditure | 539.19 | 522.41 | 32.39 | 24.05 | 11.11 | 23.31 | 57.88 | 39.92 | | | 640.57 | 69.609 |
| Depreciation | 253.50 | 222.33 | 10.11 | 8.34 | 7.76 | 4.83 | 50.93 | 48.54 | | | 322.30 | 284.04 |
| FCMITDA Written off | | | | | | | • | 8.59 | | | • | 8.59 |

d) Information about Geographical Segment (In Rupees):

(₹ in Millions)

| | Domestic | stic | Overseas | seas | Total | al |
|--|-----------|-----------|----------|-----------------|--|-----------------|
| Segment Revenue by location of customers | 2017-18 | 2016-17 | 2017-18 | 2017-18 2016-17 | 2017-18 | 2017-18 2016-17 |
| External Revenue (Gross) | 30,422.12 | 24,531.06 | 4,542.07 | 3,793.19 | 30,422.12 24,531.06 4,542.07 3,793.19 34,964.19 28,324.25 | 28,324.25 |
| Addition to Non-Current Assets | 550.27 | 803.45 | 1.19 | - | 551.46 | 803.45 |
| | | | | | | |

e) Interest expenses have considered under unallocated segment.

"Information about major customers : There are no customers having revenue exceeding 10% of total revenues."



48. Fair Value Measurements:

Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows:

| | 1 | | 31st Ma | 31st March, 2018 | | | 31st M | 31st March, 2017 | | _ | 1st April, 2016 | 016 |
|---|-----------|----------|---------|-------------------|------------|----------|--------|-------------------|------------|----------|-----------------|-------------------|
| Particulars | Reference | FVPL | FVOCI | Amortized Cost | Fair Value | FVPL | FVOCI | Amortized Cost | Fair Value | FVPL | FVOCI | Amortized Cost |
| Financial Assets | | | | | | | | | | | | |
| Investments | 9 | | | | | | | | | | | |
| - Equity Instruments | | • | 25.26 | | 25.26 | | 23.94 | • | 23.94 | • | 17.97 | • |
| - Mutual funds | | • | 3.03 | • | 3.03 | | 3.33 | • | 3.33 | • | 2.52 | • |
| Loans | 7 & 14 | • | - | 54.56 | 54.77 | - | ı | 43.20 | 43.20 | - | 1 | 38.77 |
| Trade receivables | 11 | • | - | 10,205.86 | 10,205.86 | - | • | 8,245.76 | 8,245.76 | - | ' | 6,249.62 |
| Cash and Cash equivalents: | 12 | - | 1 | 594.50 | 594.50 | ı | ı | 321.03 | 321.03 | - | 1 | 23.04 |
| Bank Balances other than Cash and Cash equivalents: | 13 | 1 | 1 | 168.78 | 168.78 | 1 | 1 | 12.06 | 12.06 | - | 1 | 16.03 |
| Other Financial Assets | 8 | | | 2.60 | 2.60 | | | 36.62 | 36.62 | | | 18.61 |
| Total financial assets | | • | 28.29 | 11,026.30 | 11,054.80 | • | 72.72 | 8,658.67 | 8,685.94 | • | 20.49 | 6,346.07 |
| Financial Liabilities | | | | | | | | | | | | |
| Borrowings | 18 & 21 | 7,498.31 | • | | 7,498.31 | 6,923.02 | 1 | • | 6,923.02 | 4,814.11 | 1 | |
| Trade payables | 22 | - | - | 6,272.00 | 6,272.00 | - | - | 4,805.22 | 4,805.22 | - | - | 4,321.66 |
| Other Financial Liabilities: | 23 | - | 1 | 941.35 | 941.35 | 1 | 1 | 1,232.59 | 1,232.59 | - | | 836.54 |
| Total Financial Liabilities | | 7,498.31 | • | 7,213.35 | 14,711.66 | 6,923.02 | 1 | 6,037.81 | 12,960.83 | 4,814.11 | • | 5,158.20 |

Carrying amount of Trade Receivables, Trade Payables and Cash & Cash Equivalent are considered to be the same as their Fair Value due to their short term

⁽ii) Carrying amount of Financial Assets and Liabilities carried Amortised Cost is considered a reasonable approximation of Fair Value.
(iii) Above table excludes Investment in Subsidiary and Joint Venture, which are measured at cost in accordance with Ind AS 27, 'Separate Financial Statements'.

49. Fair Value Hierarchy:

This Section explains the judgements and estimates made in determining fair values of financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about reliability of inputs used in determining fair value, group has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows underneath the table:

(₹ in Millions)

| Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2018 | Note Reference | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|---------|---------|----------|----------|
| Financial assets | | | | | |
| Investments at FVOCI | 6 | | | | |
| - Equity Instruments | | 25.26 | - | - | 25.26 |
| - Mutual funds | | - | 3.03 | - | 3.03 |
| Loans | 7 & 14 | | | 54.56 | 54.56 |
| Total financial assets | | 25.26 | 3.03 | 54.56 | 82.85 |
| Financial liabilities | | | | | |
| Borrowings | 18 & 21 | - | - | 7,498.31 | 7,498.31 |
| Other Financial Liabilities | 23 | - | - | 941.35 | 941.35 |
| Total Financial liabilities | | - | - | 8,439.66 | 8,439.66 |

(₹ in Millions)

| Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31st March, 2017 | Note Reference | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|---------|---------|----------|----------|
| Financial assets | | | | | |
| Investments at FVOCI | 6 | | | | |
| - Equity Instruments | | 23.94 | - | - | 23.94 |
| - Mutual funds | | - | 3.33 | - | 3.33 |
| Loans | 7 & 14 | | | 43.20 | 43.20 |
| Total financial assets | | 23.94 | 3.33 | 43.20 | 70.47 |
| Financial liabilities | | | | | |
| Borrowings | 18 & 21 | - | - | 6,923.02 | 6,923.02 |
| Other Financial Liabilities | 23 | - | - | 1,232.59 | 1,232.59 |
| Total Financial liabilities | | - | - | 8,155.61 | 8,155.61 |

| Financial assets and liabilities measured at fair value - recurring fair value measurements as at 1st April, 2016 | Note Reference | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|---------|---------|----------|----------|
| Financial assets | | | | | |
| Investments at FVOCI | 6 | | | | |
| - Equity Instruments | | 17.97 | - | - | 17.97 |
| - Mutual funds | | - | 2.52 | - | 2.52 |
| Loans | 7 & 14 | | | 38.77 | 38.77 |
| Total financial assets | | 17.97 | 2.52 | 38.77 | 59.26 |
| Financial liabilities | | | | | |
| Borrowings | 18 & 21 | - | - | 4,814.11 | 4,814.11 |
| Other Financial Liabilities | 23 | - | - | 836.54 | 836.54 |
| Total Financial liabilities | | - | - | 5,650.65 | 5,650.65 |



Fair value of financial instruments as referred to in note above has been classified into three categories depending on inputs used in valuation technique. Hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Company's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

50. Financial Risk Management:

Company's businesses are subject to several risks and uncertainties including financial risks. Company's documented risk management polices, act as an effective tool in mitigating various financial risks to which business is exposed to in course of their daily operations. Risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management.

Company's senior management oversees management of these risks. Senior professionals working to manage financial risks and appropriate financial risk governance framework for Company are accountable to Board of Directors and Audit Committee. This process provides assurance to Company's senior management that Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

50.1. MARKET RISK

Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency Risk
- Price Risk
- Commodity Price Risk
- Interest Rate Risk

Above risks may affect Company's income and expenses, or value of its financial instruments. Company's exposure to and management of these risks are explained below.

50.1.1. CURRENCY RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

Company undertakes transactions denominated in foreign currencies mainly related to its operating activities. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Carrying amounts of Company's foreign currency denominated monetary assets and monetary liabilities at end of reporting period were as follows:

(a) Amount payable in foreign currency on account of the following:

| | As a | t 31st March, | 2018 | As a | t 31st March, | 2017 | As | at 1st April, 2 | 016 |
|---|------------------|----------------------------|---------------------|-----------------|----------------------------|---------------------|-----------------|----------------------------|---------------------|
| Particulars | ₹ in Millions | Amount in foreign currency | Foreign Currency | ₹in Millions | Amount in foreign currency | Foreign Currency | ₹in Millions | Amount in foreign currency | Foreign Currency |
| | 359.45 | 5,542,067 | USD | 156.37 | 2,389,322 | USD | 120.58 | 1,811,554 | USD |
| | 4.26 | 52,312 | EURO | 6.04 | 86,404 | EURO | 62.40 | 822,367 | EURO |
| Import of Goods & | - | - | GBP | 4.77 | 59,500 | GBP | 1.28 | 13,360 | GBP |
| Advance Received | 1.74 | 25,200 | CHF | 8.93 | 136,649 | CHF | 41.29 | 595,529 | CHF |
| | 3.07 | 62,161 | AUD | 0.50 | 9,963 | AUD | - | - | AUD |
| | 0.17 | 3,322 | SGD | 0.03 | 600 | SGD | 0.65 | 13,039 | SGD |
| Working Capital Loan (Buyer's Credit/PCFC) | 1,377.63 | 21,126,102 | USD | 1,401.20 | 21,507,361 | USD | 765.12 | 11,486,546 | USD |
| Capex (Term Loan / Buyer's Credit) | 755.08 | 11,579,194 | USD | 233.18 | 3,579,194 | USD | 363.30 | 5,454,209 | USD |
| Royalty/Know How/ Licence fee | 22.75 | 279,167 | EURO | 18.65 | 266,667 | EURO | 8.85 | 116,667 | EURO |
| | 27.74 | 425,360 | USD | 31.21 | 479,102 | USD | 22.24 | 333,885 | USD |
| | 0.21 | 4,125 | SGD | 7.74 | 164,882 | SGD | 1.99 | 40,162 | SGD |
| Expenses Payable | 4.20 | 45,034 | GBP | 0.41 | 4,946 | GBP | 0.89 | 9,283 | GBP |
| | 0.98 | 55,730 | AED | 1.61 | 91,385 | AED | 0.84 | 46,750 | AED |
| | 5.23 | 64,137 | EURO | 0.17 | 2,476 | EURO | - | 1 | EURO |
| Statutory Dues Payable | - | - | SGD | 0.62 | 13,295 | SGD | - | - | SGD |
| Balance with Bank | 0.21 | 153,216 | GMD | - | - | GMD | - | - | GMD |
| Term Loan | 459.43 | 7,045,416 | USD | - | | USD | - | - | USD |

(b) Amount receivable in foreign currency on account of the following:

| | As a | t 31st March, | 2018 | As a | t 31st March, | 2017 | As | at 1 st April, 2 | 016 |
|--------------------|------------------|----------------------------|---------------------|-----------------|----------------------------|---------------------|-----------------|-----------------------------|---------------------|
| Particulars | ₹ in Millions | Amount in foreign currency | Foreign Currency | ₹in Millions | Amount in foreign currency | Foreign Currency | ₹in Millions | Amount in foreign currency | Foreign Currency |
| | 393.77 | 6,093,010 | USD | 889.73 | 14,285,213 | USD | 479.66 | 7,178,437 | USD |
| | 92.82 | 1,159,572 | EURO | 30.42 | 440,809 | EURO | 86.60 | 1,211,160 | EURO |
| | 0.01 | 159 | SGD | 24.73 | 534,997 | SGD | 4.76 | 71,355 | SGD |
| Exports of Goods & | 344.52 | 6,977,002 | AUD | 66.69 | 1,361,904 | AUD | 10.26 | 204,772 | AUD |
| Advance Paid | - | 1 | CHF | 0.09 | 1,382 | CHF | 0.97 | 14,056 | CHF |
| | 0.76 | 8,349 | GBP | 0.73 | 9,036 | GBP | 3.66 | 38,763 | GBP |
| | - | 1 | JPY | 2.00 | 3,440,000 | JPY | - | 1 | JPY |
| | - | 1 | SGD | - | - | SGD | 0.67 | 12,455 | SGD |
| | 1.28 | 26,000 | AUD | 0.29 | 6,000 | AUD | - | - | AUD |
| Recoverable | 0.82 | 46,521 | AED | 0.82 | 46,353 | AED | - | - | AED |
| | 0.01 | 4,000 | GMD | - | - | GMD | - | - | GMD |
| | 0.93 | 18,951 | SGD | 1.90 | 41,271 | SGD | 2.28 | 46,853 | SGD |
| Balance with Banks | 10.15 | 157,237 | USD | 0.16 | 2,491 | USD | 0.33 | 2,568 | USD |
| | 1.28 | 72,521 | AED | 1.87 | 106,272 | AED | 0.45 | 25,312 | AED |
| Statutory Dues | 0.01 | 217 | SGD | - | - | SGD | - | - | SGD |



50.1.2. CURRENCY RISK - SENSITIVITY TO RISK

Following table demonstrates sensitivity to a reasonably possible change in USD, EUR, AUD exchange rates, with all other variables held constant. Impact on Company profit before tax is due to changes in fair value of monetary assets and liabilities. Foreign currency exposures recognised by Company that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in Millions)

| | Impact on pro | | Impact on pro | ofit before tax crease |
|--------------------------------|--|--|--|--|
| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2018 | As at 31 st March, 2017 |
| USD - Increase/ Decrease by 5% | (128.77) | (46.60) | 128.77 | 46.60 |
| EUR - Increase/ Decrease by 5% | 3.03 | 0.28 | (3.03) | (0.28) |
| AUD - Increase/ Decrease by 5% | 17.14 | 3.32 | (17.14) | (3.32) |

50.1.3. PRICE RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

- (a) Company is exposed to the price risk due to its investment in Equity Shares & Mutual Funds. Price risk arises due to uncertainties about future market values of these investments.
- **(b)** Company reviews its investment at regualr intervals in order to minimise price risk arising from investments in Equity Shares & Mutual Funds.
- (c) Majority of investments of Company are publicly traded and listed in NSE Index. Carrying amounts of the Company's investment in Equity Shares & Mutual Funds at the end of the reporting period are given in Note 6.

50.1.4. PRICE RISK - SENSITIVITY TO RISK

Following table demonstrate sensitivity to a reasonably possible change in equity index where investments of Company are listed. Impact on Company's profit before tax is due to changes in NSE Index.

(₹ in Millions)

| Particulars | Impact on pro | ofit before tax | Componen | on Other ts of Equity re tax |
|--------------------------|--|--|--|--|
| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2018 | As at 31 st March, 2017 |
| NSE Index Increase by 5% | - | - | 1.41 | 1.36 |
| NSE Index Decrease by 5% | - | - | (1.41) | (1.36) |

50.1.5. COMMODITY PRICE RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and therefore require a continuous supply of major items of raw material viz copper and Aluminium. Due to the volatility of the prices of the Copper and Aluminium, Company has entered into various purchase contracts for these materials. The Company's Board of Directors has adopted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for purchase of these raw material based on average price for each month.

50.1.6. INTEREST RATE RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

(a) Company invests in term deposits for a period of less than one year. Considering short-term nature, there is no significant interest rate risk pertaining to these deposits.

- (b) Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's exposure to risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and term deposits. Company's fixed rate borrowings and deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither carrying amount nor future cash flows will fluctuate because of a change in market interest rates.
- (c) Risk is managed by Company by maintaining an appropriate mix between fixed and floating rate of borrowings.

Exposure of Company's borrowing to interest rate changes at end of reporting period are as follows:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2016 |
|--------------------------|------------------------|------------------------|------------------------|
| Variable rate borrowings | 5,179.52 | 6,459.99 | 4,868.65 |
| Fixed rate borrowings | 3,241.67 | 1,668.48 | 772.49 |
| Total borrowings | 8,421.19 | 8,128.47 | 5,641.14 |

Refer Note No. 18.1 for maturities of Company borrowings

50.1.7. INTEREST RATE RISK - SENSTIVITY

Sensitivity analysis below has been determined based on exposure to interest rates for non-derivative instruments at end of reporting period. For floating rate liabilities, analysis is prepared assuming amount of liability outstanding at end of reporting period was outstanding for whole year.

(₹ in Millions)

| | | rofit before ncrease | Impact on profit before tax on decrease | |
|---|--|--|--|--|
| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2018 | As at 31 st March, 2017 |
| Interest Rate - Increase/ Decrease by 50 basis point (50 bps) | 0.44 | 0.47 | 0.44 | 0.47 |

50.2. CREDIT RISK

- (a) Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to Company.
- (b) Company is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, short-term investments, financial guarantees and derivative financial instruments. Credit limits are set based on a counterparty value. Methodology used to set list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out.
- (c) In respect of its investments, Company aims to minimize its financial credit risk through application of risk management policies.
- (d) For financial instruments, Company attempts to limit credit risk by only dealing with reputed banks and financial institutions.
- (e) None of Company's cash equivalents, including time deposits with banks, are past due or impaired.
- (f) Trade receivables are subject to credit limits, controls & approval processes. These terms and conditions are determined on a case to case basis with reference to customer's Credit quality and prevailing market conditions. Credit quality of Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. Due to large geographical base & number of customers, Company is



not exposed to material concentration of credit risk. Based on historical experience, risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances & the historical experience of Company. Solvency of customers and their ability to repay receivable is considered in assessing receivables for impairment. Where receivables are impaired, Company actively seeks to recover amounts in question and enforce compliance with credit terms.

(g) Company assesses and manages credit risk of Financial Assets based on following categories arrived on basis of assumptions, inputs and factors specific to class of Financial Assets.

A: Low Credit Risk on financial reporting date

B: Moderate Credit Risk

C: High Credit Risk

Company provides for Expected Credit Loss based on following:

| Asset group | Basis of categorisation | Provision for expenses credit loss |
|----------------------|--|------------------------------------|
| Low Credit Risk | Cash and Cash Equivalents, other Bank Balances and other Financial Assets | 12 month expected credit loss |
| | Balances and other Financial Assets | |
| Moderate Credit Risk | Trade Receivables | Life time expected credit loss |
| High Credit Risk | Trade Receivables and other Financial | Life time expected credit loss or |
| | Assets | fully |

(₹ in Millions)

| Credit rating | Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|-------------------------|---|--|--|---|
| A: Low credit risk | Cash and Cash Equivalents, other Bank Balances and other Financial Assets | | 369.71 | 57.68 |
| B: Moderate credit risk | Trade Receivables | 10,205.86 | 8,245.76 | 6,249.62 |
| C: High credit risk | NIL | - | - | - |

A: Low Credit Risk (₹ in Millions)

| As at 31st March, 2018 | | | | | |
|--|-------------------|--------------------|------------|---|--|
| Particulars | Note reference | Carrying Amount | Impairment | Carrying Amount net of Impairment Provision | |
| Cash and Cash Equivalents | 12 | 594.50 | - | 594.50 | |
| Bank Balances other than Cash and Cash equivalents | 13 | 168.78 | - | 168.78 | |
| Other Financial Assets | 8 | 2.60 | - | 2.60 | |

| As at 31st March, 2017 | | | | | |
|--|----------------|--------------------|------------|---|--|
| Particulars | Note reference | Carrying Amount | Impairment | Carrying Amount net of Impairment Provision | |
| Cash and Cash Equivalents | 12 | 321.03 | • | 321.03 | |
| Bank Balances other than Cash and Cash equivalents | 13 | 12.06 | - | 12.06 | |
| Other Financial Assets | 8 | 36.62 | - | 36.62 | |

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(₹ in Millions)

| As at 1st April, 2016 | | | | | | |
|--|----------------|--------------------|------------|---|--|--|
| Particulars | Note reference | Carrying Amount | Impairment | Carrying Amount net of Impairment Provision | | |
| Cash and Cash Equivalents | 12 | 23.04 | - | 23.04 | | |
| Bank Balances other than Cash and Cash equivalents | 13 | 16.03 | - | 16.03 | | |
| Other Financial Assets | 8 | 18.61 | - | 18.61 | | |

B: Moderate Credit Risk

(₹ in Millions)

| As at 31st March, 2018 | | | | | | | |
|---|-------------------|-------------------|-----------------------------|--------------------------|---------------------|-----------|--|
| Ageing | Note reference | Upto 1 year | Between 1 and 2 years | Between 2 and 3 years | Above 3 years | Total | |
| Gross Carrying Amount (Considered Good) | | 9,582.50 | 692.42 | 37.57 | 55.27 | 10,367.76 | |
| Expected Credit Losses (Loss Allowance Provision) | 11 | - | 155.92 | 1.34 | 4.64 | 161.90 | |
| Carrying Amount of Trade Receivables (Net of Impairment) | | 9,582.50 | 536.50 | 36.23 | 50.63 | 10,205.86 | |

(₹ in Millions)

| As at 31st March, 2017 | | | | | | | |
|---|-------------------|-------------------|-----------------------------|--------------------------|---------------------|----------|--|
| Ageing | Note reference | Upto 1 year | Between 1 and 2 years | Between 2 and 3 years | Above 3 years | Total | |
| Gross Carrying Amount (Considered Good) | | 7,728.25 | 409.89 | 160.03 | 105.40 | 8,403.57 | |
| Expected Credit Losses (Loss Allowance Provision) | 11 | | 90.12 | 39.98 | 27.71 | 157.81 | |
| Carrying Amount of Trade Receivables (Net of Impairment) | | 7,728.25 | 319.77 | 120.05 | 77.69 | 8,245.76 | |

| As at 1 st April, 2016 | | | | | | | |
|---|-------------------|-------------------|-----------------------------|--------------------------|---------------------|----------|--|
| Ageing | Note reference | Upto 1 year | Between 1 and 2 years | Between 2 and 3 years | Above 3 years | Total | |
| Gross Carrying Amount (Considered Good) | | 5,925.21 | 218.49 | 123.18 | 96.61 | 6,363.49 | |
| Expected Credit Losses (Loss Allowance Provision) | 11 | 1 | 40.43 | 37.19 | 36.25 | 113.87 | |
| Carrying Amount of Trade Receivables (Net of Impairment) | | 5,925.21 | 178.06 | 85.99 | 60.36 | 6,249.62 | |



Reconciliation of Loss Provision - Trade Receivables

(₹ in Millions)

| Reconciliation of Loss Allowance | Loss allowance |
|--|----------------|
| Impairment Loss allowance as on 1st April, 2016 | 113.87 |
| Impairment Loss Recognised as on | 43.94 |
| Reversal | |
| Impairment Loss allowance as on 31st March, 2017 | 157.81 |
| Impairment Loss Recognised | 4.09 |
| Reversal | |
| Loss Allowance as on 31st March, 2018 | 161.90 |

C: High Credit Risk Nil:

- (a) Liquidity risk is the risk that Company will face in meeting its obligations associated with its financial liabilities. Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.
- (b) Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2018 and 31st March, 2017.
- (c) Cash flow from operating activities provides funds to service financial liabilities on a day-to-day basis.
- (d) Company regularly monitors rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated is used for working capital management.
- **(e)** Following table analyse Company's financial liabilities into relevent maturity grouping based on their contractual maturity for all non derivative financial liabilities.

(₹ in Millions)

| As at 31st March, 2018 | | | | | | |
|--|-----------------|-----------------------|----------------------|----------|--|--|
| Non-derivative liabilities | Carrying amount | Payable within 1 year | More than 1 years | Total | | |
| Trade payables (including acceptances) | 6,272.00 | 6,272.00 | - | 6,272.00 | | |
| Borrowings | 7,498.31 | 6,041.69 | 1,456.62 | 7,498.31 | | |
| Unpaid dividend | 1.49 | 1.49 | - | 1.49 | | |
| Other current financial liabilities | 939.86 | 939.86 | - | 939.86 | | |

| As at 31st March, 2017 | | | | | | |
|--|--------------------|--------------------------|----------------------|----------|--|--|
| Non-derivative liabilities | Carrying amount | Payable within 1 year | More than 1 years | Total | | |
| Trade payables (including acceptances) | 4,805.22 | 4,805.22 | 1 | 4,805.22 | | |
| Borrowings | 6,923.02 | 6,159.51 | 763.51 | 6,923.02 | | |
| Unpaid dividend | 1.28 | 1.28 | - | 1.28 | | |
| Other current financial liabilities | 1,231.31 | 1,231.31 | - | 1,231.31 | | |

(₹ in Millions)

| As at 1st April, 2016 | | | | | | | |
|--|-----------------|--------------------------|----------------------|----------|--|--|--|
| Non-derivative liabilities | Carrying amount | Payable within 1 year | More than 1 years | Total | | | |
| Trade payables (including acceptances) | 4,321.66 | 4,321.66 | - | 4,321.66 | | | |
| Borrowings | 4,814.11 | 3,179.54 | 1,634.57 | 4,814.11 | | | |
| Unpaid dividend | 1.21 | 1.21 | - | 1.21 | | | |
| Other current financial liabilities | 835.33 | 835.33 | - | 835.33 | | | |

50.3. CURRENT & LIQUID RATIO

Following table shows ratio analysis of Company for respective periods

| Period | CURRENT RATIO | LIQUID RATIO |
|------------------|---------------|--------------|
| 31st March, 2018 | 1.24 | 0.85 |
| 31st March, 2017 | 1.12 | 0.74 |
| 1st April, 2016 | 1.19 | 0.75 |

Company has hypothecated all of its Plant & Machinery, Factory Building, Trade Receivables and Cash & Cash Equivalents in order to fulfill collateral requirements for financial facilities in place. The counterparties have an obligation to return the securities to Company.

Under terms of major borrowings facilities, Company is required to comply with certain financial covenants and Company has complied with those covenants throughout the reporting period.

51. Capital Management:

51.1 RISK MANAGEMENT

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of Company's capital. Management monitors capital structure and net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short term investments.

51.2 DIVIDENDS

| Particulars | 31st March, 2018 | 31st March, 2017 | 31st March, 2016 |
|---|------------------|------------------|------------------|
| Total number Equity shares outstanding | 78,361,438 | 77,797,438 | 77,237,438 |
| Interim dividend for the year | - | - | - |
| Final dividend for the year (not recognised at 31 st March,2018) - Subject to approval of Shareholders in ensuing Annual General Meeting. | 78.36 | 46.68 | 38.62 |



52. Reconciliation of Balance Sheet As at 1st April, 2016 (At the date of Transition):

| Par | ticulars | Previous (GAAP) | Adjustments | (< in Millions) |
|-----|---|-----------------|-----------------|-----------------|
| I. | ASSETS | Tievious (GAAI) | Adjustificities | IND AS |
| 1. | Non-Current Assets | | | |
| • | (a) Property, Plant and equipment | 3,262.20 | _ | 3,262.20 |
| | (b) Capital Work -in- Progress | 293.36 | _ | 293.36 |
| | (c) Other Intangible assets | 17.17 | _ | 17.17 |
| | (d) Financial Assets | _ | | |
| | (i) Investments | 31.12 | (10.62) | 20.50 |
| | (ii) Loans | 31.86 | (3.22) | 28.64 |
| | (iii) other | 18.61 | (3.22) | 18.61 |
| | (e) Other Non-Current Assets | 190.35 | 2.33 | 192.68 |
| | (e) Other Non-Current Assets | 3,844.67 | (11.51) | 3,833.16 |
| 2 | Current Assets | 3,044.07 | (11.51) | 5,055.10 |
| _ | (a) Inventories | 4,224.68 | _ | 4,224.68 |
| | (b) Financial Assets | 7,224.00 | | 1,224.50 |
| | (i) Trade Receivables | 5,673.91 | 575.71 | 6,249.62 |
| | (ii) Cash and cash equivalents | 26.12 | (3.08) | 23.04 |
| | (iii) Bank Balances other than (ii) above | 12.95 | 3.08 | 16.03 |
| | (iv) Loans | 9.96 | 0.17 | 10.13 |
| | (c) Other Current Assets | 837.00 | 0.17 | 837.00 |
| | (c) Other Current Assets | 10,784.62 | 575.88 | 11,360.50 |
| | Total Assets | 14,629.29 | 564.37 | 15,193.66 |
| II. | EQUITY AND LIABILITIES | 14,027.27 | 304.37 | 13,173.00 |
| 1 | Equity | | | |
| - | (a) Equity Share Capital | 154.47 | _ | 154.47 |
| | (b) Other Equity | 3,511.76 | (36.66) | 3,475.10 |
| | (b) Strict Equity | 3,666.23 | (36.66) | 3,629.57 |
| 2 | Liabilties | 5,000.25 | (50.00) | 5,027.57 |
| (i) | Non-Current Liabilities | | | |
| (-) | (a) Financial Liabilities | | | |
| | (i) Borrowing | 1,881.49 | (246.92) | 1,634.57 |
| | (b) Provisions | 40.02 | (2 10.72) | 40.02 |
| | (c) Deferred Tax Liability (Net) | 362.44 | (42.94) | 319.50 |
| | (c) Beleffed tax Elability (1100) | 2,283.95 | (289.86) | 1,994.09 |
| 3 | Current Liabilities | 2,200.70 | (207.00) | .,,,,, |
| | (a) Financial Liabilities | | | |
| | (i) Borrowing | 2,489.95 | 689.59 | 3,179.54 |
| | (ii) Trade Payables | 4,321.66 | - | 4,321.66 |
| | (iii) Other Financial Liabilities | 619.87 | 216.67 | 836.54 |
| | (b) Other Current Liabilities | 1,136.85 | 2.0.07 | 1,136.85 |
| | (c) Provisions | 79.05 | (15.37) | 63.68 |
| | (d) Current Tax Liability (Net) | 31.73 | (13.57) | 31.73 |
| | | 8,679.11 | 890.89 | 9,570.00 |
| | Total Equity and Laibilties | 14,629.29 | 564.37 | 15,193.66 |
| | Total Equity and Earbities | 14,027.27 | 304.37 | 13,173.00 |

Reconciliation of Balance Sheet as at 31st March, 2017

| _ | | B . (2445) | A 10 . | (< in Millions) |
|-------|---|-----------------|--------------------|-----------------|
| Parti | culars | Previous (GAAP) | Adjustments | IND AS |
| | ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Property, Plant and Equipment | 4,026.87 | (2.12) | 4,024.75 |
| | (b) Capital Work -in- Progress | 31.54 | - | 31.54 |
| | (c) Other Intangible assets | 27.26 | - | 27.26 |
| | (d) Financial Assets | - | - | - |
| | (i) Investments | 31.12 | (3.84) | 27.28 |
| | (ii) Loans | 35.68 | (2.58) | 33.10 |
| | (iii) Other | 36.62 | - | 36.62 |
| | (e) Other Non-Current Assets | 11.98 | 2.01 | 13.99 |
| | | 4,201.07 | (6.53) | 4,194.54 |
| 2 | Current Assets | | | |
| | (a) Inventories | 4,989.24 | - | 4,989.24 |
| | (b) Financial Assets | - | - | - |
| | (i) Trade Receivables | 7,392.37 | 853.39 | 8,245.76 |
| | (ii) Cash and cash equivalents | 324.21 | (3.18) | 321.03 |
| | (iii) Bank Balances other than (ii) above | 8.88 | 3.18 | 12.06 |
| | (iv) Loans | 10.60 | (0.50) | 10.10 |
| | (c) Other Current Assets | 1,183.41 | - | 1,183.41 |
| | | 13,908.71 | 852.89 | 14,761.60 |
| | Total Assets | 18,109.78 | 846.36 | 18,956.14 |
| II. | EQUITY AND LIABILITIES | | | • |
| 1 | Equity | | | |
| | (a) Equity Share Capital | 155.59 | - | 155.59 |
| | (b) Other Equity | 4,578.96 | (125.42) | 4,453.54 |
| | | 4,734.55 | (125.42) | 4,609.13 |
| 2 | Liabilties | | , , | • |
| (i) | Non-Current Liabilities | | | |
| • • • | (a) Financial Liabilities | | | |
| | (i) Borrowing | 1,641.28 | (877.77) | 763.51 |
| | (b) Provisions | 50.63 | - | 50.63 |
| | (c) Deferred Tax Liability (Net) | 427.20 | (74.02) | 353.18 |
| | | 2,119.11 | (951.79) | 1,167.32 |
| (ii) | Current Liabilities | | (1011117) | |
| () | (a) Financial Liabilities | | | |
| | (i) Borrowing | 4,898.30 | 1,261.21 | 6,159.51 |
| | (ii) Trade Payables | 4,805.22 | | 4,805.22 |
| | (iii) Other Financial Liabilities | 618.56 | 614.03 | 1,232.59 |
| | (b) Other Current Liabilities | 881.38 | - | 881.38 |
| | (c) Provisions | 38.53 | 48.33 | 86.86 |
| | (d) Current Tax Liability (Net) | 14.13 | _ | 14.13 |
| | (1) January (1400) | 11,256.12 | 1,923.57 | 13,179.69 |
| | Total Equity and Laibilties | 18,109.78 | 846.36 | 18,956.14 |
| | i otal Equity and Earbildes | 10,107.70 | 5-10.50 | .0,,50.17 |



Reconciliation of Profit or Loss for the year ended 31st March 2017

| Doublast | | Dravious (CAAD) | A d: | IND AC |
|-----------|---|-----------------|-------------|-----------|
| Particula | | Previous (GAAP) | Adjustments | IND AS |
| | Revenue : | | | |
| l. | Revenue from operations | 28,356.45 | (32.20) | 28,324.25 |
| II. | Other income | 99.63 | 1.04 | 100.67 |
| III. | Total Income (I + II) | 28,456.08 | (31.16) | 28,424.92 |
| IV. | Expenses: | | | |
| | Cost of material consumed | 18,686.70 | - | 18,686.70 |
| | Purchase of stock in trade | 15.96 | - | 15.96 |
| | Change in Inventories | (426.75) | - | (426.75) |
| | Employee benefits expenses | 1,109.49 | 7.78 | 1,117.27 |
| | Finance costs | 1,229.24 | 15.01 | 1,244.25 |
| | Depreciation, amortization and impairment | 280.44 | 3.60 | 284.04 |
| | Sub-Contractor Expenses for Turnkey Projects | 579.29 | - | 579.29 |
| | Excise Duty | 2,039.69 | - | 2,039.69 |
| | Other Expenses | 3,604.29 | 17.67 | 3,621.96 |
| | Total Expenses (IV) | 27,118.35 | 44.06 | 27,162.41 |
| V. | Profit/loss Before exceptional items and Tax (I - IV) | 1,337.73 | (75.22) | 1,262.51 |
| VI. | Exceptional items | - | - | - |
| VII. | Profit/(Loss) before tax (V - VI) | 1,337.73 | (75.22) | 1,262.51 |
| VIII. | Tax expense: | | | |
| | (1) Current tax | | | |
| | - For the year | 376.62 | - | 376.62 |
| | - For earlier years (net) | 0.17 | - | 0.17 |
| | (2) Deferred tax (net) | 64.77 | (27.15) | 37.62 |
| | (3) Mat Credit Entitelment | (90.18) | - | (90.18) |
| | Total Tax Expense (VIII) | 351.38 | (27.15) | 324.23 |
| IX | Profit Before Tax | 986.35 | (48.07) | 938.28 |
| Χ | Other Comprehensive Income | - | (0.67) | (0.67) |
| | A. (i) Items that will not be reclassified to profit and loss | - | (4.61) | (4.61) |
| | (ii) Income Tax relating to items that will not be reclassified to profit and loss | - | 3.94 | 3.94 |
| | B. (i) Items that will be reclassified to profit and loss | | | |
| | (ii) Income Tax relating to items that will be reclassified to profit and loss | | | |
| ΧI | Total Comprehensive Income for the period (IX+X) (Comprehensive profit and other comprehensive income for the period) | 986.35 | (48.74) | 937.61 |

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile Equity, Total Comprehensive Income and Cash Flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016

| | | (< in Millions) |
|---|------------------------------|---|
| Particulars | As at 31st March, 2017 | As at 1 st April, 2016 |
| Total Equity (Shareholder's Funds) as per Previous GAAP | 4,734.55 | 3,666.23 |
| Adjustments: | | |
| Amortised Cost | | |
| Term Loan | 13.75 | 30.24 |
| Security Deposits | (0.33) | (0.25) |
| Loans to staff and workers | (0.74) | (0.47) |
| Impairment Allowance | | |
| Trade Receivables : | (157.81) | (113.87) |
| Other Adjustments for : | | |
| Provision made for Warranty | (17.81) | (12.40) |
| Additional liability towards gratuity | (30.52) | (18.71) |
| Amortisation of Leasehold Land | (3.57) | - |
| Capitalisation of Interest towards borrowing cost | 1.48 | - |
| Additional Depreciation on assets | (0.02) | - |
| Remeasurement of defined benefit obligation to OCI | 21.70 | 10.33 |
| Adjustment for : | - | 38.62 |
| Proposed Dividend | - | 7.86 |
| Tax on Proposed Dividend | | |
| Tax Impact on Above Adjustments | 66.49 | 39.36 |
| Total Adjustments in Reserve and Surplus | 4,627.17 | 3,646.94 |
| Other Comprehensive Income | | |
| Remeasurement of defined benefit obligation to OCI (Net of Tax) | (14.19) | (17.37) |
| Fair value of Investment through OCI | (3.85) | |
| Total Adjustments in OCI | (18.04) | (17.37) |
| Total Equity as per Ind AS | 4,609.13 | 3,629.57 |



Reconciliation of Total Comprehensive Income for the year ended on 31st March, 2017

(₹ in Millions)

| Particulars | | e year ended March, 2017 |
|--|---------|-----------------------------|
| Profit After Tax as per previous GAAP | | 986.35 |
| Adjustments: | | |
| Amortised Cost | | |
| Term Loan | (16.49) | |
| Security Deposits | (80.0) | |
| Loans to staff and workers | (0.27) | (16.84) |
| Impairment Allowance | | |
| Trade Receivables | (43.94) | (43.94) |
| Other Adjustments for : | | |
| Provision made for Warranty | (5.41) | |
| Additional liability towards gratuity | (11.81) | |
| Amortisation of Leasehold Land | (3.57) | |
| Share based payment Expenses | (6.47) | |
| Capitalisation of Interest towards borrowing cost | 1.48 | |
| Additional Depreciation on assets | (0.02) | |
| Remeasurement of defined benefit obligation to OCI | 11.37 | (14.43) |
| Tax Impact on Above Adjustments | | |
| Total Adjustments in Profit and Loss | | |
| Other Comprehensive Income | | 27.14 |
| Item not to be reclassified to P&L | | 938.28 |
| Remeasurement of defined benefit obligation to OCI | (11.37) | |
| Fair value of Investment through OCI | 6.76 | |
| Tax Impact on Above Adjustments | 3.94 | (0.67) |
| Total Adjustments in OCI | | |
| Total Comprehensive Income for the year ended 31st March, 2017 | | 937.61 |

Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended on $31^{\rm st}$ March, 2017

| Particulars | Previous GAAP | Adjustments | Ind AS |
|---|------------------|-------------|------------|
| Net Cash from from Operating activities | 38.23 | (326.72) | (288.49) |
| Net Cash flow from Investing activities | (631.00) | 3.62 | (627.38) |
| Net Cash flow from Financing activities | 1,963.44 | 323.10 | 2,286.54 |
| Net increase/ (decrease) in Cash and Cash Equivalents | 1,370.67 | - | 1,370.67 |
| Cash and Cash Equivalents as at 1st April, 2016 | (1,639.24) | - | (1,639.24) |
| Cash and Cash Equivalents as at 31st March, 2017 | (268.57) | - | (268.57) |

53.

53.1 FIRST TIME ADOPTION OF IND AS

Company has adopted Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs with effect from 1st April, 2017, with transition date of 1st April, 2016. These financial statements for year ended 31st March, 2018 are the first financial statements Company has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2017, Company prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of Companies (Accounts) Rules, 2014 ('Previous GAAP').

Adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with comparative information as at and for year ended 31st March, 2017 and opening Ind AS Balance Sheet as at 1st April, 2016 date of transition to Ind AS.

In preparing these Ind AS financial statements, Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between carrying values of assets and liabilities in financial statements as at transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

This note explains adjustments made by Company in restating its financial statements prepared under previous GAAP, including Balance Sheet as at 1st April, 2016 and financial statements as at and for year ended 31st March, 2017.

53.1.1 OPTIONAL EXEMPTIONS FROM RETROSPECTIVE APPLICATION

Ind AS 101 permits first-time adopter's certain exemptions from retrospective application of certain requirements under Ind AS. Company has elected to apply following optional exemptions from retrospective application:

A. DEEMED COST FOR PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

On transition to Ind AS, Company has elected to continue with carrying value of all of its Property, Plant and Equipment and Other Intangible Assets recognised as at 1st April, 2016 measured as per the Previous GAAP and use that carrying value as deemed cost of Property, Plant and Equipment and Intangible Assets.

B. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

Company has elected to measure its investments in subsidiary and joint venture at the Previous GAAP carrying amount as its deemed cost on date of transition to Ind AS.

C. LEASES

Appendix C to Ind AS 17-"Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at inception of contract or arrangement. Ind AS 101 provides an option to make this assessment on basis of facts and circumstances existing at date of transition to Ind AS except where effect is expected to be not material. Company has elected to apply this exemption for such contracts/arrangements.

D. LONG-TERM FOREIGN CURRENCY MONETARY ITEMS

Company has elected to continue its Previous GAAP policy (Paragraph 46A of AS 11 under Previous GAAP) for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in financial statements for period ending immediately before beginning of first Ind AS financial reporting period.



53.1.2 MANDATORY EXCEPTIONS FROM RETROSPECTIVE APPLICATION

Company has applied following exceptions to retrospective application of Ind AS as mandatorily required under Ind AS 101:

A. ESTIMATES

On assessment of estimates made under Previous GAAP financial statements, Company has concluded that there is no necessity to revise estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by Company for relevant reporting dates reflecting conditions existing as at that date.

B. CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Ind AS 101 requires an entity to assess classification and measurement of financial assets on basis of facts and circumstances that exist on date of transition to Ind AS. Accordingly, Company has applied above requirement prospectively. Classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on basis of facts and circumstances that existed on date of transition to Ind AS.

C. DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Ind AS 101 requires a first time adopter to apply derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS. Accordingly, Company has applied derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

D. IMPAIRMENT OF FINANCIAL ASSETS

Ind AS 101 requires an entity to assess and determine impairment allowance on financial assets as per Ind AS 109 using reasonable and supportable information that is available without undue cost or effort to determine credit risk at the date that financial instruments which were initially recognised and compare that to credit risk at date of transition to Ind AS. Company has applied this exception prospectively.

53.1.3 TRANSITION TO IND AS - RECONCILIATIONS

Ind AS 101 requires that an entity should explain how transition from previous GAAP to Ind AS affected its reported balance sheet, financial performance and cash flows, accordingly Company has prepared:

- i. Reconciliation of Equity as at 1st April, 2016 (refer Note no. 52).
- ii. Reconciliation of Equity as at 31st March, 2017 (refer Note no. 52).
- iii. Reconciliation of Statement of Profit and Loss for year ended 31st March, 2017 (refer Note no. 52).
- iv. Adjustments to Statement of Cash Flows for year ended 31st March, 2017 (refer Note 52).

53.1.4 NOTES TO RECONCILIATION OF BALANCE SHEET AS AT 1st APRIL, 2016 AND 31st MARCH, 2017 AND TOTAL COMPREHENSIVE INCOME FOR YEAR ENDED 31st MARCH, 2017. (refer note no. 52)

A. AMORTIZATION OF LEASE HOLD LAND

Under previous GAAP, long-term leasehold land is recognised at transaction value and annual lease rentals are recognised as expense on time period basis. Under Ind AS, long-term leasehold land are assessed as being finance or operating lease and accordingly accounted.

Company has recognised lease hold land appearing in Property Plant & Equipments under finance lease model and accordingly amortisation of leasehold land is recorded for remaining life of leasehold land considering deemed cost exemption on transition date. As

a result of this change, Profit for year ended 31st March, 2017 decreased by ₹ 3.57 Millions Consequently, total Equity decreased by ₹ 3.57 Millions as at 31st March, 2017 (1st April, 2016 NIL).

B. FAIR VALUE OF INVESTMENTS

Under previous GAAP, investments in Equity Instruments and Mutual Funds were classified as long-term investments or current investments based on intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at date of transition and subsequently in Profit & Loss for year ended 31st March, 2017.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI - Equity Investment Reserve as at date of transition and subsequently in other Comprehensive Income (OCI) for year ended 31st March, 2017. This decreased other reserves by ₹ 3.85 Millions as at 31st March, 2017 (1st April, 2016 - decreased ₹ 10.62 Millions).

C. TRADE RECEIVABLES

Under previous GAAP, Company has created provision for Trade Receivables in respect of specific amounts based on management estimate of recoverability. Under Ind AS, impairment allowance has been determined based on Life time Expected Credit Loss model (ECL) for Trade Receivables. As a result of this change, Profit for year ended 31st March, 2017 decreased by ₹ 43.94 Millions. Consequently, total equity decreased by ₹ 157.81 Millions as at 31st March, 2017 (1st April, 2016 ₹ 113.87 Millions).

D. BORROWINGS

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to profit or loss as and when incurred. Ind AS 109 requires these transaction costs to be deducted from carrying amount of borrowings on initial recognition. These costs are recognised in profit or loss over tenure of borrowing as part of interest expense by applying effective interest rate method.

Accordingly, borrowings as at 31st March, 2017 have been reduced by ₹ 13.75 Millions. (1st April, 2016 ₹ 30.24 Millions) with a corresponding adjustment to retained earnings. Total equity increased by an equivalent amount. Profit for year ended 31st March, 2017 reduced by ₹ 16.49 Millions as a result of additional interest expense.

E. BORROWING COST & INCREASE IN VALUE OF PPE & DEPRECIATION

Under previous GAAP, Borrowing costs include interest and commitment charges on bank borrowings and other short-term and long-term borrowings. Ind AS 23 requires interest expense to be calculated using effective interest method as described in Ind AS 109, Financial Instruments.

Accordingly, borrowing cost and subsequently Property Plant & Equipment (PPE) capitalised as at 31st March, 2017 have been increased by ₹1.48 Millions (1st April, 2016: NIL). Profit for year ended 31st March, 2017 reduced by ₹ 0.02 Millions as a result of additional depreciation expense.

F. BANK OVERDRAFTS & DE-RECOGNITION OF TRADE RECEIVABLES

As per Ind AS 109, Trade Debtors are derecognized only if significant control and risk are transferred. In case of factoring of debtors on 'Recourse' Debtors on account of Bill Discounting, Channel Financing & LC with Recourse added to gross Debtors, with corresponding impact on increase in short term borrowings.



Accordingly, Company has re-recognised Debtors which were de-recognised earlier on account of Bill Discounting & Channel Financing as at 31st March, 2017 have been increased by ₹ 1011.21 Millions (1st April, 2016 ₹ 689.59 Million) with corresponding impact on short term borrowings from banks. There is no impact on total equity and profit as at 1st April, 2016 & 31st March, 2017.

G. WARRANTY PROVISION

As per Ind AS - 37, Company has recognised a provision for expected cost to be incurred on completed and ongoing Turnkey Projects and Sale of Cable during effective defect liability period. Consequently, Profit for year ended 31st March, 2017 decreased by ₹ 5.41 Millions and total equity decreased by ₹ 17.81 Millions as at 31st March, 2017 (1st April, 2016 ₹ 12.40 Millions).

H. DEFERRED TAX

Previous GAAP requires deferred tax accounting using income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach, which focuses on temporary differences between carrying amount of an asset or liability in balance sheet and its tax base. Application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

I. PROPOSED DIVIDEND

Under previous GAAP, Dividends proposed by Board of Directors after balance sheet date but before approval of financial Statements were considered as adjusting events. Accordingly, provision for Proposed Dividend was recognised as a liability till 31st March, 2016.

Under Ind AS, such Dividends are recognised when the same is approved by shareholders in the general meeting. Accordingly, liability for Proposed Dividend and Dividend Distribution Tax has been reversed with corresponding adjustment to Retained Earnings. As a result of this change, total equity increased by ₹ 46.48 Millions as at 1st April, 2016. There was no impact as at 31st March, 2017.

J. EXCISE DUTY

Under previous GAAP, Revenue from sale of products was presented exclusive of Excise Duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for year ended 31st March, 2017 by ₹ 1661.10 Millions. There is no impact on total equity and profit as at 31st March, 2017 & 1st April, 2016.

K. CASH & TRADE DISCOUNT

Under previous GAAP, Cash & Trade discount was presented under other expenses. Under Ind AS revenue from sales of goods is recognised at fair value of consideration expected to be received. Accordingly, Cash & Trade Discount given by Company to Buyers have been re-measured. This change has resulted in decrease in total revenue and total expense for year ended 31st March, 2017 by ₹ 130.44 Million. There is no impact on total equity and profit as at 31st March, 2017 & 1st April, 2016.

L. FREIGHT INCOME & FREIGHT CHARGES

As per Ind AS 18, Revenue includes gross inflows of economic benefits received and receivable by entity on its own account. Accordingly, Freight charged by Company on invoices has been re-measured as part of Revenue. This change has resulted in increase in total revenue and total expense for year ended 31st March, 2017 by ₹ 98.24 Million. There is no impact on total equity and profit as at 31st March, 2017 & 1st April, 2016.

M. RE-MEASUREMENT OF DEFINED BENEFIT OBLIGATION

Both under previous GAAP and Ind AS, Company recognised costs related to its post employment defined benefit plan on an actuarial basis. Under previous GAAP, entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurementsi.e. actuarial gains and losses and return on plan assets, excluding amounts included in net interest expense on net defined benefit liability are recognised in balance sheet through other comprehensive income. Thus, employee benefits expense is reduced by ₹ 11.37 Million and is recognised in other comprehensive income during year ended 31st March, 2017. Related tax expense of ₹ 3.94 Million has also been reclassified from Profit and loss account to other comprehensive income. There is no impact on total equity as at 31st March, 2017 & 1st April, 2016.

N. SHARE BASED PAYMENTS

Under Previous GAAP, Company recognised only intrinsic value for long-term incentive plan as an expense. Ind AS requires fair value of share options to be determined using an appropriate pricing model recognised over vesting period. An additional expense of ₹ 6.47 Millions has been recognised in profit or loss for year ended 31st March, 2017. There is no impact on total equity as at 31st March, 2017 & 1st April, 2016.

O. SECURITY DEPOSITS

Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, Company has fair valued these security deposits under Ind AS.

Difference between fair value and transaction value of security deposit has been recognised as prepaid rent. Consequent to this change, amount of Security Deposits decreased and proportionate decrease in prepaid rent by ₹ 2.01 Million as at 31st March, 2017 (1st April, 2016 ₹ 2.33 Million). Total profit for the year 31st March, 2017 decreased by ₹ 0.08 Millions and Total equity as at 31st March, 2017 decreased by ₹ 0.33 Millions (₹ 0.25 Millions as on 1st April, 2016) due to amortisation of prepaid rent of which is partially off-set by notional interest income recognised on security deposits.

P. LOAN & ADVANCES TO EMPLOYEES

Under previous GAAP, interest-free loan and advances given to employees and workers are reported at their transaction values. Under Ind AS, interest-free loan and advances are measured at fair value on initial recognition and at amortised cost on subsequent recognition. Difference between transaction value and fair value of loan and advances at initial recognition is treated as employee benefit expenses.

Difference between fair value and transaction value of loan and advances has been recognised as employee benefit expenses. Consequent to this change, amount of loan and advances decreased by ₹ 0.74 Million as at 31st March, 2017 (1st April, 2016 ₹ 0.47 Million). Total Profit for the year 31st March, 2017 decreased by ₹ 0.27 Million and Total equity as at 31st March, 2017 decreased by ₹ 0.74 Million (₹ 0.47 Millions as on 1st April, 2016) due to increase in employee benefits expenses which is partially off-set by notional interest income recognised on loan and advances.

Q. RETAINED EARNINGS

Retained earnings as at 1st April, 2016 has been adjusted consequent to above Ind AS transition adjustments.

R. OTHER COMPREHENSIVE INCOME

Under previous GAAP, Company had not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.



54. Events After Balance Sheet Date:

Board of Directors have Proposed Dividend \ref{thmu} 1.00 per share on face value of \ref{thmu} 2.00 per share (previous year \ref{thmu} 0.60 per share on face value of \ref{thmu} 2.00 per share). If approved by Members of the Company in ensuing Annual General Meeting of the Company the total out flow of cash will be \ref{thmu} 94.47 millions Including Dividend Distribution Tax.

55. Previous Year's figures have been regrouped / rearranged wherever necessary.

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C (ANIL GUPTA)

Chairman-cum-Managing Director DIN: 00006422

(KISHORE KUNAL)

(PAWAN KUMAR AGARWAL)

Partner GM (Corporate) & Company Secretary

M.No. 092345 M.No. FCS-9429

Place of Signing : New Delhi Place of Signing : New Delhi

Date: 17th May, 2018 Date: 17th May, 2018

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

(ADARSH KUMAR JAIN)

Sr. General Manager (Finance)
M.No. 502048

Independent Auditor's Report

TO THE MEMBERS OF KEI INDUSTRIES LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. Wehaveaudited the accompanying Consolidated Ind AS financial statements of KEI INDUSTRIES **LIMITED** (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which includes Group's share of loss in its joint venture, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including Joint venture in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group and of joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its joint venture 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

- 3. Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
- 5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the Consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.



 We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS 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 Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

8(a) We did not audit the financial statements / financial information of a subsidiary, whose financial statements/ financial information reflect total assets of ₹ 174.23 Million as at 31st March, 2018, total revenues of ₹ 981.41 Million and net cash inflows amounting to ₹ 8.12 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 0.15 Million for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture, 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, there is no requirement of audit under local laws in case of subsidiary.

Our opinion on the Consolidated Ind AS financial statements above 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 the financial statements / financial information certified by the Management.

8(b) The comparative financial information of the Group for the year ended 31st March 2017, which includes its share of loss in joint venture and the related transition date opening balance sheet as at 1st April 2016 included in these Consolidated Ind AS financial statements, have been prepared after adjusting the previously issued Consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended 31st March, 2017 and 31st March, 2016 dated 10th May, 2017 and 21st May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

- 9. As required by Section 143(3) of the Act, based on our audit, 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 Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and returns.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes

in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2018 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the Auditor's Reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Parent, for the reasons stated therein.
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Consolidated Ind AS financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group and joint venture- Refer Note No. 44.
 - ii. The Group and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2018.
 - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent during the year ended 31st March, 2018.

For PAWAN SHUBHAM & CO. Chartered Accountants Firm Registration Number: 011573C

CA Pawan Kumar Agarwal
Place of signature: New Delhi Partner
Date: 17th May, 2018 Membership Number:092345

Annexure A to the Independent Auditor's Report

Referred to in paragraph 9(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

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

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of KEI INDUSTRIES LIMITED (hereinafter referred to as "Parent"), as of 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 joint venture (Association of Persons) and subsidiary company which is a company not incorporated in India.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Parent 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 ("the 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 the Parent'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 Companies Act, 2013.



Auditor's Responsibility

- 3. Our responsibility is to express an opinion on the Parent'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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 to the best of our information and according to the explanations given to us, the Parent 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, 2018, 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 PAWAN SHUBHAM & CO. Chartered Accountants Firm Registration Number: 011573C

CA Pawan Kumar Agarwal
Place of signature: New Delhi Partner
Date: 17th May, 2018 Membership Number:092345

Consolidated Balance Sheet As At 31st March, 2018

| Particulars | Note No. | As at 31st March, 2018 (₹ in Millions) | As at 31st March, 2017 (₹ in Millions) | As at 1 st April, 2016 (₹ in Millions) |
|--|-------------|--|--|---|
| ASSETS | | | | |
| Non-Current Assets | | | | |
| (a) Property, Plant and Equipment | 3 | 4,039.50 | 4,024.75 | 3,262.20 |
| (b) Capital Work -in- Progress | 4 | 229.81 | 31.54 | 293.36 |
| (c) Other Intangible Assets | 5 | 30.31 | 27.26 | 17.17 |
| (d) Financial Assets | | | | |
| (i) Investments | 6 | 29.99 | 29.13 | 24.02 |
| (ii) Loans | 7 | 40.67 | 33.10 | 28.64 |
| (iii) Other (e) Other Non-Current Assets | 8 9 | 2.60 118.79 | 36.62 13.99 | 18.61 192.68 |
| (e) Other Non-Current Assets | 7 | 4,491.67 | 4,196.39 | 3,836.68 |
| Current Assets | | 7,771.07 | 4,170.57 | 3,030.00 |
| (a) Inventories | 10 | 5,555.88 | 4,989.24 | 4,224.68 |
| (b) Financial Assets | | | | |
| (i) Trade Receivables | 11 | 10,228.40 | 8,245.76 | 6,249.62 |
| (ii) Cash and Cash Equivalents | 12 | 602.83 | 321.32 | 23.05 |
| (iii) Bank Balances Other Than (ii) Above | 13 14 | 168.78 | 12.06 10.10 | 16.03 10.13 |
| (iv) Loans (c) Other Current Assets | 15 | 13.89 1,137.55 | 1,183.12 | 837.00 |
| (c) Other Current Assets | 13 | 17,707.33 | 14,761.60 | 11,360.51 |
| TOTAL | | 22,199.00 | 18,957.99 | 15,197.19 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share Capital | 16 | 156.72 | 155.59 | 154.47 |
| (b) Other Equity | 17 | 5,890.23 6,046.95 | 4,455.19 4,610.78 | 3,478.57 3,633.04 |
| Liabilities | | 0,040.75 | 4,010.70 | 3,033.04 |
| Non-Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 18 | 1,456.62 | 763.51 | 1,634.57 |
| (b) Provisions | 19 | 67.21 | 50.63 | 40.02 |
| (c) Deferred Tax Liability (Net) | 20 | 397.20 | 353.18 | 319.50 |
| Current Liabilities | | 1,921.03 | 1,167.32 | 1,994.09 |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 21 | 6,041.69 | 6,159.51 | 3,179.54 |
| (ii) Trade Payables | 22 | 6,284.66 | 4,805.42 | 4,321.72 |
| (iii) Other Financial Liabilities | 23 | 941.35 | 1,232.59 | 836.54 |
| (b) Other Current Liabilities | 24 | 817.60 | 881.38 | 1,136.85 |
| (c) Provisions | 25 | 111.29 | 86.86 | 63.68 |
| (d) Current Tax Liability (Net) | 26 | 34.43 | 14.13 | 31.73 |
| TOTAL | | 14,231.02 22,199.00 | 13,179.89 18,957.99 | 9,570.06 15,197.19 |
| Significant Accounting Policies And Notes on | 1 to 57 | 22,177.00 | 10,737.77 | 13,177.17 |
| Financial Statements | 1 10 37 | | | |

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

(ANIL GUPTA)

Chairman-cum-Managing Director DIN: 00006422

(PAWAN KUMAR AGARWAL)

Partner

M.No. 092345

Place of Signing : New Delhi Date: 17th May, 2018

(KISHORE KUNAL) GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi Date: 17th May, 2018

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

(ADARSH KUMAR JAIN)

Sr. General Manager (Finance) M.No. 502048



Consolidated Statement of Profit & Loss For The Year Ended 31st March, 2018

| | | Year | r Ended | Year | r Ended |
|--|---------------|----------------|--|-----------------|---------------------------------------|
| Particulars | Note | | rch, 2018 | | arch, 2017 |
| i di dicalalo | No. | | Millions) | | Millions) |
| Revenue | | (< 111 | | (< 111 | i i i i i i i i i i i i i i i i i i i |
| Revenue from Operations (Gross) | 27 | | 35,031.19 | | 28,324.25 |
| Other Income | 28 | | 92.99 | | 100.67 |
| Total Income | 20 | | 35,124.18 | | 28,424.92 |
| Expenses | | | 35,124.10 | | 20,727.72 |
| Cost of Materials Consumed | 29 | | 24,422.77 | | 18,686.70 |
| Purchases of Stock in Trade | 30 | | 15.12 | | 15.96 |
| Changes in inventory of Finished goods, Work-in-progress | 31 | | (326.19) | | (426.75) |
| and Stock-in-trade | | | , | | (|
| Employee Benefits Expense | 32 | | 1,467,92 | | 1,117.27 |
| Finance Costs | 33 | | 1,118.69 | | 1,244.25 |
| Depreciation and Amortisation Expense | 34 | | 322.30 | | 284.04 |
| Sub Contractor Expense For Turnkey Projects | 35 | | 1,085.54 | | 579.29 |
| Excise Duty | 36 | | 376.20 | | 2,039.69 |
| Other Expenses | 37 | | 4,596.90 | | 3,622.12 |
| Total Expenses | | | 33,079.25 | | 27,162.57 |
| Profit/ (loss) before share of profit /(loss) of joint venture and tax | | | 2,044.93 | | 1,262.35 |
| Share of profit/ (loss) of joint venture (net of tax) | | | (0.15) | | (1.67) |
| Profit Before Tax | | | 2,044.78 | | 1,260.68 |
| Tax Expense | 38 | | | | |
| Current tax | | 669.27 | | 376.62 | |
| MAT Credit Entitlement | | (121.51) | | (90.18) | |
| Deferred tax | | 49.14 | | 37.62 | |
| Short/(Excess) Provision Earlier Years | | 0.06 | 596.96 | 0.17 | 324.23 |
| Profit for the Year | 20 | | 1,447.82 | | 936.45 |
| Other Comprehensive Income | 39 | (0.05) | | (4 (4) | |
| Item not to be reclassified to Profit & Loss | | (9.85) | | (4.61) | |
| Income Tax on above Items to be reclassified to Profit & Loss | | 3.88 | | 3.94 | |
| Income Tax on above * ₹ 1960/- | | (3.53) 1.23 | | 0.01 (0.00*) | |
| Other Comprehensive Income for the year net of Tax | | 1.23 | (0.27) | (0.00*) | (0.44) |
| Total Comprehensive Income for the year net of Tax | | | (8.27) 1,439,55 | | (0.66) 935.79 |
| (Comprising Profit/Loss and Other Comprehensive Income) | | | 1,437.33 | | /55.77 |
| Profit/(Loss) attributable to | | | | | |
| Owners of the Parent | | | 1,447.58 | | 936.45 |
| Non-Controlling Interests | | | 0.24 | | , 55. 75 |
| Other Comprehensive Income attributable to | | | J.24 | | |
| Owners of the Parent | | | (8.04) | | (0.66) |
| Non-Controlling Interests | | | (0.23) | | - |
| Total Comprehensive Income attributable to | | | | | |
| Owners of the Parent | | | 1,439.54 | | 935.79 |
| Non-Controlling Interests | | | 0.01 | | 925 70 |
| Earnings per Equity Share attributable to equity holder of | | | 1,437.33 | | 733./7 |
| parent: | | | | | |
| Earnings per Equity Share: _ | 40 | | | | |
| Equity shares of face value ₹ 2/- each | | | | | |
| Basic (₹) | | | 18.54 | | 12.08 |
| Diluted (₹) | | | 18.21 | | 11.78 |
| | 1 to 57 | | | | |
| Financial Statements As per our Separate Report of even date attached | | | | | |
| Non-Controlling Interests Total Comprehensive Income attributable to Owners of the Parent Non-Controlling Interests Earnings per Equity Share attributable to equity holder of parent: Earnings per Equity Share: Equity shares of face value ₹ 2/- each Basic (₹) Diluted (₹) Significant Accounting Policies And Notes on | 40 1 to 57 | | (0.23) 1,439.54 0.01 1,439.55 | | 935.7 935.7 |

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

(ANIL GUPTA) Chairman-cum-Managing Director

DIN: 00006422

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

Sr. General Manager (Finance)

M.No. 502048

(ADARSH KUMAR JAIN)

(PAWAN KUMAR AGARWAL) (KISHORE KUNAL) Partner

GM (Corporate) & Company Secretary M.No. FCS-9429 M.No. 092345

Date: 17th May, 2018

Place of Signing: New Delhi

Place of Signing: New Delhi

Date: 17th May, 2018

Consolidated Cash Flow Statement For The Year Ended 31st March, 2018

| | culars | Year Ended 31 st March, 2018 (₹ in Millions) | Year Ended 31st March, 2017 (₹ in Millions) |
|-----|---|---|---|
| (A) | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before tax and Extraordinary items | 2,044.93 | 1,262.35 |
| | Adjustments for : | | |
| | Depreciation and Amortisation expense | 322.30 | 284.04 |
| | Dividend received | (0.04) | (0.04) |
| | Interest Income | (6.48) | (5.10) |
| | Interest / Finance Charges | 1,118.69 | 1,244.25 |
| | Share based payment expenses | 33.04 | 62.56 |
| | Provision for leave encashment/ Gratuity | 28.85 | 17.00 |
| | Provision for Expected Credit Loss (ECL) | 4.09 | 43.94 |
| | Provision for warranty | 1.05 | 5.41 |
| | Fair Value adjustment due to security deposit/Loan to staff | 0.18 | 0.35 |
| | FCMITDA written off | - | 8.59 |
| | Fixed Assets written off | 3.58 | 1.71 |
| | Exchange Fluctuation | (3.53) | 0.01 |
| | Loss on sales of Fixed Assets | 1.36 | 0.36 |
| | OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 3,548.02 | 2,925.43 |
| | Working capital adjustments : | | |
| | (Increase)/Decrease in Trade & Other Receivables | (1,953.42) | (2,390.71) |
| | (Increase)/Decrease in Inventories | (566.64) | (764.57) |
| | Increase/(Decrease) in Trade and other Payables | 1,406.86 | 245.86 |
| | Cash Generated from operations | 2,434.82 | 16.01 |
| | Direct Taxes paid | (527.52) | (304.22) |
| | Net Cash from Operating Activities | 1,907.30 | (288.21) |
| (B) | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets and other capital expenditure | (655.82) | (625.06) |
| | Sale of Fixed Assets | 8.15 | 6.52 |
| | Sale of Investments | 0.25 | - |
| | Investments in subsidiary | - | - |
| | Interest Income | 6.48 | 5.10 |
| | Dividend Received | 0.04 | 0.04 |
| | Investments/proceeds from deposits with banks | (122.49) | (13.98) |
| | Net Cash from Investing Activities | (763.39) | (627.38) |



Cash Flow Statement For The Year Ended 31st March, 2018 (Contd...)

| Parti | culars | Year Ended 31st March, 2018 (₹ in Millions) | Year Ended 31st March, 2017 (₹ in Millions) |
|-------|---|---|---|
| (C) | CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| | Proceeds from long term borrowings (Banks) | 1,729.51 | 4.26 |
| | Proceeds from long term borrowings (Others) | - | 312.23 |
| | Repayment of long term borrowings (Banks) | (437.12) | (348.07) |
| | Repayment of long term borrowings (Others) | (888.75) | (490.00) |
| | Proceeds from finance lease | 6.10 | 20.89 |
| | Repayment of finance lease | (13.54) | (15.02) |
| | Interest expenses / Finance Charges | (1,118.69) | (1,244.25) |
| | Inter corporate & other deposits (Net of repayments) | (31.85) | 270.14 |
| | Working capital demand Loan from banks | 101.19 | 3,803.24 |
| | Issue of Equity Share Capital (including premium) upon exercise of ESOS; including ₹ 926/- issue of shares to NCI | 19.74 | 19.60 |
| | Contribution from non-controlling interest | 0.00 | - |
| | Dividend paid to equity share holders | (46.68) | (38.62) |
| | Dividend Distribution Tax | (9.50) | (7.86) |
| | Net Cash from Financing Activities | (689.59) | 2,286.54 |
| | NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C) | 454.32 | 1,370.95 |
| | Cash & Cash Equivalents as at 1st April (Opening Balance) | (268.28) | (1,639.23) |
| | Cash & Cash Equivalents as at 31st March (Closing Balance) | 186.04 | (268.28) |
| | Cash & Cash Equivalents for the purpose of Cash Flow | 31st March, 2018 | 31st March, 2017 |
| | Cash and Cash Equivalents (Refer Note no. 12) | 602.83 | 321.32 |
| | Less: Bank Overdraft | (416.79) | (589.60) |
| | Total | 186.04 | (268.28) |

Note:

- i The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7-"Statement of Cash Flows".
- ii Amounts in brackets, represent Cash Outflow.
- iii Previous Year's figures have been regrouped and rearranged whenever necessary.

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

(ANIL GUPTA)

Chairman-cum-Managing Director DIN: 00006422

(PAWAN KUMAR AGARWAL)

Partner **M.No. 092345**

Place of Signing: New Delhi Date: 17th May, 2018

(KISHORE KUNAL)

GM (Corporate) & Company Secretary M.No. FCS-9429

Place of Signing : New Delhi Date : 17th May, 2018

(RAJEEV GUPTA)

Executive Director (Finance) & CFO DIN: 00128865

(ADARSH KUMAR JAIN)

Sr. General Manager (Finance) M.No. 502048

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

| Capital during the year 560,000 | hange in Equity Share Balance as at | Change in Equity Share Capital | Balance as at |
|---------------------------------------|-------------------------------------|--------------------------------|------------------|
| 5 | during the year 31st March, 2017 | during the year | 31st March, 2018 |
| 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | 560,000 560,000 | 564,000 | 78,361,438 |
| Amount in Millions | 1.12 155.59 | 1.13 | 156.72 |

B. Other Equ

| Millions |
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| | | | Att | ributable to | Attributable to Equity Shareholders of Parent Company | holders | f Parent Co | mpany | | | | |
|--|--------------------|---------------------|----------|--------------------------------------|---|---------|--|--|---|----------|-------------------------------------|--------------------------|
| | | | Reservea | Reserve and Surplus | | | Other Co | Other Comprehensive Income | e Income | | | |
| Particulars | Capital Reserve | Security Premium | General | Accu- mulated Profit & Loss | FCMITDA | ESOP | Re-Mea- surement of the Net defined benefit | Foreign Currency Trans- lation Reserve (FCTR) | Equity In- struments through other Compre- hensive Income | Total | Non Con- trolling Interest | Total Other Equity |
| 2016-17 | | | | | | | | | | | | |
| Balance as at 1st April, 2016 | 28.00 | 726.06 | 21.09 | 2,683.79 | (6.27) | 43.27 | (6.75) | (0.00) | (10.62) | 3,478.57 | | 3,478.57 |
| Addition during the year | | | • | 936.45 | (2.32) | | | 00'0 | | 934.13 | | 934.13 |
| Other Comprehensive Income for the Year | | | | | | | (7.43) | 10.0 | 92.9 | (99.0) | • | (0.66) |
| Total Comprehensive Income for the year 2016-17 | • | • | • | 936.45 | (2:32) | • | (7.43) | 0.01 | 92'9 | 933.47 | • | 933.47 |
| Employee Stock Compensation cost for the year | | | | | | 62.56 | | | | 62.56 | | 62.56 |
| Dividend Paid (including dividend distribution Tax) for 2015-16 appoved by Shareholders in Annual Genral Meeting held on 6th September, 2016 | | | | (46.48) | | | | | | (46.48) | | (46.48) |
| Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA) during the year | | | | | 8.59 | | | | | 8.59 | | 8.59 |
| Securities Premium on allotement of Equity Share (ESOP) during the year | | 58.31 | | | | (39.83) | | | | 18.48 | | 18.48 |
| Balance as at 31st March, 2017 | 28.00 | 784.37 | 21.09 | 3,573.76 | | 99.00 | (14.18) | 0.01 | (3.86) | 4,455.19 | | 4,455.19 |
| 2017-18 | | | | | | | | | | | | • |
| Addition during the year | | | | 1,447.58 | | | | (2.05) | | 1,445.53 | 0.24 | 1,445.77 |
| Other Comprehensive Income for the Year | | | | | | | (7.23) | | 1.26 | (5.97) | (0.23) | (6.20) |
| Total Comprehensive Income for the year 2016-17 | • | • | • | 1,447.58 | • | • | (7.23) | (2.05) | 1.26 | 1,439.56 | 0.01 | 1,439.57 |
| Employee Stock Compensation cost for the year | | | | | | 33.04 | | | | 33.04 | | 33.04 |
| Dividend Paid (including dividend distribution Tax) for 2016-17 appoved by Shareholders in Annual Genral Meeting held on 19th July, 2017 | | | | (56.18) | | | | | | (56.18) | | (56.18) |
| Securities Premium on allotement of Equity Share (ESOP) during the year | | 58.72 | | | | (40.11) | | | | 18.61 | | 18.61 |
| Balance as at 31st March, 2018 | 28.00 | 843.09 | 21.09 | 4,965.16 | • | 58.93 | (21.40) | (5.04) | (2.60) | 5,890.23 | 0.01 | 5,890.23 |

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants Firm Registration No: 011573C

(PAWAN KUMAR AGARWAL)

Partner **M.No. 092345**

Place of Signing : New Delhi Date : 17th May, 2018

Place of Signing : New Delhi Date : 17th May, 2018

(KISHORE KUNAL)
GM (Corporate) & Company Secretary
M.No. FCS-9429

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

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

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



Summary of Significant Accounting Policies and Other Explanatory Statements for the year ended 31st March, 2018

1. Group Overview:

KEI Industries Ltd (hereinafter referred to as "KEI" or "the Company" or "the Parent Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 having registered office at D-90, Okhla Industrial Area, Phase-I, New Delhi-110020. It was established as a partnership firm "Krishna Electrical Industries" in the year 1968. The firm was later converted into Limited Company on 31st December 1992. The Company is listed at National Stock Exchange of India Ltd (NSE), Bombay Stock Exchange Ltd (BSE) and The Calcutta Stock Exchange Ltd. Company has four manufacturing facilities / plants located at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa in Dadra & Nagar Haveli. The Company is engaged in the business of manufacturing, sale and marketing of all range of power cables up to 400ky - Low Tension (LT), High Tension (HT) and Extra High Voltage (EHV), Control and Instrumentation Cables, Specialty Cables, Elastomeric / Rubber Cables, Submersible Cables, Flexible and House Wires, Winding Wires which address the cabling requirements of a wide spectrum of sectors such as power, oil refineries, railways, automobiles, cement, steel, fertilizers, textile and real estate, amongst others. The Company is also engaged in execution of Engineering, Procurement and Construction (EPC) projects for survey, supply of materials, design, erection, testing & commissioning on a turnkey basis. The Company is manufacturer of Stainless Steel Wire as well. The Company has three major segments cables & wires, turnkey projects and stainless steel wire.

The Parent Company and its subsidiary together hereinafter referred to as "the Group".

1.1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31st March, 2016, the Group prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These are the Group's First Financial Statements prepared in accordance with Ind AS. The Group has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1st April, 2016. In accordance with Ind AS 101, the Group has presented reconciliations of Shareholders' equity under Previous GAAP and Ind AS, as at 1st April, 2016 and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31st March, 2017. (see note 52 for explanation of the transition to Ind AS).

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities:

- i. Certain Financial Assets and Financial Liabilities and Contingent Consideration that are measured at fair value.
- ii. Assets held for sale measured at lower of cost or fair value less cost to sell.
- iii. Defined benefit plan assets measured at fair value.
- iv. Share-based payment liability measured at fair value.

The Group has uniformly applied the Accounting Policies during the period presented, unless otherwise stated.

All amounts are stated in Millions of Rupees.

The Consolidated Financial Statements for the year ended 31st March, 2018 were authorized and approved for issue by the Board of Directors on 17th May, 2018.

Corporate Overview Statutory Reports Financial Statements

2. Summary of Significant Accounting Policies:

The Consolidated Financial Statements have been prepared using the Accounting Policies and measurement basis summarized below.

2.1. BASIS OF CONSOLIDATION

2.1.1. 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 Parent Company for the purpose of consolidation.
- ii. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110- 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 111 'Financial Reporting of interest in Joint Ventures' specified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2.1.2. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to the Group, its Subsidiary and Joint Venture.

Subsidiary are those entities in which the Parent Company directly or indirectly, has interest more than 50% of the voting power or otherwise control the composition of the board or governing body so as to obtain economic benefits from activities.

When the Group with other parties has joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture.

The Consolidated Financial Statements have been prepared as per following principles:

- i. The Financial Statements of the Parent 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, intragroup transactions, unrealized profits or losses in accordance with Ind AS 110 -'Consolidated Financial Statements' notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time.
- ii. Non-Controlling Interest (NCI) in the net assets of the consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and the equity attributable to the Parent's shareholders. NCI in the net assets of the consolidated subsidiaries consists of:
 - a) The amount of equity attributable to NCI at the date on which investment in a subsidiary is made; and
 - b) The NCI share of movement in the equity since the date the Parent Subsidiary relationship came into existence.
- iii. For acquisitions of additional interests in subsidiary, where there is no change in control, the Group recognises a reduction to the Non-Controlling Interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of non-controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity.
- iv. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components



of equity, while any resultant gain or loss is recognised in Profit and Loss. Any investment retained is recognised at fair value. The results of Subsidiaries acquired or disposed of during the year are included in the Consolidated Profit and Loss Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

- v. In the case of foreign subsidiaries, being non integral foreign operations, revenue items are consolidated at the average exchange rates prevailing during the year. All Assets and Liabilities are converted at rates prevailing at the end of the year. Components of equity are translated at closing rate. Any Gain / (Loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR).
- vi. The Consolidated Financial Statements also include the interest of the Parent Company in Joint Venture, which has been accounted for using the equity method as per Ind AS 28 'Investment in Associates and Joint Ventures'. Under the equity method, the carrying amount of the investment in Joint Ventures is increased or decreased to recognize the Group's share of the Profit and Loss and Other Comprehensive Income of the Joint Venture, adjusted where necessary to ensure consistency with the Accounting Policies of the Group. Goodwill relating to the Associate or Joint Venture is included in the carrying amount of the investment and is not tested for impairment individually.
- vii. 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 Parent Company's Separate Financial Statements except as otherwise stated in the notes to the accounts.

2.2. PROPERTY, PLANT AND EQUIPMENT

2.2.1. RECOGNITION

Freehold land is carried at historical cost.

The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the Property, Plant and Equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.

Borrowing cost attributable to acquisition, construction of qualifying assets is capitalized until such time as the assets are substantially ready for their intended use. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

2.2.2. SUBSEQUENT MEASUREMENT

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs & maintenance are charged to Statement of Profit and Loss.

2.2.3. DEPRECIATION

Depreciation on Property, Plant and Equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated

by Independent valuer and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

The following useful lives are applied:

| Asset category | Estimated useful life (in years) |
|---|----------------------------------|
| Land | |
| - Lease Hold (Finance Lease) | As per Lease Agreement |
| - Perpetual Lease | Treated as Freehold Land |
| Buildings | |
| - Factory Buildings | 30 Years |
| - Building (other than factory buildings) | 60 Years |
| - Other (including temporary structure, etc.) | 05 Years |
| - Leasehold Building Improvements | As per Lease Agreement |
| Plant and Machinery | 10 - 20 Years |
| Project Tools | 05 Years |
| Furniture and Fittings | 05 - 10 Years |
| Motor Vehicles | |
| - Hire Purchase & Owned | 08 - 10 Years |
| Office Equipment | 05 Years |
| Computers | |
| - Servers and networks | 06 Years |
| - End user devices viz. desktops, laptops, etc. | 03 Years |

Leasehold land is amortised on a straight line basis over the unexpired period of their respective lease ranging from 75-95 years. Leasehold improvements are depreciated on straight line basis over their initial agreement period.

Property, Plant and Equipment individually costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.2.4. DE-RECOGNITION

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the asset is derecognised.

2.3. CAPITAL WORK IN PROGRESS

Assets in the course of construction are capitalized in capital work in progress account. 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.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of Property, Plant and Equipment. Costs are capitalised till the period of commissioning of an asset.



2.4. INTANGIBLE ASSETS

2.4.1. INTANGIBLE ASSETS WITH FINITE USEFUL LIFE

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. The cost of Intangible Assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities).

2.4.2. AMORTISATION

Amortisation is recognised in Statement of Profit and Loss account on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

| Asset category | Estimated useful life (in years) |
|-------------------|----------------------------------|
| Computer Software | 05 Years |

2.4.3. DE-RECOGNITION

An item of Intangible Asset or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss Account when the asset is derecognised.

2.5. IMPAIRMENT OF NON FINANCIAL ASSETS

Carrying amount of assets is reviewed at each reporting date where there is any indication of impairment based on internal/ external indicators. An impairment loss is recognised in the Statement of Profit and Loss where carrying amount exceeds recoverable amount of assets. Impairment loss is reversed, if, there is change in recoverable amount and such loss either no longer exists or has decreased or indication on which impairment was recognised no longer exists.

2.6. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.6.1. FINANCIAL ASSETS

2.6.1.1. INITIAL RECOGNITION & MEASUREMENT

Financial Assets are recognised when the Company becomes a party to the contractual provisions of the Financial Instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Profit or Loss) are added to the fair value of the financial assets. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

2.6.1.2. SUBSEQUENT MEASUREMENT

- Debt Instruments at Amortised Cost-A 'debt instrument' is measured at the amortised cost if both the following conditions are met-
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

 Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. All other debt instruments are measured are Fair Value through Other Comprehensive Income (FVOCI) or Fair value through Profit and Loss (FVTPL) based on Group's business model.

- ii. Equity Investments All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value through Profit and Loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit and Loss (FVTPL) on an instrument to instrument basis.
- iii. Mutual Funds All mutual funds in scope of Ind AS 109 are measured at Fair Value through Other Comprehensive Income (FVOCI).

2.6.1.3. IMPAIRMENT OF FINANCIAL ASSETS

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits and Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Group follows 'Simplified Approach' for recognition of impairment loss allowance on trade receivables. The application of simplified recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized under the head 'Other Expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- i. Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.
- **ii. Debt instruments measured at FVTPL:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the Statement of Profit and Loss.



iii. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'Accumulated Impairment Amount' in the OCI. The Group does not have any Purchased or Originated Credit Impaired (POCI) financial assets, i.e. financial assets which are credit impaired on purchase/origination.

2.6.1.4. DE-RECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- i. The rights to receive cash flows from the asset has expired, or
- ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either:
 - (a) The Group has transferred substantially all the risks and rewards of the asset, or
 - (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.6.2. FINANCIAL LIABILITIES

2.6.2.1. INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified at initial recognition as:

- Financial liabilities at fair value through Profit or Loss.
- Loans and Borrowings.
- Payables.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs.

The Company's financial liabilities include Loans and Borrowings including Bank Overdraft, Trade Payable, Trade Deposits, Retention Money, Liabilities towards Services and Other Payables.

Financial Liabilities are classified as at amortised cost.

2.6.2.2. SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, measurement of financial liabilities depends on their classification, as described below:

- i. Financial liabilities at Fair Value through Profit and Loss (FVTPL) Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- ii. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss. Financial liabilities designated upon initial recognition at fair value through Statement of Profit and Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.
- iii. Loans and Borrowings After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (hereinafter referred as EIR) method. Gains and Losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as Finance Costs in the Statement of Profit and Loss.
- **Buyers Credit** The Company enters into arrangements whereby iv. financial institutions make direct payments to suppliers for raw materials and capital goods. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled within twelve months (for raw materials) and up to thirty six months (for capital goods). Where these arrangements are for raw materials with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit (under current borrowings). Where these arrangements are for capital goods with a maturity up to 36 months only, the economic substance of the transaction is determined to be financing in nature, and these are classified as capital buyer's credit within borrowings in the statement of financial position.
- v. Trade and Other Payables These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.



2.6.2.3. DE-RECOGNITION OF FINANCIAL LIABILITIES

A Financial Liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on the previous experience of Management and actual facts of each case and recognised in Other Operating Income if arising during normal course of business. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.6.3. DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Profit or Loss.

2.6.4. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7. INVENTORIES

2.7.1. BASIS OF VALUATION

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

2.7.2. METHOD OF VALUATION

- i. Cost of Finished Goods is determined by taking derived material costs, excise duty as applicable and other overheads.
- ii. Cost of Packing Materials, Stores & Spares are determined on weighted average basis.
- iii. Work in Process includes raw material costs and allocated production overheads.
- iv. Cost of raw materials is determined on First in First out (FIFO) basis.
- v. **Net realisable value** is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8. TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision for impairment. As a practical expedient the Group has adopted 'Simplified Approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

2.9. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash in hand, Balances in Bank Account, Remittance in Transit, Cheques in hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10. TAXES

2.10.1. CURRENT INCOME TAX

Current Income Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside Profit or Loss is recognised outside Profit or Loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.10.2. DEFERRED TAX

Deferred Income Taxes are calculated using Balance Sheet Approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.



Deferred tax relating to items recognised outside Profit or Loss is recognised outside Profit or Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

Tax expense for the year comprises of current tax and deferred tax.

2.10.3. INDIRECT TAX - GST/ VAT

Expenses and assets are recognised net of the amount of GST/ VAT paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- **ii.** When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of recoverable or payables in the balance sheet.

2.11. EQUITY AND RESERVES

- i. Share Capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from retained earnings, net of any related income tax benefits.
- ii. Other Components of Equity includes Other Comprehensive Income arising from actuarial gain or loss on re-measurement of defined benefit liability and return on plan assets.
- iii. Retained Earnings include all current and prior period retained profits.

2.12. DIVIDEND PAYMENTS

Annual dividend distribution to shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on Dividend Distribution is recognised directly in equity.

2.13. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured,. Amounts disclosed are inclusive of Excise Duty, and net of returns, Trade Discounts, Rebates, Value Added Taxes, Goods and Service Tax (GST) and amount collected on behalf of third parties.

The Group recognizes revenue when the amount can be reliably measured, regardless of when the payment is being made, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.13.1. SALE OF GOODS

Timing of recognition: Sale of goods is recognized when substantial risks and rewards of ownership are passed to the customers, depending on individual terms, and are stated net of Trade Discounts, Rebates, Incentives, Subsidy, Sales Tax, Value Added Tax, and Goods & Service Tax (GST) except Excise Duty.

Measurement of revenue: Accumulated experience is used to estimate and provide for discounts, rebates, incentives & subsidies. No element of financing is deemed present as the sales are made with credit terms, which is consistent with market practice.

2.13.2. SERVICES

Revenue from services is recognized in the accounting period in which the services are rendered.

2.13.3. 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/ GST.

No profit is recognized till a minimum of 10% progress is achieved on the contract.

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.

2.14. INCOME RECOGNITION

2.14.1. DIVIDEND INCOME

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

2.14.2. INTEREST INCOME

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all contractual terms of the financial instrument but does not consider the expected credit losses.

2.14.3. OTHER INCOME

Other claims including interest on outstanding are accounted for when there is virtual certainity of ultimate collection.



2.15. BORROWING COSTS

Borrowing Costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. 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. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

2.16. EXPENDITURE

Expenses are accounted on accrual basis.

2.17. EMPLOYEE BENEFIT SCHEMES

2.17.1. SHORT TERM EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

2.17.2. COMPENSATED ABSENCES

Group provides for the encashment of accumulated leaves with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation.

2.17.3. **GRATUITY**

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to fund maintained by LIC of India and administered through a separate irrevocable trust set up by the Parent Company.

Actuarial gains and losses arising from changes in actuarial assumptions are recognized in Other Comprehensive Income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

2.17.4. PROVIDENT FUND

Eligible employees of the Group receive benefits from a Provident Fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

2.18. SHARE-BASED PAYMENTS

The fair value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At end of the reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

2.19. FOREIGN CURRENCY

2.19.1. FUNCTIONAL AND PRESENTATION CURRENCY

The Consolidated Financial Statements are presented in Indian Rupee (' $\overline{\epsilon}$ '), which is Parent Company's functional Currency and presentation currency.

Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

2.19.2. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

In the Financial Statements of the Group, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the Other Comprehensive Income.

2.20. LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

2.20.1. GROUP AS A LESSEE

2.20.1.1. FINANCE LEASES

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a Finance Lease. Finance Leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

The interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease. The leased asset is depreciated over the useful life of the asset or lease term whichever is lower.



2.20.1.2. OPERATING LEASES

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to Statement of Profit and Loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

2.21. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares.

- **i. Basic EPS** is calculated by dividing the profit and loss attributable to equity shareholders of the Parent Company by the weighted average number of equity shares outstanding during the period.
- ii. Diluted EPS is computed using the net profit for the year attributable to the shareholder and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be antidilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

2.22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

2.22.1. PROVISIONS

Provisions represent liabilities to the Group for which the amount or timing is uncertain. Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost.

2.22.2. WARRANTY PROVISIONS

Provision for warranty-related costs is recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

2.22.3. CONTINGENT LIABILITIES

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities

may arise from litigation and other claims against the Company. Guarantees including Guarantees given on behalf of Subsidiary & Associate/ Joint Venture Companies are also provided in the normal course of business.

There are certain obligations which management of the Company has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Financial Statements. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Show cause notice received are not treated as Contingent Liabilities.

Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

2.22.4. CONTINGENT ASSETS

Contingent assets are not recognised but disclosed in the Financial Statements when an inflow of economic benefits is probable.

2.23. CASH FLOW STATEMENT

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.24. SEGMENT REPORTING

- i. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.
- **ii.** Revenue and Expenses are identified to segments on the basis of their relationship to the operating activities of the segment.
- iii. Inter segment revenue are accounted for, based on the Arm's length price.
- iv. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

2.25. MISCELLANEOUS EXPENDITURE

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

2.26. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

- i. An asset is classified as current when it is:
 - a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
 - b) Held primarily for the purpose of trading,



- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- ii. All other assets are classified as non-current.
- iii. A liability is classified as current when it is:
 - a) Expected to be settled in normal operating cycle,
 - b) Held primarily for the purpose of trading,
 - c) Due to be settled within twelve months after the reporting period, or
 - d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- iv. All other liabilities are classified as non-current.
- v. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.
- vi. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.27. FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All Assets and Liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1-** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For Assets and Liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Other Fair Value related disclosures are given in the relevant notes.

2.28. ROUNDING OFF

All amounts disclosed in the Financial Statement and notes have been rounded off to the nearest Millions, unless otherwise stated.

2.29. EXCEPTIONAL ITEMS

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

2.30. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINITY

The preparation of Standalone Financial Statements requires management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the Financial Statements and reported amounts of income & expenses during the periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances. Although these estimates and assumptions used in accompanying Financial Statements are based upon management's evaluation of relevant facts and circumstances as of date of Financial Statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying Financial Statements.

Any revision to accounting estimates is recognized prospectively from the period in which results are known/ materialise in accordance with applicable Indian accounting standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

2.31. SIGNIFICANT MANAGEMENT JUDGEMENTS

The following are Significant Management Judgements in applying the Accounting Policies of the Group that have the most significant effect on the Financial Statements.

2.31.1. PROPERTY, PLANT & EQUIPMENT AND USEFUL LIFE OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.



The carrying value of property, plant and equipment is arrived at by depreciating the assets over the useful life of assets. The estimate of useful life is reviewed at the end of each financial year and changes are accounted for prospectively.

2.31.2. EVALUATION OF LEASE OF LAND AS FINANCE LEASE OR OPERATING LEASE

One important consideration for evaluating lease of land is that land has an indefinite economic life and it is expected that the value of land generally appreciates. Where in substance there is no transfer of risks and rewards, it should be considered as an operating lease. Some of the indicators to consider in the overall context of whether there is transfer of risks and rewards incidental to ownership include the lessee's ability to renew lease for another term at substantially below market rent, lessee's option to purchase at price significantly below fair value etc.

Accordingly, classification as operating or finance lease requires exercise of judgement based on evaluation of facts and circumstances in each case, while considering the indicators envisaged as above.

2.31.3. EVALUATION OF INDICATORS FOR IMPAIRMENT OF ASSETS

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

2.32. ESTIMATION UNCERTAINTY

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

2.32.1. REVENUE RECOGNITION

Where revenue contracts include deferred payment terms, the management of Group determines the fair value of consideration receivable using the expected collection period and interest rate applicable to similar instruments with a similar credit rating prevailing at the date of transaction.

2.32.2. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as Liquidity Risk, Credit Risk and Volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.32.3. IMPAIRMENT OF FINANCIAL ASSETS

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.32.4. INVENTORIES

The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The

future realisation of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

2.32.5. RECOVERABILITY OF ADVANCES/ RECEIVABLES

The Group from time to time review the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

2.32.6. PROVISIONS FOR WARRANTIES

Warranty provisions are determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is very unlikely that actual warranty claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

2.32.7. INCOME TAXES

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

2.32.8. PROVISIONS AND CONTINGENCIES

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

2.32.9. DEFINED BENEFIT OBLIGATION (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses.

2.32.10. STANDARDS ISSUED BUT NOT EFFECTIVE

2.32.11. APPENDIX B TO IND AS 21, THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and



advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1st April, 2018. The Company is currently evaluating the requirements of the amendment and the effect of the disclosure on the financial statements is being evaluated.

2.33. IND AS 115- REVENUE FROM CONTRACT WITH CUSTOMERS

On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective method Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Cumulative effect method Under this method, an entity would recognise
 the impact of the new standard from the date of initial application with no
 requirement to restate the comparative period.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The Company will adopt the standard on 1st April, 2018 by using the Cumulative effect method and accordingly comparatives for the year ending or ended 31st March, 2018 will not be retrospectively adjusted.

The Company is currently evaluating the requirements of the amendment and the effect of the disclosure on the Financial Statements is being evaluated.

3. Property, Plant and Equipment:

(₹ in Millions)

| Particulars | Freehold Land | Lease hold Land | Freehold Buildings | Lease hold Buildings Improvements | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Computers | Asset Taken on Finance Lease - Hire Purchase Vehicles | Total |
|--------------------------------------|------------------|-----------------------|-----------------------|---|----------------------|-------------------------|----------|----------------------|-----------|--|----------|
| Gross Carrying Amount | | | | | | | | | | | |
| Deemed Cost as at 1st April, 2016 | 3.66 | 317.45 | 890.42 | 55.15 | 1,874.30 | 40.50 | 16.28 | 6.82 | 20.43 | 37.19 | 3,262.20 |
| Additions | - | - | 158.47 | - | 813.65 | 23.50 | 0.10 | 8.66 | 19.39 | 25.50 | 1,049.27 |
| Disposals/Adjustments | - | - | - | - | 2.30 | 0.02 | 6.80 | 0.02 | - | - | 9.14 |
| At 31st March, 2017 | 3.66 | 317.45 | 1,048.89 | 55.15 | 2,685.65 | 63.98 | 9.58 | 15.46 | 39.82 | 62.69 | 4,302.33 |
| Additions | - | - | 22.90 | 27.53 | 242.66 | 10.55 | 2.04 | 12.72 | 15.17 | 7.28 | 340.85 |
| Disposals/Adjustments | - | - | - | 4.16 | 8.76 | - | 1.13 | - | 1.20 | - | 15.25 |
| At 31st March, 2018 | 3.66 | 317.45 | 1,071.79 | 78.52 | 2,919.55 | 74.53 | 10.49 | 28.18 | 53.79 | 69.97 | 4,627.93 |
| Depreciation and Impairment | | | | | | | | | | | |
| At 1st April, 2016 | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge for the year | - | 3.57 | 34.75 | 20.41 | 182.94 | 12.08 | 3.74 | 2.72 | 10.95 | 6.97 | 278.13 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Disposals/Adjustments | - | - | - | - | 0.02 | - | 0.53 | - | - | - | 0.55 |
| At 31st March, 2017 | - | 3.57 | 34.75 | 20.41 | 182.92 | 12.08 | 3.21 | 2.72 | 10.95 | 6.97 | 277.58 |
| Depreciation charge for the year | - | 3.57 | 38.47 | 19.13 | 210.07 | 12.94 | 3.01 | 4.48 | 13.57 | 7.77 | 313.01 |
| Impairment | - | - | - | - | - | - | - | - | - | - | |
| Disposals/Adjustments | - | - | - | 1.28 | 0.54 | - | 0.27 | - | 0.07 | - | 2.16 |
| At 31st March, 2018 | - | 7.14 | 73.22 | 38.26 | 392.45 | 25.02 | 5.95 | 7.20 | 24.45 | 14.74 | 588.43 |
| Net book value | | | | | | | | | | | |
| At 31st March, 2018 | 3.66 | 310.31 | 998.57 | 40.26 | 2,527.10 | 49.51 | 4.54 | 20.98 | 29.34 | 55.23 | 4,039.50 |
| At 31st March, 2017 | 3.66 | 313.88 | 1,014.14 | 34.74 | 2,502.73 | 51.90 | 6.37 | 12.74 | 28.87 | 55.72 | 4,024.75 |
| At 1st April, 2016 | 3.66 | 317.45 | 890.42 | 55.15 | 1,874.30 | 40.50 | 16.28 | 6.82 | 20.43 | 37.19 | 3,262.20 |

3.1

- (a) Carrying value of Assets acquired under hire purchase as on 31.03.2017 exclude the amount related to hire purchase agreement settled during the current year.
- (b) Addition to Property, Plant & Equipment includes capitalisation on account of exchage gain (net) ₹ Nil (31st March, 2017: ₹ 10.92 Millions, 31st March, 2016 ₹ Nil).
- (c) Property, Plant & Equipment pledged as security. Note no. 18 & 21.



4. Capital Work in Progress:

(₹ in Millions)

| Particluars | Building | Plant & Equipment | Furniture & Fixtures | Construction Period Expenses Pending allocation | Total |
|-------------------------------------|----------|----------------------|-------------------------|---|----------|
| | | | | | |
| Opening balance at 1st April, 2016 | 69.37 | 213.18 | 0.43 | 10.38 | 293.36 |
| Additions | 92.49 | 617.09 | 15.96 | 29.06 | 754.60 |
| Adjustments | 161.86 | 798.73 | 16.39 | 39.44 | 1,016.42 |
| Closing balance at 31st March, 2017 | - | 31.54 | - | - | 31.54 |
| Additions | 171.01 | 212.41 | 31.52 | 10.09 | 425.03 |
| Adjustments | 23.19 | 172.11 | 31.46 | - | 226.76 |
| Closing balance at 31st March, 2018 | 147.82 | 71.84 | 0.06 | 10.09 | 229.81 |
| Net Book Value | | | | | |
| At 31st March, 2018 | 147.82 | 71.84 | 0.06 | 10.09 | 229.81 |
| At 31st March, 2017 | - | 31.54 | - | - | 31.54 |
| At 1st April, 2016 | 69.37 | 213.18 | 0.43 | 10.38 | 293.36 |

- **4.1 (a)** Contractual commitments for the acquisition of Property, Plant & Equipment is ₹ 132.92 Millions (31st March, 2017: ₹ 70.33 Millions, 31st March, 2016: ₹ 248.12 Millions).
 - **(b)** Addition in Capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 on "Borrowing Cost". Asset wise break up of borrowing cost capitalised is as below:

(₹ in Millions)

| PARTICULARS | 31 st March, 2018 | 31 st March, 2017 | 1 st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| Building | - | 8.18 | - |
| Plant & Equipment | - | 32.74 | - |
| Construction Period Expenses Pending allocation | 6.76 | - | 21.59 |
| Total | 6.76 | 40.92 | 21.59 |

(c) Capitalisation rate 10.71% (31st March, 2017: 12.15%, 31st March, 2016: 12.78%) has been used to determine amount of borrowing cost eligible for capitalisation.

5. Other Intangible Assets:

| Particluars | Other Intangibles (Computer software) | Total |
|-------------------------------------|---------------------------------------|-------|
| Opening balance at 1st April, 2016 | 17.17 | 17.17 |
| Addition during the year | 16.00 | 16.00 |
| Adjustment | - | - |
| Closing balance at 31st March, 2017 | 33.17 | 33.17 |
| Addition during the year | 12.34 | 12.34 |
| Adjustment | - | - |
| Closing balance at 31st March, 2018 | 45.51 | 45.51 |

(₹ in Millions)

| Particluars | Other Intangibles (Computer software) | Total |
|-------------------------------------|--|-------|
| Amortisation and Impairment | | |
| Opening balance at 1st April, 2016 | - | - |
| Amortisation | 5.91 | 5.91 |
| Impairment | | |
| Closing balance at 31st March, 2017 | 5.91 | 5.91 |
| Amortisation | 9.29 | 9.29 |
| Impairment | - | - |
| Closing balance at 31st March, 2018 | 15.20 | 15.20 |
| Net book value | | |
| At 31st March, 2018 | 30.31 | 30.31 |
| At 31st March, 2017 | 27.26 | 27.26 |
| At 1st April, 2016 | 17.17 | 17.17 |

6. Non-Current Investments:

| Pai | ticulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|-----|---|--|--|---|
| 1 | Investments Equity Instruments (Quoted and Unquoted) | | | |
| | a) Others ** (Investments at fair value through OCI (fully paid) | 25.26 | 23.94 | 17.97 |
| | Total Investments in Equity Instruments | 25.26 | 23.94 | 17.97 |
| 2 | Investments Mutual Funds (Unquoted) (Investments at fair value through OCI) | | | |
| | a) Investments in Mutual Funds*** | 3.03 | 3.33 | 2.52 |
| | Total Investments in Mutual Funds | 3.03 | 3.33 | 2.52 |
| 3 | Investment in Joint Venture (Unquoted) (Investments at Equity Method) | | | |
| | a) Investments in Joint Venture of KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland | 1.70 | 1.86 | 3.53 |
| | (refer note 6.1) | | | |
| | Total Investments | 29.99 | 29.13 | 24.02 |
| | ** Equity Shares (Quoted) | | | |
| | State Bank of India 670 (31st March, 2017 : 670, 1st April, 2016 : 670) Equity Shares of ₹ 1 each fully paid | 0.17 | 0.20 | 0.13 |
| | PNB Gilts Limited 8000 (31 st March, 2017 : 8000, 1 st April, 2016 : 8000) Equity Shares of ₹ 10 each fully paid | 0.28 | 0.43 | 0.20 |
| | Punjab National Bank 11000 (31st March, 2017 : 11000, 1st April, 2016 : 11000) Equity Shares of ₹ 2 each fully paid | 1.05 | 1.66 | 0.93 |





| ticulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|---|--|--|---|
| Dena Bank 2595 (31st March, 2017 : 2595, 1st April, 2016 : 2595) Equity Shares of ₹ 10 each fully paid | 0.05 | 0.10 | 0.07 |
| ICICI Bank Limited 4950 (31st March, 2017 : 4500, 1st April, 2016 :4500) Equity Shares of ₹ 2 each fully paid | 1.38 | 1.25 | 1.06 |
| YES Bank Limited 1270 (31 st March, 2017 : 254, 1 st April, 2016 : 254) Equity Shares of ₹ 2 (31 st March, 2017 ₹ 10 31 st March, 2016 ₹ 10) each fully paid | 0.39 | 0.39 | 0.22 |
| Jaypee Infratech Limited 5000 (31st March, 2017 : 5000, 1st April, 2016 : 5000) Equity Shares of ₹ 10 each fully paid | 0.04 | 0.05 | 0.04 |
| Technofab Engineering Limited 104228 (31st March, 2017 : 104228, 1st April, 2016 : 104228) Equity Shares of ₹10 each fully paid | 21.90 | 19.86 | 15.32 |
| Total Equity Investments (FVOCI) | 25.26 | 23.94 | 17.97 |
| *** Mutual Funds (Unquoted) | | | |
| UTI-Opportunities Fund-Growth 11770.711 (31 st March, 2017 : 11770.711, 1 st April, 2016 : 11770.711) Units of ₹ 10 each fully paid | 0.67 | 0.61 | 0.52 |
| L192D SBI PSU Fund-Regular Plan-Dividend 212944.872 (31st March, 2017 : 212944.872, 1st April, 2016 : 212944.872) Units of ₹ 10 each fully paid | 2.36 | 2.48 | 1.77 |
| SBI Dual Advantage Fund- Growth NIL (31 st March, 2017 : 20000, 1 st April, 2016 : 20000) Units of ₹ 10 each fully paid | - | 0.24 | 0.23 |
| Total investments in Mutual Funds (FVOCI) | 3.03 | 3.33 | 2.52 |
| Aggregate value of quoted investments | 28.62 | 28.62 | 28.62 |
| Aggregate Market value of quoted investments | 25.26 | 23.94 | 17.97 |
| Aggregate value of unquoted investments | 3.03 | 3.33 | 2.52 |
| Aggregate amount of impairment in value of investments | - | - | - |

6.1 Company has formed a Joint Venture under name of Joint Venture of KEI Industries Ltd, New Delhi & Brugg Kabel AG, Switzerland (JV) principal place of business India. This Joint Venture is a Jointly Controlled Entity within the meaning of Ind AS - 111 on "Joint Arrangements". The Joint Venture is in form of a Association of Persons (AOP) and the Company is holding 100% share in Profit / Loss of AOP. Company has not invested any amount as capital in Joint Venture. Investment in Joint Venture is accounted for in accordance with Ind AS-28 " Investments in Associates and Joint Ventures".

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7. Non-Current Loans:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1st April, 2016 |
|--------------------------------------|---------------------------|---------------------------------------|--------------------------|
| Unsecured, considered good | | | |
| Security Deposits to Related Parties | 1.80 | 1.61 | 1.45 |
| Security Deposits to Others | 35.51 | 28.35 | 25.73 |
| Loans to Related Parties | 0.46 | 0.76 | 0.67 |
| Loans to Workers & Staff- Others | 2.90 | 2.38 | 0.79 |
| Total | 40.67 | 33.10 | 28.64 |

Break-up for Related Parties:

7.1 Non-Current Security Deposit to Related Parties:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| Unsecured, Considered good | | | |
| Projection Financial & Management Consultants Private Limited * | 1.65 | 1.46 | 1.30 |
| Anil Gupta HUF * | 0.15 | 0.15 | 0.15 |
| Total | 1.80 | 1.61 | 1.45 |

^{*} Security Deposit (Interest Free) for premises taken on rent by company

7.2 Non-Current Loans to Related Party:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|----------------------------|---------------------------|---------------------------------------|--------------------------------------|
| Unsecured, Considered good | | | |
| Kishore Kunal* | 0.46 | 0.76 | 0.67 |
| Total | 0.46 | 0.76 | 0.67 |

^{*} Against Salary

7.3 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

(i) Maximum Outstanding Balance during the year (At Fair Value)

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------|--------------------------------------|
| Projection Financial & Management Consultants Private Limited | 1.65 | 1.46 | 1.30 |
| Anil Gupta HUF | 0.15 | 0.15 | 0.15 |

(ii) Maximum Outstanding Balance during the year (At Cost)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------|--------------------------------------|
| Projection Financial & Management Consultants Private Limited | 2.40 | 2.40 | 2.40 |
| Anil Gupta HUF | 0.15 | 0.15 | 0.15 |



7.4 Investments by Loanee in Equity shares of Company

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------------------|--------------------------------------|
| Projection Financial & Management Consultants Private Limited | 114.20 | 114.20 | 114.20 |
| Anil Gupta HUF | 13.62 | 13.62 | 13.62 |
| Total | 127.82 | 127.82 | 127.82 |

8. Other Non-Current Financial Assets:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|---|---------------------------|---------------------------|--------------------------------------|
| Fixed Deposits with more than 12 month Maturity | 1.46 | 35.60 | 17.69 |
| (Fixed Deposits under lien/custody with Banks / Others) | | | |
| Unpaid Dividend Bank Account | 1.14 | 1.02 | 0.92 |
| Total | 2.60 | 36.62 | 18.61 |

9. Other Non-Current Assets:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|------------------|---------------------------|---------------------------|--------------------------------------|
| Capital Advances | 116.34 | 11.98 | 190.35 |
| Other Advances | | | |
| Prepaid Expenses | 2.45 | 2.01 | 2.33 |
| Total | 118.79 | 13.99 | 192.68 |

10. Inventories: (₹ in Millions)

| Particulars | Method of Valuation | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|---|--|---------------------------|---------------------------------------|--------------------------------------|
| Raw Materials Including In Transit | At Cost | 1,518.96 | 1,274.69 | 946.64 |
| Work -in- Progress | At Cost | 1,623.35 | 1,766.88 | 1,935.77 |
| Finished Goods Including In Transit | At lower of cost or net realisable value | 2,228.38 | 1,778.30 | 1,176.64 |
| Stock in Trade | At Cost | 10.62 | 6.64 | 6.80 |
| Stores & Spares Including In Transit | At Cost | 70.42 | 69.46 | 66.68 |
| Project Materials | At Cost | 4.71 | 20.02 | 29.86 |
| Packing Materials | At Cost | 78.03 | 67.50 | 50.68 |
| Scrap | At net realisable value | 21.41 | 5.75 | 11.61 |
| Total | | 5,555.88 | 4,989.24 | 4,224.68 |

10.1 Break-up for Goods-In-Transit:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|-------------------|---------------------------|---------------------------------------|--------------------------------------|
| Finished Goods | 723.53 | 195.35 | - |
| Raw Materials | 410.44 | 85.93 | 217.87 |
| Stores & Spares | 0.89 | 2.31 | 2.17 |
| Packing Materials | - | 1.38 | 1.71 |
| Total | 1,134.86 | 284.97 | 221.75 |

10.2 Finished Goods held at Net Realisable Value:

(₹ in Millions)

| Particulars | As at | As at | As at |
|----------------|------------------|------------------|-----------------------------|
| | 31st March, 2018 | 31st March, 2017 | 1 st April, 2016 |
| Finished goods | 85.22 | 274.47 | 159.58 |

Refer Note no. 18 and 21 for Inventories hypothecated as security against bank borrowings.

11. Current Trade Receivables:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------------------|---------------------------|--------------------------------------|
| Trade receivables | | | |
| Receivables from Related Parties | | - | 52.00 |
| Others | 10,390.30 | 8,403.57 | 6,311.49 |
| Total | 10,390.30 | 8,403.57 | 6,363.49 |
| Less: Impairment Allowance | 161.90 | 157.81 | 113.87 |
| Total | 10,228.40 | 8,245.76 | 6,249.62 |
| Break-up for Trade Receivables: | | | |
| Particulars | | | |
| Secured, Considered Good | - | - | - |
| Unsecured, Considered Good | 10,390.30 | 8,403.57 | 6,311.49 |
| Doubtful | - | - | - |
| Less: Impairment Allowance | 161.90 | 157.81 | 113.87 |
| Total | 10,228.40 | 8,245.76 | 6,197.62 |
| Break-up for Related Parties: | | | |
| Particulars | | | |
| Receivables from Joint Venture of KEI Industries Ltd, New Delhi & Brugg Kabel AG, Switzerland | _ | - | 52.00 |
| Total | - | - | 52.00 |

No trade or other receivable are due from directors or officers of company either severally or jointly with other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The carrying amount of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement Company has transferred the relevant receivables to factor in exchange for cash and is prevented from selling or pledging the receivables. However Company has retained late payment and credit risk. Company therefore continues to recognise transferred assets in their entirely in its Balance Sheet. Amount repayable under the factoring arrangement is presented as secured borrowing.



11.1 Relevant carrying amounts are as follows:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------------------|--------------------------------------|
| Total Transferred Receivables | 2,185.97 | 1,011.21 | 689.59 |
| Associated Secured borrowing (Refer Note No. 21) | 2,185.97 | 1,011.21 | 689.59 |

12. Cash and Cash Equivalents:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|------------------------|---------------------------------------|--------------------------------------|
| Cash in Hand | 3.65 | 3.80 | 4.89 |
| Balances with Banks | | | |
| Current Accounts | 456.67 | 317.51 | 15.55 |
| Fixed Deposits with less than 3 Month Maturity | 142.51 | 0.01 | 2.61 |
| Total | 602.83 | 321.32 | 23.05 |

12.1 Finished Goods held at Net Realisable Value:

(₹ in Millions)

| Particulars | As at | As at | As at |
|--|------------------|------------------------------|-----------------------------|
| | 31st March, 2018 | 31 st March, 2017 | 1 st April, 2016 |
| Fixed Deposits under lien/custody with Banks /Others | - | 0.01 | 2.61 |

13. Bank Balances other than Cash and Cash Equivalents:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|---|---------------------------|---------------------------------------|--------------------------------------|
| Fixed Deposits with original maturity of more than 3 months but less than 12 months | 165.03 | 8.62 | 12.66 |
| Unpaid Dividend Accounts | 0.35 | 0.26 | 0.29 |
| Fixed Deposits with Banks as Deposits Repayment Reseve Account | 3.40 | 3.18 | 3.08 |
| Total | 168.78 | 12.06 | 16.03 |

13.1 (₹ in Millions)

| Particulars | As at | As at | As at |
|--|------------------|------------------------------|-----------------------------|
| | 31st March, 2018 | 31 st March, 2017 | 1 st April, 2016 |
| Fixed Deposits under lien/custody with Banks /Others | 85.03 | 8.62 | 12.66 |

14. Current Loans:

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|----------------------------------|---------------------------|---------------------------|--------------------------------------|
| Unsecured, Considered Good | | | |
| Security Deposits to Others | 4.16 | 4.11 | 5.11 |
| Loans to Related Party | 0.29 | 0.27 | 0.13 |
| Loans to Workers & Staff- Others | 9.44 | 5.72 | 4.89 |
| Total | 13.89 | 10.10 | 10.13 |

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14.1 Current Loans to Related Party:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1st April, 2016 | |
|----------------------------|---------------------------|---------------------------------------|--------------------------|--|
| Unsecured, Considered Good | | | | |
| Kishore Kunal* | 0.29 | 0.27 | 0.13 | |
| Total | 0.29 | 0.27 | 0.13 | |

^{*} Against salary

15. Other Current Assets:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|------------------------------------|------------------------|---------------------------|--------------------------------------|
| Balance with Excise Authorities | - | 191.32 | 67.25 |
| Others: | | | |
| Advances to Suppliers | 230.40 | 253.34 | 135.44 |
| Advances to Related Party | 0.91 | - | 3.18 |
| Advances Recoverable | 29.38 | 33.10 | 19.96 |
| Unbilled Revenue | 521.02 | 290.36 | 276.81 |
| Interest Accrued | 6.92 | 6.18 | 4.58 |
| Prepaid Expenses | 63.04 | 58.66 | 41.33 |
| Earnest Money | 59.69 | 36.96 | 107.18 |
| Claims Recoverable from Government | 226.19 | 313.20 | 181.27 |
| Total | 1,137.55 | 1,183.12 | 837.00 |

15.1 Break-up of Advance to Related Party:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 | |
|--------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|--|
| Recoverable from Joint Venture | 0.91 | - | 3.18 | |
| Total | 0.91 | - | 3.18 | |

16. Equity Share Capital:

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--|------------------------|------------------------|--------------------------------------|
| Authorised | | | |
| 110,000,000 (31st March, 2017 : 110,000,000, 1st April, 2016 : 110,000,000) Equity Shares of ₹2/- each | 220.00 | 220.00 | 220.00 |
| 300,000 (31 st March, 2017 : 300,000, 1 st April, 2016 : 300,000) Preference Shares of ₹ 100/-each | 30.00 | 30.00 | 30.00 |
| Total | 250.00 | 250.00 | 250.00 |
| Issued, Subscribed & paid-up | | | |
| 78,361,438 (31st March, 2017 : 77,797,438, 1st April, 2016 : 77,237,438) Equity shares of ₹ 2/each fully paid | 156.72 | 155.59 | 154.47 |
| Total | 156.72 | 155.59 | 154.47 |



16.1 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.

16.2 Reconciliation of Number of Equity Shares:

| | As at 31 st March, 2018 | | As at 31st March, 2017 | | As at 1 st April, 2016 | |
|---|---------------------------------------|--------|---------------------------|--------------------------|--------------------------------------|--------------------------|
| Particulars | Nos. Amount in Millions | | Nos. | Amount in Millions | Nos. | Amount in Millions |
| Balance as at the beginning of the year | 77,797,438 | 155.59 | 77,237,438 | 154.47 | 77,237,438 | 154.47 |
| Add: Issued during the Year * | 564,000 | 1.13 | 560,000 | 1.12 | - | - |
| Balance as at the end of the year | 78,361,438 | 156.72 | 77,797,438 | 155.59 | 77,237,438 | 154.47 |

^{*} Equity Shares of face value ₹ 2/- each issued to eligible employees of the Company under KEI Employees Stock Option Scheme, 2015.

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

| Name of shareholder | As at 31 st March, 2018 | | As at 31 st March, 2017 | | As at 1 st April, 2016 | |
|--|---------------------------------------|--------|---------------------------------------|--------|--------------------------------------|--------|
| | Nos. | % age | Nos. | % age | Nos. | % age |
| Mr. Anil Gupta | 13,680,776 | 17.46% | 13,680,776 | 17.59% | 15,580,776 | 20.17% |
| M/s Projection Financial and Management Consultants Private Limited | 7,900,000 | 10.08% | 7,900,000 | 10.15% | 7,900,000 | 10.23% |
| M/s Anil Gupta HUF beneficiary Mr. Anil Gupta | 4,650,375 | 5.93% | 4,650,375 | 5.98% | 4,650,375 | 6.02% |
| Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund | 5,220,550 | 6.66% | 4,500,000 | 5.78% | 2,104,773 | 2.73% |
| IDFC Sterling Equity Fund | 910,000 | 1.16% | 1,512,244 | 1.94% | 4,670,571 | 6.05% |

16.4 Equity Shares reserved and issued under KEI Employees Stock Option Scheme, 2015:

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|------------------------|------------------------------------|--------------------------------------|
| | Nos. of shares | Nos. of shares | Nos. of shares |
| Options available under ESOS | | | |
| Options available at the beginning of the year | 1,692,000 | 2,252,000 | - |
| Options granted during the year | - | - | 2,252,000 |
| Equity Shares issued during the year | | | |
| Under KEI ESOS 2015 option Plan: equity | 564,000 | 560,000 | - |
| shares of ₹ 2 each. | | | |
| Options available at the close of the year | 1,128,000 | 1,692,000 | 2,252,000 |

For terms and other details refer note no 42

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17. Other Equity:

Refer Statement of Changes in Equity for detailed movement in Equity balance:

A. Summary of Other Equity balance:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|---|---------------------------|---------------------------|--------------------------------------|
| Capital Reserve | 28.00 | 28.00 | 28.00 |
| Securities Premium Account | 843.09 | 784.37 | 726.06 |
| General Reserve | 21.09 | 21.09 | 21.09 |
| Retained Earnings | 4,965.16 | 3,573.76 | 2,683.79 |
| Foreign Currency Monetary Item Translation Difference Account (FCMITDA) | - | - | (6.27) |
| Foreign Currency Translation Reserve (FCTR) | (2.04) | 0.01 | (0.00) |
| Non Controlling Interest | 0.01 | - | - |
| Employee Stock Options Outstanding | 58.93 | 66.00 | 43.27 |
| Other Comprehensive Income | (24.01) | (18.04) | (17.37) |
| Total | 5,890.23 | 4,455.19 | 3,478.57 |

B. Nature and purpose of reserves:

- (a) Capital Reserve: Subscribed capital forfeited due to non-receipt of call money treated as Capital Reserve.
- **(b) Securities Premium Account :** Amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions difference between fair value on grant date and nominal value of share is accounted as Securities Premium Account.
- (c) Employee Stock Options Outstanding (ESOS): Fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding.
- (d) General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.
- **(e) Retained Earnings:** Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve dividends or other distributions to shareholders.
- (f) Foreign Currency Monetary Item Translation Difference Account (FCMITDA):

 Company has amortised exchange difference on other than depreciable capital items over period of External Commercial Borrowings/ Foreign Currency Convertible Bonds. This is not available for capitalisation/declaration of dividend/ share buy-back.

18. Non Current Borrowings:

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------------------|--------------------------------------|
| (i) Secured | | | |
| Term Loan | | | |
| Term Loans from Banks | 467.39 | 163.64 | 470.12 |
| Foreign Currency Term Loans from Banks | 274.12 | 231.53 | 231.53 |
| External Commercial Borrowings | 412.92 | - | - |
| Term Loans from Non-Banking Financial Company | 205.77 | 279.61 | 867.54 |
| Finance Lease Obligations on Hire Purchase of Vehicles | 18.26 | 24.92 | 22.31 |



(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|-------------------------------|------------------------|---------------------------|--------------------------|
| (ii) Unsecured | | | |
| Deposits | | | |
| Public Deposits | 48.81 | 52.99 | 35.22 |
| Deposits from Related Parties | 29.35 | 7.82 | 3.35 |
| Loans from Related Parties | - | 3.00 | 4.50 |
| Total | 1,456.62 | 763.51 | 1,634.57 |

18.1 Nature of Security and Repayment Terms of Term Loan:

| | 31st | 31st | 1 st | | | |
|---------|----------------|----------------|----------------|--|--|--|
| Sl. No. | March, 2018 | March, 2017 | April, 2016 | Rate of interest | Terms of repayment of term loan outstanding as at 31st March, 2018 | |
| 1 | - | 867.54 | 1,343.67 | 9.25%+Spread (3.10%) | Repaid during F.Y. 2017-18 | |
| 2 | - | - | 125.00 | 6 month LIBOR + 300 bps | Repaid during F.Y. 2016-17 | |
| 3 | 101.42 | 138.93 | 147.77 | 1 year MCLR (8.30%) + Spread (1.85%) | Repayable in 5 Years upto October 2020 | |
| 4 | 233.97 | 231.53 | 235.20 | 6 month LIBOR + 90bps, 6 month LIBOR + 81bps | Drawn in three tranche, repayable in Januray 2019 and February 2019 | |
| 5 | 107.21 | 167.63 | 230.20 | 1 year MCLR (7.95%) + Spread (1.35%) | Repayable in 5 Years including moratorium period of 15 months payable upto November 2019 | |
| 6 | - | 61.56 | 122.83 | 1 year MCLR (7.95%) + Spread (1.35%) | Repaid during F.Y. 2017-18 | |
| 7 | - | 102.00 | 138.24 | 9.50% + Spread (3.75%) | Repaid during F.Y. 2017-18 | |
| 8 | - | - | 43.89 | 10.40% + Spread (2.25%) | Repaid during F.Y. 2016-17 | |
| 9 | 280.37 | 298.37 | - | 9.75% (Fixed Rate) | Repayable in 5 Years including moratorium period of 12 months upto December 2021 | |
| 10 | 365.46 | - | - | 9.10%+Spread (0.50%) | Repayable in 3 Years upto May 2020 | |
| 11 | 212.32 | - | - | 1 year MCLR (9.10%) + Spread (0.50%) | Repayable in 5 Years upto June 2022 | |
| 12 | 455.72 | - | - | 4.40%(Fixed Rate) | Repayable in 3 Years including moratorium period of 6 months upto December 2020 | |
| 13 | 514.72 | - | - | 3 MONTH LIBOR + 190 bps | Repayable in 5 Years including moratorium period of 12 months upto December 2022 | |
| Total | 2,271.19 | 1,867.56 | 2,386.80 | | | |
| Less: | 910.99 | 1,192.78 | 817.61 | Current Maturities of Long Term Borrowings (Note 23) | | |
| Total | 1,360.20 | 674.78 | 1,569.19 | Borrowings Non Current (Note 18) | | |

⁻⁻ 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, RIICO Industrial Area, Chopanki, SP-919-922, RIICO Industrial Area, Phase- III, Bhiwadi, SP 2/874, RIICO Industrial Area, Pathredi and 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa. Further they are secured by personal guarantee of Shri Anil Gupta Chairman-cum-Managing Director of the Company.

- **18.2** Finance Lease Obligations are secured against hypothecation of vehicles.
- **18.3** Unsecured Deposits are repayable within 3 years from the date of acceptance.
- **18.4** For Loans & Deposits from Related Parties refer note no. 45.

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19. Non Current Provisions:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--------------------------------|---------------------------|---------------------------|--------------------------------------|
| Employee benefits | | | |
| Provision for Leave Encashment | 67.21 | 50.63 | 40.02 |
| | 67.21 | 50.63 | 40.02 |

20. Deferred Tax Liability (Net):

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1st April, 2016 |
|--|---------------------------------------|---------------------------------------|--------------------------|
| Deferred Tax Liability : | | | |
| Additional depreciation/amortisation on PPE and Other Intangiable Assets | 515.89 | 460.67 | 403.47 |
| Other timing differences | 9.32 | 8.69 | 14.04 |
| Total Deferred Tax Liabilities | 525.21 | 469.36 | 417.51 |
| Deferred Tax Asset : | | | |
| Liabilities / provisions that are deducted for tax purposes when paid | 51.45 | 46.83 | 49.69 |
| Provision for doubtful debts/impairment allowance | 56.57 | 54.61 | 39.40 |
| Defined benefit obligations | 11.39 | 7.51 | 3.57 |
| Other timing differences | 8.60 | 7.23 | 5.35 |
| Total Deferred Tax Assets | 128.01 | 116.18 | 98.01 |
| Net Deferred Tax Assets/ (Liabilities) | (397.20) | (353.18) | (319.50) |

20.1 Movement in Deferred Tax Assets:

| Particulars | Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off | Defined benefit obligations | Liabilities / provisions that are deducted for tax purposes when paid | Other items | Total deferred tax assets |
|---|--|-----------------------------------|--|----------------|------------------------------------|
| As at 1 st April, 2016 | 39.40 | 3.57 | 49.69 | 5.35 | 98.01 |
| (Charged)/credited: | | | | | |
| Profit and Loss | 15.21 | - | (2.86) | 1.88 | 14.23 |
| Other Comprehensive Income * ₹ (1980)/- | - | 3.94 | - | (0.00)* | 3.94 |
| Equity | - | - | - | - | - |
| As at 31st March, 2017 | 54.61 | 7.51 | 46.83 | 7.23 | 116.18 |
| (Charged)/credited : | | | | | |
| Profit and Loss | 1.96 | - | 4.62 | 0.13 | 6.71 |
| Other Comprehensive Income | - | 3.88 | - | 1.24 | 5.12 |
| Equity | - | - | - | - | - |
| As at 31st March, 2018 | 56.57 | 11.39 | 51.45 | 8.60 | 128.01 |



20.2 Movement in Deferred Tax Liabilities:

(₹ in Millions)

| Particulars | Additional depreciation/ amortisation on PPE and Other Intangible Assets | Other items | Total deferred tax liabilities |
|----------------------------|--|-------------|--------------------------------|
| As at 1st April, 2016 | 403.47 | 14.04 | 417.51 |
| (Charged)/credited : | | | |
| Profit and Loss | 57.20 | (5.35) | 51.85 |
| Other Comprehensive Income | - | - | - |
| Equity | - | - | - |
| As at 31st March, 2017 | 460.67 | 8.69 | 469.36 |
| (Charged)/credited : | | | |
| Profit and Loss | 55.22 | 0.63 | 55.85 |
| Other Comprehensive Income | - | - | - |
| Equity | - | - | - |
| As at 31st March, 2018 | 515.89 | 9.32 | 525.21 |

20.3 Unused Tax Credit:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | | As 31 st Marc | | | at il, 2016 |
|--|------------------------|----------------|-----------------------------|----------------|--------|----------------|
| Particulars | Amount | Expiry Year | Amount | Expiry Year | Amount | Expiry Year |
| Unused Tax Credits (Minimum Alternate Tax [MAT] Credit not Recognised) | | - | 121.51 | 2025-26 | 206.39 | 2025-26 |

21. Current Borrowings:

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|----------------------------------|------------------------|---------------------------|--------------------------------------|
| (i) Secured: | | | |
| Working Capital Loans from Banks | 2,266.79 | 3,489.60 | 1,962.27 |
| Buyer's Credit | 1,377.63 | 1,401.20 | 519.58 |
| Factoring Arrangements | 2,185.97 | 1,011.21 | 689.59 |
| (ii) Unsecured: | | | |
| Loans from Related Parties | | | |
| Loans from Related Party * | 205.00 | 250.00 | - |
| Inter Corporate Deposits | 0.80 | 0.80 | 2.60 |
| Deposits from Others | | | |
| Inter Corporate Deposits | 5.50 | 5.50 | 5.50 |
| Public Deposits | - | 1.20 | |
| Total | 6,041.69 | 6,159.51 | 3,179.54 |

 $^{^{\}star}$ For Loans From Related Party Refer Note No. 45

21.1 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 920-922, 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, SP 2/874, RIICO Industrial Area, Pathredi 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.

22. Current Trade Payables:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|-------------------------------------|---------------------------|---------------------------|--------------------------------------|
| Micro, Small and Medium Enterprises | - | - | - |
| Acceptances | 2,329.05 | 1,831.13 | 1,803.57 |
| Others | 3,955.61 | 2,974.29 | 2,518.15 |
| Total | 6,284.66 | 4,805.42 | 4,321.72 |

22.1 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.

23. Other Current Financial Liabilities:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|---|---------------------------|---------------------------------------|--------------------------------------|
| Current Maturities of Long Term Debts | | | |
| From Banks | 319.03 | 306.48 | 212.82 |
| Foreign Currency Loans from Banks | 415.57 | - | 3.66 |
| External Commercial Borrowings | 101.80 | - | 125.00 |
| From Others (Non-Banking Financial Company) | 74.59 | 886.30 | 476.13 |
| (Refer Note 18.1) | | | |
| Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles | 11.89 | 12.67 | 9.42 |
| (Refer Note 18.2) | | | |
| Interest on Borrowings | | | |
| Accrued but not due | 8.13 | 4.10 | 1.10 |
| Accrued and due | 8.85 | 21.76 | 7.20 |
| Unpaid Dividend (Refer Note 23.1) | 1.49 | 1.28 | 1.21 |
| Total | 941.35 | 1,232.59 | 836.54 |

23.1 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.



24. Other Current Liabilities:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---------------------------------------|---------------------------|--------------------------|
| Income Received in Advance | 19.27 | 14.41 | 616.30 |
| Security Deposits Received | 14.77 | 14.73 | 14.94 |
| Employee Benefits Payable | 98.85 | 101.29 | 73.70 |
| Sundry Creditors -Capital Goods | 77.42 | 57.16 | 77.01 |
| Advance from Customers / Payables to Customer | 372.85 | 439.91 | 173.33 |
| Statutory Dues Payable | 234.44 | 253.88 | 181.57 |
| Total | 817.60 | 881.38 | 1,136.85 |

25. Current Provisions:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--------------------------------|---------------------------------------|---------------------------|--------------------------------------|
| Employee Benefits | | | |
| Provision for Leave Encashment | 9.54 | 6.88 | 5.25 |
| Provision for Gratuity | 82.89 | 62.17 | 46.03 |
| Other Provisions | 18.86 | 17.81 | 12.40 |
| Total | 111.29 | 86.86 | 63.68 |

25.1. Movement of Provisions (Current and Non Current):

(₹ in Millions)

| Particulars | Leave Encashment | Gratuity | Warranty Provision |
|------------------------------------|---------------------|----------|-----------------------|
| As at 1st April, 2017 | 57.51 | 62.17 | 17.81 |
| Credited during the year | 23.84 | 20.72 | 17.29 |
| Utilised during the year | 4.60 | - | - |
| Unused amount reversal | - | - | 16.24 |
| As at 31 st March, 2018 | 76.75 | 82.89 | 18.86 |

Provision for Leave Encashment:

Leave encashment is a terminal employee benefit, which covers Company's liability for earned leave.

Provision for Gratuity:

Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are elegible for gratuity. Gratuity plan is a funded plan and Company makes contributions to fund maintained by LIC of India and administrated through irrevocable trust setup by Company.

Provision for Warranty:

Provision for warranty relates to estimated outflow in respect of warranty for products sold/contracts executed by Company. Due to nature of such costs it is not possible to estimate timing/uncertainties relating to the outflows of economic benefits.

25.2. Disclosures under Ind AS 19 "Employee Benefits":

Defined Contribution Plan:

Amount recognized as an expense in defined contribution plans:

| Particulars | | | | Expense recognised in 2017-18 | Expense recognised in 2016-17 |
|----------------------|-------------|------|---|-------------------------------|-------------------------------|
| Contributory | Provident | Fund | & | 40.58 | 23.67 |
| Employees Per | sion Scheme | 1995 | | | |

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a) The amounts recognised in the Balance Sheet is as under:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|---|---------|----------|---------------------|
| Dragant value of obligations as at the and of year | 2017-18 | 171.11 | 76.75 |
| Present value of obligations as at the end of year | 2016-17 | 137.39 | 57.51 |
| Fair value of plan assets as at the end of the year | 2017-18 | 88.22 | - |
| rair value of plan assets as at the end of the year | 2016-17 | 75.22 | - |
| Funded status | 2017-18 | (82.89) | (76.75) |
| | 2016-17 | (62.17) | (57.51) |
| Net Assets/(Liability) recognized in Balance Sheet | 2017-18 | 82.89 | 76.75 |
| | 2016-17 | 62.17 | 57.51 |
| Company's best estimate of expense for the next Annual reporting period | | 36.20 | 28.02 |

b) Expense recognized in Statement of Profit and Loss is as under:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|---|---------|----------|---------------------|
| Current Service Cost | 2017-18 | 18.19 | 14.96 |
| Current Service Cost | 2016-17 | 13.45 | 9.86 |
| Interest Cost on Defined Bonefit Obligation | 2017-18 | 9.89 | 4.14 |
| Interest Cost on Defined Benefit Obligation | 2016-17 | 8.08 | 3.40 |
| Interest Income on Plan Assets | 2017-18 | 5.42 | - |
| | 2016-17 | 4.63 | - |
| Not Astronial (Cair) / Language and in the province | 2017-18 | 4.48 | - |
| Net Actuarial (Gain) / Loss recognized in the period | 2016-17 | 3.45 | - |
| Everyone was a mirrord in Chatamana of Durafit and Land | 2017-18 | 22.66 | 23.84 |
| Expenses recognized in Statement of Profit and Loss | 2016-17 | 16.90 | 15.16 |

c) Expenses recognized in Other Comprehensive Income is as under:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|--|---------|----------|---------------------|
| Astronial (Caina) / Laca on Defined Bonefit Obligation | 2017-18 | 11.65 | - |
| Actuarial (Gains)/Loss on Defined Benefit Obligation | 2016-17 | 12.09 | - |
| Astronial (Caina) / Laca an Assat | 2017-18 | (0.54) | - |
| Actuarial (Gains)/Loss on Asset | 2016-17 | (0.72) | - |
| Actuarial Gain/(Loss) recognized in Other | 2017-18 | 11.11 | - |
| Comprehensive Income | 2016-17 | 11.37 | - |

d) Movements in the present value of the Defined Benefit Obligations:

| Particulars | Period | Gratuity | Leave Encashment |
|--|---------|----------|---------------------|
| Present Value of Obligations as at beginning of year | 2017-18 | 137.39 | 57.51 |
| | 2016-17 | 107.77 | 45.27 |
| A a a viaiti a a A divetas a at | 2017-18 | - | - |
| Acquisition Adjustment | 2016-17 | - | - |



(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|--|---------|----------|---------------------|
| Interest Cost | 2017-18 | 9.89 | 4.14 |
| interest Cost | 2016-17 | 8.08 | 3.40 |
| Current Service Cost | 2017-18 | 18.19 | 14.96 |
| Current Service Cost | 2016-17 | 13.45 | 9.86 |
| Actuarial (Gains)/Losses arising from: | | | |
| Changes in Damagraphia Assumptions | 2017-18 | Nil | Nil |
| Changes in Demographic Assumptions | 2016-17 | Nil | Nil |
| Changes in Figure in I Appropriate | 2017-18 | 6.74 | 2.53 |
| Changes in Financial Assumptions | 2016-17 | 3.11 | 1.10 |
| Funcciones Adinatus anta | 2017-18 | 4.90 | 2.21 |
| Experience Adjustments | 2016-17 | 8.98 | 0.80 |
| Deat Coming Cont | 2017-18 | - | - |
| Past Service Cost | 2016-17 | - | - |
| Densite Daid | 2017-18 | (6.01) | (4.60) |
| Benefits Paid | 2016-17 | (4.00) | (2.93) |
| Present value of obligations as at end of year | 2017-18 | 171.11 | 76.75 |
| | 2016-17 | 137.39 | 57.51 |

e) Movements in the fair value of the Plan Assets:

(₹ in Millions)

| | | | ` ' |
|--|---------|----------|---------------------|
| Particulars | Period | Gratuity | Leave Encashment |
| | 2017-18 | 75.22 | - |
| Fair Value of plan assets as on beginning of year | 2016-17 | 61.74 | - |
| Laborate la como | 2017-18 | 5.42 | - |
| Interest Income | 2016-17 | 4.63 | - |
| Re-measurement Gain/(Loss) - return on plan assets | 2017-18 | 0.54 | - |
| (excluding amounts included in net interest expense) | 2016-17 | 0.72 | - |
| Contributions from the employer | 2017-18 | 13.05 | - |
| | 2016-17 | 12.14 | - |
| D (%) | 2017-18 | (6.01) | - |
| Benefits paid | 2016-17 | (4.00) | - |
| Fair value of Plan Assets at the end of year | 2017-18 | 88.22 | - |
| | 2016-17 | 75.22 | - |

f) Actuarial Assumptions are as under:

| Particulars | Period | Gratuity | Leave Encashment |
|---|---------|----------|---------------------|
| Discount Rate | 2017-18 | 7.70% | 7.70% |
| | 2016-17 | 7.20% | 7.20% |
| Expected rate of Future Salary Increase | 2017-18 | 7.00% | 7.00% |
| | 2016-17 | 6.00% | 6.00% |

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|---------------------|---------|---------------------------|---------------------|
| Detirement Age | 2017-18 | 58 yrs | 58 yrs |
| Retirement Age | 2016-17 | 58 yrs | 58 yrs |
| Mortality Pates | 2017-18 | As per Indian | Assured Lives |
| Mortality Rates | 2016-17 | Mortality (2006-08) Table | |
| Age | | Withdrawal Rate | Withdrawal Rate |
| Unite 20 Venus | 2017-18 | 3.00% | 3.00% |
| Up to 30 Years | 2016-17 | 3.00% | 3.00% |
| From 21 to 44 years | 2017-18 | 2.00% | 2.00% |
| From 31 to 44 years | 2016-17 | 2.00% | 2.00% |
| Above 44 years | 2017-18 | 1.00% | 1.00% |
| | 2016-17 | 1.00% | 1.00% |

Risks Associated with Plan Provisions

Valuations are based on certain assumptions which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

| Salary Increases | The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability. |
|---------------------------|--|
| Investment Risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If the plan liability is funded and return on plan assets is below this rate it will create a plan deficit. |
| Discount Rate Risk | A decrease in the bond interest rate (discount rate) will increase the plan liability. |
| Mortality & Disability | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability. |

g) Maturity Profile of Defined Benefit Obligation is as under:

Duration of defined benefit obligation:

| Paradion of definica perions obligation. | | | (|
|--|---------|----------|---------------------|
| Particulars | Period | Gratuity | Leave Encashment |
| 1 | 2017-18 | 48.47 | 9.54 |
| l | 2016-17 | 41.85 | 6.88 |
| 2 | 2017-18 | 5.43 | 7.40 |
| 2 | 2016-17 | 7.13 | 6.40 |
| 2 | 2017-18 | 5.01 | 6.65 |
| 3 | 2016-17 | 4.26 | 5.10 |
| 4 | 2017-18 | 8.74 | 6.52 |
| 4 | 2016-17 | 3.95 | 4.57 |
| F | 2017-18 | 5.98 | 5.44 |
| 5 | 2016-17 | 7.20 | 4.55 |
| Above 5 | 2017-18 | 97.48 | 41.21 |
| | 2016-17 | 72.99 | 30.00 |



h) Summary of Membership Data:

| | As at 31st March, 2018 | |
|--|------------------------|---------------------|
| Particulars | Gratuity | Leave Encashment |
| Number of Employees | 1,518 | 1,489 |
| Total Monthly Salary for Gratuity (₹ in Millions) | 37.50 | - |
| Total Monthly Salary for leave Availment (₹ in Millions) | ı | 37.06 |
| Average Past Service (Years) | 6.09 | 6.04 |
| Average Age (Years) | 36.67 | 36.59 |
| Average Remaining Working Life (Years) | 21.33 | 21.41 |

i) Major Category of Plan Assets (as percentage of total plan assets) is as under:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|-------------------------|---------|----------|---------------------|
| Fund Managed by Insurer | 2017-18 | 82.89 | Nil |
| | 2016-17 | 62.17 | Nil |

j) Sensitivity Analysis is as under:

(₹ in Millions)

Impact of the Change in Discount Rate:

| Particulars | Period | | Leave Encashment |
|-------------------------------|---------|--------|---------------------|
| Impact due to Increase of 1% | 2017-18 | 158.41 | 71.94 |
| | 2016-17 | 127.53 | 53.98 |
| January due to Daniero of 10/ | 2017-18 | 186.03 | 82.20 |
| Impact due to Decrease of 1% | 2016-17 | 148.88 | 61.48 |

Impact of the Change in Salary Increase:

(₹ in Millions)

| Particulars | Period | Gratuity | Leave Encashment |
|------------------------------|---------|----------|---------------------|
| Impact due to Increase of 1% | 2017-18 | 185.99 | 82.18 |
| | 2016-17 | 148.90 | 61.49 |
| learner due to Degree of 10/ | 2017-18 | 158.22 | 71.87 |
| Impact due to Decrease of 1% | 2016-17 | 127.34 | 53.91 |

26. Current Tax Liability (Net):

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------|--------------------------------------|
| Tax expense comprises of: | | | |
| Opening balance (Receivables)/Payables | 14.13 | 31.73 | 23.35 |
| Current tax payable for the year | 669.33 | 376.79 | 328.96 |
| Less : Taxes paid during the year | 527.52 | 304.21 | 195.96 |
| Less : MAT Credit Entitlement | 121.51 | 90.18 | 124.62 |
| Closing Balance Liabilities (Net) | 34.43 | 14.13 | 31.73 |

^{26.1} Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹121.51 Millions (In 31st March, 2017: ₹90.18 Millions, In 31st March, 2016 ₹124.62 Millions).

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27. Revenue From Operations (Gross):

(₹ in Millions)

| Particulars | | Ended rch, 2018 | Year Ended 31st March, 2017 | |
|---|-----------|--------------------|--------------------------------|-----------|
| Sale of Products | | | | |
| Manufactured Goods | 26,005.26 | | 22,986.17 | |
| Traded Goods | 10.83 | 26,016.09 | 17.44 | 23,003.61 |
| Income from Turnkey Projects | | 8,672.21 | | 5,050.30 |
| (Refer note 27.3) | | | | |
| Job Work | | 3.91 | | 4.45 |
| Other operating Revenues | | | | |
| Export Benefits | 42.23 | | 18.88 | |
| Unadjusted Credit balances written back | 28.69 | | 4.42 | |
| Scrap | 268.06 | 338.98 | 242.59 | 265.89 |
| Total | | 35,031.19 | | 28,324.25 |

Revenue from Operations include in few cases, VAT & Service Tax, wherever prices are inclusive of Taxes.

27.1 Details of Sales (Manufactured Goods):

(₹ in Millions)

| Class of Goods | Year Ended 31st March, 2018 | Year Ended 31 st March, 2017 |
|--------------------------------------|--------------------------------|--|
| Cables | 18,813.61 | 17,409.09 |
| Stainless Steel Wires | 1,167.85 | 1,128.24 |
| Winding Wire, Flexible & House Wires | 6,023.80 | 4,448.84 |
| Total | 26,005.26 | 22,986.17 |

27.2 Details of Sales (Traded Goods):

(₹ in Millions)

| Class of Goods | Year Ended 31st March, 2018 | | Ended ch, 2017 |
|----------------|--------------------------------|-------|-------------------|
| Miscellaneous | | 10.83 | 17.44 |
| Total | | 10.83 | 17.44 |

27.3 Income from Turnkey Projects:

| Particulars | Year Ended 31st March, 2018 | | Ended ch, 2017 |
|------------------------------|--------------------------------|----------|-------------------|
| Income from Turnkey Projects | | 8,672.21 | 5,050.30 |
| Total | | 8,672.21 | 5,050.30 |



28. Other Income: (₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | | Ended ch, 2017 |
|---|--------------------------------|-------|-------------------|
| Dividend from long term investments | | 0.04 | 0.04 |
| Interest Income from Bank Deposits/Other | | 6.48 | 5.10 |
| Interest Income from financial assets at amortised cost | | 1.57 | 1.03 |
| Miscellaneous Income | | - | 3.31 |
| Insurance Claims | | 10.00 | 13.56 |
| Exchange Fluctuation (Net) | | 74.90 | 77.63 |
| Total | | 92.99 | 100.67 |

29. Cost of Materials Consumed:

(₹ in Millions)

| Particulars | | Year Ended 31st March, 2018 | | Ended ch, 2017 |
|---------------------------|-----------|--------------------------------|-----------|-------------------|
| Raw Materials Consumed | | | | |
| Opening Stock | 1,188.75 | | 728.76 | |
| Add : Purchases | 21,072.75 | | 16,822.47 | |
| Less : Closing Stock | 1,108.52 | | 1,188.75 | |
| Less : Captive use | 13.84 | 13.84 21,139.14 | | 16,350.61 |
| Turnkey Project Materials | | | | |
| Opening Stock | 20.02 | | 29.86 | |
| Add : Purchases | 3,268.32 | | 2,326.25 | |
| Less: Closing Stock | 4.71 | 3,283.63 | 20.02 | 2,336.09 |
| | | 24,422.77 | | 18,686.70 |

30. Purchases of Stock in Trade:

(₹ in Millions)

| Class of Goods | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | |
|----------------|--------------------------------|--------------------------------|--|
| Miscellaneous | 15.12 | 15.96 | |
| Total | 15.12 | 15.96 | |

31. Changes in Inventory of Finished Goods, Work in Progress and Stock in trade:

| Particulars | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|----------------------|--------------------------------|----------|--------------------------------|----------|
| Opening Stock | | | | |
| Finished Goods | 1,778.30 | | 1,176.64 | |
| Stock in Trade | 6.64 | | 6.80 | |
| Work in Progress | 1,766.88 | | 1,935.77 | |
| Scrap | 5.75 | 3,557.57 | 11.61 | 3,130.82 |
| Less : Closing Stock | | | | |
| Finished Goods | 2,228.38 | | 1,778.30 | |
| Stock in Trade | 10.62 | | 6.64 | |
| Work in Progress | 1,623.35 | | 1,766.88 | |
| Scrap | 21.41 | 3,883.76 | 5.75 | 3,557.57 |
| Total | | (326.19) | | (426.75) |

32. Employee Benefits Expense:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|--|--------------------------------|----------|--------------------------------|----------|
| Salaries, Wages & Other Benefits | 1,314.36 | | 961.76 | |
| Contribution to Provident & Other Funds | 64.19 | | 48.54 | |
| Expense on Share Based Payments to Employees | 33.04 | | 62.56 | |
| Staff Welfare Expenses | 56.33 | 1,467.92 | 44.41 | 1,117.27 |
| Total | | 1,467.92 | | 1,117.27 |

For Managerial Remuneration refer Related Party Disclosure Note No. 45

33. Finance Costs: (₹ in Millions)

| Particulars | Year Ended 31st March, 2018 31st | |
|-----------------------|-------------------------------------|----------|
| Interest expenses | 884.47 | 949.56 |
| Other borrowing costs | 234.22 | 294.69 |
| Total | 1,118.69 | 1,244.25 |

34. Depreciation and Amortisation Expense:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|--------------------------------|--------------------------------|
| Depreciation on Property, Plant & Equipment | 313.01 | 278.13 |
| Amortisation on Other Intangible Assets | 9.29 | 5.91 |
| Total | 322.30 | 284.04 |

35. Sub-Contractor Expenses for Turnkey Projects:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|---------------------------|--------------------------------|----------|--------------------------------|--------|
| Sub-Contractor's Expenses | | 1,085.54 | | 579.29 |
| Total | | 1,085.54 | | 579.29 |

36. Excise Duty:

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|----------------------------------|--------------------------------|--------------------------------|
| Excise Duty on Sales | 505.50 | 1,661.10 |
| Excise Duty on Stock/Transfers * | (129.30) | 378.59 |
| Total | 376.20 | 2,039.69 |

^{*}Represents excise duty borne by Company and difference between excise duty on opening stock and closing stock of finished goods and stock transfers.



37. Other Expenses: (₹ in Millions)

| Particulars | Year E 31 st Marc | | Year E 31st Marc | |
|---|---------------------------------|----------|---------------------|----------|
| Stores, Spares & Consumables | | 147.42 | | 109.96 |
| Packing Expenses | | 813.04 | | 727.92 |
| Job Work Charges | | 565.88 | | 497.49 |
| Power, Fuel & Lighting | | 440.02 | | 388.72 |
| Repairs & Maintenance | | | | |
| Plant & Machinery | 154.49 | | 137.68 | |
| Building | 9.07 | | 18.60 | |
| Others | 24.40 | 187.96 | 27.64 | 183.92 |
| Freight, Handling and Octroi (Net) | | 799.36 | | 600.25 |
| Rebate, Discount, Commission on Sales | | 226.38 | | 114.95 |
| Bad Debts Written off | | 124.96 | | 52.83 |
| ECL on Debtors | | 4.09 | | 43.94 |
| Rates & Taxes | | 116.51 | | 75.91 |
| Rent | | 75.30 | | 52.97 |
| Insurance (Net) | | 58.40 | | 49.05 |
| Travelling & Conveyance | | 177.05 | | 114.81 |
| Advertisement & Publicity | | 148.51 | | 75.27 |
| Auditor's Remuneration | | 4.40 | | 4.55 |
| (Refer Note 37.1) | | | | |
| Loss on sales of Fixed Assets (Net) | | 1.36 | | 0.36 |
| Fixed Assets written off | | 3.58 | | 1.71 |
| Communication Expenses | | 33.18 | | 29.63 |
| Donations | | 4.00 | | 1.26 |
| Director's Meeting Fee | | 3.75 | | 1.68 |
| Professional & Consultancy Charges | | 145.39 | | 127.30 |
| Miscellaneous Expenses | | 503.71 | | 351.37 |
| Corporate Social Responsibility Expenditure | | 12.65 | | 7.68 |
| (Refer Note 37.3) | | | | |
| FCMITDA written off | | - | | 8.59 |
| Total | | 4,596.91 | | 3,622.12 |

37.1 Auditor's Remuneration:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--------------------|--------------------------------|--------------------------------|
| Audit Fee | 3.00 | 3.00 |
| Limited Review Fee | 0.60 | 0.60 |
| Tax Audit | 0.60 | 0.60 |
| Certification | 0.20 | 0.35 |
| Total | 4.40 | 4.55 |

37.2 Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 18.84 Millions (31st March, 2017 : ₹ 11.40 Millions).

37.3 Amount spent during the year on:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 201 | |
|---|--------------------------------|-------------------------------|------|
| i) Construction/Acquisition of any assets | | • | - |
| ii) On purpose other than (i) above | 12.65 | 5 | 7.68 |
| Total | 12.65 | | 7.68 |

38. Income Tax Expense:

| income Tax Expense: (< in Millions) | | | |
|--|--------------------------------|--------------------------------|--|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | |
| (a) Income tax expense | | | |
| Current tax | | | |
| Current tax on Profit for the year | 669.27 | 376.62 | |
| MAT Credit Entitlement | (121.51) | (90.18) | |
| Adjustment to Current tax of prior periods | 0.06 | 0.17 | |
| Total Current tax expenses | 547.81 | 286.61 | |
| Deferred tax | | | |
| (Decrease) /Increase in deferred tax liabilities | 49.14 | 37.62 | |
| Total deferred tax expenses/(benefit) | 49.14 | 37.62 | |
| Total Income tax expense | 596.96 | 324.23 | |
| (b) Reconciliation of tax expense and accounting | | | |
| profit multiplied by India tax rate | | | |
| Profit from operations before income tax expense | 2,044.93 | 1,262.35 | |
| India Tax Rate | 34.61% | 34.61% | |
| Australia Tax Rate | 27.50% | 27.50% | |
| Tax effect of amounts which are not deductible | | | |
| (allowable) in calculating taxable income : | | | |
| Depreciation on PPE for seprate consideration | 322.30 | 280.44 | |
| Employee benefits for seprate consideration | 34.64 | 39.13 | |
| Corporate Social Responsibility Expenditure/Donation | 16.65 | 8.94 | |
| Other items : | - | - | |
| Deduction under various sections of Income Tax | 24.57 | 99.55 | |
| Act, 1961 | | | |
| Total | 398.16 | 428.06 | |
| Tax effect of amounts which are deductible | | | |
| (allowable) in calculating taxable income : | | | |
| Exempt income | 0.04 | 0.04 | |
| Depreciation on PPE for seprate consideration | 465.82 | 449.88 | |
| Employee benefits for seprate consideration | 19.81 | 14.57 | |
| Income of Subsidiary taxable at different Tax rate | 3.32 | | |
| Other items : | | | |
| Corporate Social Responsibility Expenditure/ | 7.51 | 3.52 | |
| Donation | | 436.46 | |
| Investment allowance | 4.5.4 | 120.48 | |
| Allowed under various sections of Income Tax Act, 1961 | 15.24 | 13.70 | |
| Total | 511.74 | 602.18 | |
| Total Net Taxable Income | 1,931.35 | 1,088.23 | |
| Tax at India tax rate | 668.40 | 376.62 | |
| Tax at Australia tax rate | 0.92 | 77//2 | |
| Actual Tax Expense booked | 669.32 | 376.62 | |



39. Other Comprehensive Income:

(₹ in Millions)

| Particulars | Year Ended 31st March, 2018 | Ended ch, 2017 |
|---|--------------------------------|-------------------|
| Items that will not be reclassified to Profit or Loss : | | |
| Re-measurement gains (losses) on defined benefit plans | (11.11) | (11.37) |
| Net (loss)/gain on FVTOCI equity securities | 1.26 | 6.76 |
| Income tax effect of the above | 3.88 | 3.94 |
| Items that will be reclassified to profit or loss: | | |
| Net gain on hedge of a net investment | - | - |
| Income tax effect | - | - |
| Exchange differences on translation of foreign operations | (3.53) | 0.01 |
| Income tax effect | 1.23 | (0.00) |
| Total | (8.27) | (0.66) |

40. Earnings Per Equity Share ('EPS') pursuant to Ind AS-33 has been calculated as follows:

(A) Earnings Per Equity Share

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---------------------------------------|--------------------------------|--------------------------------|
| Profit after taxation (₹ in Millions) | 1,447.82 | 936.45 |
| Basic Earnings Per Share (₹) | 18.54 | 12.08 |
| Diluted Earnings Per Share (₹) | 18.21 | 11.78 |
| Face Value Per Equity Share (₹) | 2.00 | 2.00 |

(B) Weighted Average Number of Equity Shares Used as Denominator:

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| Number of Equity shares at the beginning of the year | 77,797,438 | 77,237,438 |
| Add: Weighted Average Number of equity shares issued during the year | 290,499 | 289,973 |
| Weighted Average Number of Equity shares for Basic EPS | 78,087,937 | 77,527,411 |
| Add: Adjustment for Employee Stock Options outstanding | 1,401,501 | 1,962,027 |
| Weighted Average Number of equity shares for Diluted EPS | 79,489,438 | 79,489,438 |

41. In terms of provision of Ind AS -11 on "Construction Contracts" for Lump Sum Turnkey Projects for contract in progress as on 31st March, 2018:

- i) The aggregate amount of cost incurred and recognised profit upto 31st March, 2018 ₹ 16137.26 Millions, (31st March, 2017: ₹ 12,765.05 Millions).
- ii) The amount of advances received ₹ 237.04 Millions (31st March, 2017: ₹ 270.88 Millions).
- iii) The amount of retention ₹ 1607.22 Millions (31st March, 2017: ₹ 1269.51 Millions).
- iv) Gross amount due to customers ₹ 1710.75 Millions (31st March, 2017: ₹ 14.40 Millions).
- v) Gross amount due from customers ₹ 652.78 Millions (31st March, 2017: ₹ 290.36 Millions).

42. 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 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 | Weighted average exercise price (₹) | Weighted average remaining life in years |
|---|----------------|-------------------------------------|---|
| 1st vesting - at the end of 1st year from the date of grant | 560,000 | 35.00 | 1.04 |
| 2 nd vesting - at the end of 2 nd year from the date of grant | 564,000 | 35.00 | 2.04 |
| 3 rd vesting - at the end of 3 rd year from the date of grant | 564,000 | 35.00 | 3.04 |
| 4^{th} vesting - at the end of 4^{th} year from the date of grant | 564,000 | 35.00 | 4.04 |
| Total Options Granted at an exercise price of ₹ 35.00 per option | | | |

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 2016-17 & 2017-18, Share Allotment Committee allotted Equity Shares of face value ₹ 2/-each to the eligible employees as per Scheme.

Summary of options granted under the Scheme are:

| Doub!loue | KEI ESOS 2015 | | |
|---|---------------|------------|--|
| Particulars | 2017-18 | 2016-17 | |
| Date of Grant | 23.09.2015 | 23.09.2015 | |
| Options Outstanding at the beginning of the year | 1,692,000 | 2,252,000 | |
| Options Granted during the year | Nil | Nil | |
| Option Forfeited during the year | Nil | Nil | |
| Option Vested | 564,000 | 560,000 | |
| Option Exercised | 564,000 | 560,000 | |
| Option Expired during the year | Nil | Nil | |
| Options Outstanding at the end of the year | 1,128,000 | 1,692,000 | |
| Weighted Average Share Price at the date of exercise of Options (₹ per share) | 312.68 | 120.75 | |

Refer Note 32 for expense recognised during the year on account of ESOS as per Ind AS 102 - Share Based Payments.



c) The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

| | KEI ESOS 2015 | | |
|--|---------------|---------|--|
| Particulars | 2017-18 | 2016-17 | |
| 1. Weighted average risk-free interest rate | 7.63% | 7.44% | |
| 2. Weighted average expected life of options | 2.04 | 1.04 | |
| 3. Weighted average expected volatility | 63.55% | 59.40% | |
| 4. Weighted average expected dividends over the life of the option | 0.27% | 0.27% | |
| 5. Weighted average exercise price | 35.00 | 35.00 | |
| 6. Weighted average share price at the time of option grant | 98.80 | 98.80 | |

The expected price volatility is based on historical volatility.

43. Lease obligations:

43.1 Future lease obligation by way of lease rental on Hire Purchase of Vehicles: (₹ in Millions)

| (in initial) | | | | | | |
|---|--|---------|--------------------------------|---------|---|---------|
| Due | Total Minimum lease payments outstanding | | Future Interest on outstanding | | Present value of minimum lease payments | |
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Within one year | 14.14 | 15.67 | 2.25 | 3.00 | 11.89 | 12.67 |
| Later than one year and not later than five years | 19.95 | 28.09 | 1.69 | 3.17 | 18.26 | 24.92 |
| More than Five years | NIL | NIL | NIL | NIL | NIL | NIL |
| Total | 34.09 | 43.76 | 3.94 | 6.17 | 30.15 | 37.59 |

43.2 Company has taken land on long term financial lease from various Government Authorities in India. Present value of minimum lease payment under finance lease is NIL.

43.3 Operating Leases-Other than non-cancellable:

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. Operating lease payments are recognised in the Profit & Loss under respective heads.

44. Contingent Liabilities & Commitments:

| | Particulars 4.1 Claims against Company not acknowledged as debt: | | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|------|---|--|--------------------------------|-------|--------------------------------|--------|
| 44.1 | | | | | | |
| | a) | Sales Tax / Entry Tax demands under appeal | | 9.49 | | 7.73 |
| | b) | Income tax Matters: | | | | |
| | | Demand due to Additions / disallowances during Assessments, which are under Appeal | | 2.16 | | 2.16 |
| | c) | Excise / Service tax demands under appeal | | 76.80 | | 144.50 |

| 44.2 | Guarantees against Performance/Security/ EMD: | 7,895.13 | 7,699.95 | |
|------|---|----------|----------|--|
| 44.3 | Other money for which Company is contingently liable: | | | |
| | a) Unutilised Letter of Credits | 615.53 | 121.35 | |
| | b) Outstanding LC Discounted | 884.19 | 669.48 | |
| 44.4 | Commitments: | | | |
| | Estimated amount of contracts remaining to be executed on Capital Account | 132.92 | 70.33 | |

45. Related Party Disclosures as required by Indian Accounting Standard (IND AS-24):

(a) Name of Related Party

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

ii) Jointly Controlled Entity:

Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)

| Place of Business/Country of | (| Ownership Interest | t |
|------------------------------|-----------------|--------------------|------------------|
| Incorporation | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| India | 75% participati | on and 100% share | e in Profit/Loss |

iii) Venturer of Joint Venture:

Brugg Kabel AG, Switzerland

iv) Key Managerial Personnel:

Shri Anil Gupta, Chairman-cum-Managing Director

Shri Rajeev Gupta, Executive Director Finance

Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10th May, 2017)

Shri Kishore Kunal, Company Secretary

Michael Wicks, Director

v) Relatives of Key Managerial Personnel with whom transaction have taken place:

Shri Sunil Gupta

Smt. Archana Gupta, Director

Late Smt. Sumitra Devi Gupta (Expired on 9^{th} June, 2017)

Smt. Shashi Gupta

Smt. Vimla Devi

Smt. Veena Agarwal

Smt. Shweta Jha

Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10th May, 2017)

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

Sunil Gupta (HUF)

Ashwathama Constructions Private Limited

Cable Grid Australia PTY Ltd.



(b) Transactions during the year

| Hallsact | nons during the year | | · III MIIIIOIIS) |
|----------|--|---------|------------------|
| PARTIC | CULARS | 2017-18 | 2016-17 |
| (i) | Sales | | |
| | Jointly Controlled entity | | |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg | - | 4.18 |
| | Kabel AG, Switzerland (Association of Persons) | | |
| | | - | 4.18 |
| (ii) | Purchase - Project Material | | |
| | Jointly Controlled entity | | |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg | - | 2.36 |
| | Kabel AG, Switzerland (Association of Persons) | | |
| | | - | 2.36 |
| (iii) | Purchase - Fixed Assets | | |
| | Jointly Controlled entity | | |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg | - | 2.52 |
| | Kabel AG, Switzerland (Association of Persons) | | |
| | | - | 2.52 |
| (iv) | Reimbursment of Expenses Paid | | |
| | Enterprises over which person mentioned in (iv & v) above are able | | |
| | to exercise significant control and transactions have taken place: | | |
| | Cable Grid Australia PTY Ltd. | 1.58 | 0.03 |
| | | 1.58 | 0.03 |
| | Jointly Controlled entity | | |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg | 0.62 | 5.23 |
| | Kabel AG, Switzerland (Association of Persons) | | |
| | | 0.62 | 5.23 |
| (v) | Advance Given | | |
| | Jointly Controlled entity | | |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg | 7.76 | 18.90 |
| | Kabel AG, Switzerland (Association of Persons) | 77/ | 10.00 |
| | | 7.76 | 18.90 |
| (vi) | Loan Given | | |
| | Key Managerial Personnel | | 0.50 |
| | Shri Kishore Kunal, Company Secretary | - | 0.50 |
| | | - | 0.50 |
| (vii) | Advance Outstanding | | |
| | Jointly Controlled entity | | |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg | 0.91 | - |
| | Kabel AG, Switzerland (Association of Persons) | 0.01 | |
| , | | 0.91 | - |
| (viii) | Loan Outstanding | | |
| | Key Managerial Personnel | | |
| | Shri Kishore Kunal, Company Secretary | 0.75 | 1.03 |
| | | 0.75 | 1.03 |

| DADTIC | III ADC | | 2014 17 |
|--------|--|---------|---------|
| PARTIC | | 2017-18 | 2016-17 |
| (ix) | Maximum balance of advance given during the year | | |
| | Jointly Controlled entity | | |
| | Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg | 1.78 | 23.54 |
| | Kabel AG, Switzerland (Association of Persons) | | |
| | | 1.78 | 23.54 |
| (x) | Maximum balance of loan given during the year | | |
| | Key Managerial Personnel | | |
| | Shri Kishore Kunal, Company Secretary | 1.02 | 1.19 |
| | | 1.02 | 1.19 |
| (xi) | Interest expense on deposits/ Unsecured Loan | | |
| ` ′ | Other related parties in the group where common control exists | | |
| | Anil Gupta (HUF) | 1.28 | 0.38 |
| | Soubhagya Agency Private Limited | - | 0.18 |
| | KEI Cables Private Limited | 0.08 | 0.09 |
| | INCI Cables Filvate Liffited | 1.36 | 0.65 |
| | D. L. C. and J. C. Marris and D. C. and J. C. L. and J. C. and J. and J. C. and J. and J. C. and J. an | 1.30 | 0.65 |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Late Smt. Sumitra Devi Gupta (Expired on 9 th June, 2017) | 0.02 | 0.07 |
| | 1 | 0.35 | 0.07 |
| | Shri Sunil Gupta | | |
| | Smt. Shweta Jha | 0.17 | 0.03 |
| | | 0.54 | 0.23 |
| | Key Managerial Personnel | | |
| | Shri Kishore Kunal, Company Secretary | 0.05 | - |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | 0.02 | 0.04 |
| | | 0.07 | 0.04 |
| | Enterprises Over which person mentioned in (iv & v) above are able to | | |
| | exercise significant control and transactions have taken place: | 0.24 | 0.20 |
| | Sunil Gupta (HUF) | 0.31 | 0.28 |
| , | | 0.31 | 0.28 |
| (xii) | Deposits/Unsecured Loan received during the year | | |
| | Other related parties in the group where common control exists | 40.00 | |
| | Anil Gupta (HUF) | 18.50 | - |
| | | 18.50 | - |
| | Relatives of Key Managerial Personnel with whom transaction | | |
| | have taken place | Г 00 | 2.50 |
| | Shri Sunil Gupta | 5.00 | 2.50 |
| | Smt. Shweta Jha | 1.85 | 1.75 |
| | | 6.85 | 4.25 |
| | Key Managerial Personnel | | 252.22 |
| | Shri Anil Gupta, Chairman-cum-Managing Director | - | 250.00 |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | - | 0.42 |
| | | - | 250.42 |



| PARTIC | ULARS | 2017-18 | 2016-17 |
|--------|---|---------|---------|
| | Enterprises Over which person mentioned in (iv & v) above are able to exercise significant control and transactions have taken place: | | |
| | Sunil Gupta (HUF) | 4.00 | |
| | | 4.00 | |
| (xiii) | Deposits/Unsecured Loan paid during the year | | |
| | Other related parties in the group where common control exists | | |
| | Anil Gupta (HUF) | 3.00 | 1.50 |
| | Soubhagya Agency Private Limited | - | 1.80 |
| | | 3.00 | 3.30 |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Late Smt. Sumitra Devi Gupta (Expired on 9 th June, 2017) | 0.65 | |
| | Shri Sunil Gupta | 2.50 | |
| | Smt. Shweta Jha | 1.75 | |
| | | 4.90 | |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 45.00 | |
| | Shri Kishore Kunal, Company Secretary | 1.20 | |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | 0.42 | |
| | | 46.62 | |
| | Enterprises Over which person mentioned in (iv & v) above are able to exercise significant control and transactions have taken place: | | |
| | Sunil Gupta (HUF) | 2.50 | |
| | | 2.50 | |
| xiv) | Credit balance outstanding as at the year end | | |
| | Other related parties in the group where common control exists | | |
| | Anil Gupta (HUF) | 18.50 | 3.0 |
| | KEI Cables Private Limited | 0.80 | 0.8 |
| | | 19.30 | 3.8 |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Late Smt. Sumitra Devi Gupta (Expired on 9 th June, 2017) | - | 0.6 |
| | Shri Sunil Gupta | 5.00 | 2.5 |
| | Smt. Shweta Jha | 1.85 | 1.7 |
| | | 6.85 | 4.9 |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 205.00 | 250.0 |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | - | 0.4 |
| | | 205.00 | 250.4 |

| | | ' | (in Millions) |
|---------|---|---------|----------------|
| PARTIC | ULARS | 2017-18 | 2016-17 |
| | Enterprises Over which person mentioned in (iv & v) above are able to exercise significant control and transactions have taken place: | | |
| | Sunil Gupta (HUF) | 4.00 | 2.50 |
| | | 4.00 | 2.50 |
| (xv) | Rent paid for use of assets | | |
| | Other related parties in the group where common control exists | | |
| | Anil Gupta (HUF) | 0.60 | 0.60 |
| | Projection Financial & Management Consultants Private Limited | 2.90 | 2.40 |
| | Dhan Versha Agency Private Limited | 3.00 | 2.40 |
| | | 6.50 | 5.40 |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Smt. Archana Gupta, Director | 0.96 | 0.96 |
| | Shri Sunil Gupta | 14.40 | 11.80 |
| | | 15.36 | 12.76 |
| (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 | 1.65 | 1.46 |
| | | 1.80 | 1.61 |
| (xvii) | Managerial Remuneration | | |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 107.73 | 70.54 |
| | Shri Rajeev Gupta, Executive Director Finance | 50.78 | 20.34 |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | 4.32 | - |
| | | 162.83 | 90.88 |
| (xviii) | Employee Benefits Expenses | | |
| | Key Managerial Personnel | | |
| | Shri Kishore Kunal, Company Secretary | 14.43 | 5.86 |
| | | 14.43 | 5.86 |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | 0.24 | 1.89 |
| | | 0.24 | 1.89 |
| (xix) | Expenses Payable | | |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 4.21 | 24.64 |
| | Shri Rajeev Gupta, Executive Director Finance | 0.58 | 0.05 |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | 1.72 | 0.08 |
| | Shri Kishore Kunal, Company Secretary | 0.17 | 0.14 |
| | | 6.68 | 24.91 |





| PARTIC | III ARS | 2017-18 | 2016-17 |
|--------|---|---------|---------|
| TARTIC | Enterprises Over which person mentioned in (iv & v) above are able to exercise significant control and transactions have taken place: | 2017-10 | 2010-17 |
| | Cable Grid Australia PTY Ltd. | 0.66 | - |
| | | 0.66 | - |
| (xx) | Director's Meeting Fees | | |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Smt. Archana Gupta, Director | 0.65 | 0.40 |
| | | 0.65 | 0.40 |
| (xxi) | Dividend Paid | | |
| | Other related parties in the group where common control exists | | |
| | Anil Gupta (HUF) | 2.79 | 2.33 |
| | Projection Financial & Management Consultants Private Limited | 4.74 | 3.95 |
| | Shubh Laxmi Motels & Inns Private Limited | 2.09 | 1.74 |
| | Soubhagya Agency Private Limited | 1.88 | 1.56 |
| | Dhan Versha Agency Private Limited | 0.60 | 0.50 |
| | KEI Cables Private Limited | 0.95 | 0.79 |
| | | 13.05 | 10.87 |
| | Relatives of Key Managerial Personnel with whom transaction have taken place | | |
| | Shri Sunil Gupta ₹ 3,780/- (Previous Year ₹ 3,000/-) | 0.00 | 0.00 |
| | Smt. Archana Gupta, Director | 0.50 | 0.42 |
| | Smt. Shashi Gupta ₹ 900/- (Previous Year ₹ 750/-) | 0.00 | 0.00 |
| | Smt. Vimla Devi | 0.04 | 0.03 |
| | Smt. Veena Agarwal ₹300/- (Previous Year NIL) | 0.00 | - |
| | | 0.54 | 0.45 |
| | Enterprises Over which person mentioned in (iv & v) above are able to exercise significant control and transactions have taken place: | | |
| | Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-) | 0.00 | 0.00 |
| | | 0.00 | 0.00 |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 8.21 | 7.79 |
| | Shri Rajeev Gupta, Executive Director Finance | 0.10 | 0.01 |
| | Shri Kishore Kunal, Company Secretary ₹ 25,227/- (Previous Year ₹ 23/-) | 0.03 | 0.00 |
| | | 8.34 | 7.80 |

| PARTIC | ULARS | 2017-18 | 2016-17 |
|---------|---|---------|---------|
| (xxii) | Equity Share Allotment (ESOS Scheme) | | |
| | Key Managerial Personnel | | |
| | Shri Rajeev Gupta, Executive Director Finance | 0.30 | 0.30 |
| | Shri Kishore Kunal, Company Secretary | 0.08 | 0.08 |
| | | 0.38 | 0.38 |
| (xxiii) | Security Premium on share allottment (ESOS Scheme) | | |
| | Key Managerial Personnel | | |
| | Shri Rajeev Gupta, Executive Director Finance | 4.95 | 4.95 |
| | Shri Kishore Kunal, Company Secretary | 1.39 | 1.39 |
| | | 6.34 | 6.34 |
| (xxiv) | Defined Benefit Obligation for Gratuity Benefit | | |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | 36.06 | 34.23 |
| | Shri Rajeev Gupta, Executive Director Finance | 4.39 | 3.69 |
| | Shri Kishore Kunal, Company Secretary | 0.58 | 0.40 |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | 0.07 | 0.03 |
| | | 41.10 | 38.35 |
| (xxv) | Defined Benefit Obligation for Leave Encashment Benefit | | |
| | Key Managerial Personnel | | |
| | Shri Anil Gupta, Chairman-cum-Managing Director | - | - |
| | Shri Rajeev Gupta, Executive Director Finance | 1.32 | 1.20 |
| | Shri Kishore Kunal, Company Secretary | 0.50 | 0.39 |
| | Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 th May, 2017) | 0.09 | 0.02 |
| | | 1.91 | 1.61 |
| (xxvi) | Purchases | | |
| | Venturer of Joint Venture | | |
| | Brugg Kabel AG, Switzerland | - | 7.51 |
| | | - | 7.51 |
| (xxvii) | Payable outstanding at year end | | |
| | Venturer of Joint Venture | | |
| | Brugg Kabel AG, Switzerland | - | 7.13 |
| | | - | 7.13 |
| | Enterprises Over which person mentioned in (iv & v) above are able to | | |
| | exercise significant control and transactions have taken place: | | |
| | Cable Grid Australia PTY Ltd. | 6.34 | 0.20 |
| | | 6.34 | 0.20 |





| PARTIC | ULARS | 2017-18 | 2016-17 |
|----------|---|---------|---------|
| (xxviii) | Commission on Sales | | |
| | Enterprises Over which person mentioned in (iv & v) above are able to exercise significant control and transactions have taken place: | | |
| | Cable Grid Australia PTY Ltd. | 42.69 | - |
| | | 42.69 | - |
| (xxix) | Professional Fees paid | | |
| | Enterprises Over which person mentioned in (iv & v) above are able to exercise significant control and transactions have taken place: | | |
| | Cable Grid Australia PTY Ltd. | 0.01 | 0.17 |
| | | 0.01 | 0.17 |

c) Non-Financial Transactions

- (i) Shri Anil Gupta has given personal guarantee to banks for Company's borrowings.
- (ii) The Company has given Performance Bank Gurantees of ₹ 61.61 Millions (Previous Year ₹ 61.61 Millions) on behalf of Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland.
- (iii) Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.

46. Disclosure as per Indian Accounting Standard (Ind AS) 108 "Operating Segments":

a) Operating Segments

Operating Segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the Operating Segments. Management currently identifies the Company's three products lines as its Operating Segments as per Ind AS 108 "Operating Segments"

- Cables
- Stainless Steels & Wires
- Turnkey Projects

b) Segment Revenue & Expenses

Revenue & Expenses directly attributable to the segment is considered as "Segment Revenue & Segment Expenses". Interest expenses are shown in unallocated.

c) Segment Assets & Liabilities

Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Others".

The following tables present Revenue and Profit Information and certain Assets and Liability information regarding the Company's reportable segments for the years ended March 31st, 2018 and March 31st, 2017.

(₹ in Millions)

| Particulars | Cal | Cables | Stainless steel Wire | teel Wire | Turnkey | Turnkey Projects | Unall | Unallocated | Inter Segment Elimination | gment ation | Total | - Francisco |
|---|-----------|-----------|----------------------|-----------|----------|------------------|------------|-------------|------------------------------|----------------|------------|-------------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Revenue (Gross) | | | | | | | | | | | | |
| External | 24,313.27 | 20,435.62 | 1,182.55 | 1,139.05 | 9,561.48 | 6,754.40 | | | (26.11) | (4.82) | 35,031.19 | 28,324.25 |
| Inter-Segment Revenue | 3,019.06 | 2,283.01 | | | | | | | (3,019.06) | (2,283.01) | • | 1 |
| Total Revenue | 27,332.33 | 22,718.63 | 1,182.55 | 1,139.05 | 9,561.48 | 6,754.40 | | | (3,045.17) | (2,287.83) | 35,031.19 | 28,324.25 |
| Result | | | | | | | | | | | | |
| Segment Result | 2,964.32 | 2,654.49 | 70.57 | 77.04 | 1,038.44 | 617.74 | | | (26.11) | (4.82) | 4,047.22 | 3,344.45 |
| Unallocated Expenditure net of unallocated income | | | | | | | (890.27) | (844.66) | | | (890.27) | (844.66) |
| Interest Expenses | | | | | | | (1,118.69) | (1,244.25) | | | (1,118.69) | (1,244.25) |
| Interest Income | | | | | | | 6.48 | 5.10 | | | 6.48 | 5.10 |
| Dividend Income | | | | | | | 0.04 | 0.04 | | | 0.04 | 0.04 |
| Profit Before Taxation | 2,964.32 | 2,654.49 | 70.57 | 77.04 | 1,038.44 | 617.74 | (2,002.44) | (2,083.77) | (26.11) | (4.82) | 2,044.78 | 1,260.68 |
| Taxation | | | | | | | | | | | 296.96 | 324.23 |
| Net Profit | | | | | | | | | | | 1,447.82 | 936.45 |
| Other Information | | | | | | | | | | | | |
| Segment Assets | 14,768.13 | 13,671.98 | 624.72 | 525.79 | 5,727.35 | 4,149.69 | 1,078.80 | 610.53 | | | 22,199.00 | 18,957.99 |
| Segment Liabilities | 7,391.17 | 4,854.09 | 380.30 | 257.36 | 1,410.61 | 1,321.51 | 4,590.54 | 5,687.56 | | | 13,772.62 | 12,120.52 |
| Capital Expenditure | 539.19 | 522.41 | 32.39 | 24.05 | 11.11 | 23.31 | 57.88 | 39.92 | | | 640.57 | 69.609 |
| Depreciation | 253.51 | 222.31 | 10.11 | 8.34 | 7.76 | 4.83 | 50.93 | 48.54 | | | 322.31 | 284.02 |
| FCMITDA Written off | | | | | | | - | 8.59 | | | • | 8.59 |

d) Interest Expense have been considered under Unallocated Segment.

e) Information about Geographical Segment (In Rupees):

| Segment Revenue Dy location of Customers 2017-18 2016-17 2017-18 2017-18 2017-18 2017-18 2017-18 2017-18 2017-18 2017-18 2016-17 2017-18 2016-17 2017-18 2016-17 2017-18 2016-17 2017-18 2016-17 2017-18 2016-17 2017-18 2016-17 2017-18 2016-17 2017-18 2016-17 2017-18 2016-17 2017-18 | 4 | Domestic | estic | Over | Overseas | Total | a |
|--|--------------------------|-----------|-----------|----------|----------|---------|-----------|
| ss) 30,422.11 24,531.06 4,609.08 3,793.19 35,031.19 28 nt Assets 550.27 803.45 1.19 - 551.46 - 551.46 | n 0 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| irrent Assets - 550.27 803.45 1.19 - 551.46 | External Revenue (Gross) | 30,422.11 | 24,531.06 | 4,609.08 | 3,793.19 | | 28,324.25 |
| | ırrent A | 550.27 | | 1.19 | - | 551.46 | 803.45 |

Segments and amounts allocated on a reasonable basis.



47. Fair Value Measurements

Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows:

| | | | 31st Ma | st March, 2018 | | | 31st M | 31st March, 2017 | | • | 1st April, 2016 | 910; |
|---|-------------------|----------|---------|-------------------|------------|----------|--------|-------------------|------------|----------|-----------------|-------------------|
| Particulars | Note Reference | FVPL | FVOCI | Amortized Cost | Fair Value | FVPL | FVOCI | Amortized Cost | Fair Value | FVPL | FVOCI | Amortized Cost |
| Financial Assets | | | | | | | | | | | | |
| Investments | 9 | | | | | | | | | | | |
| - Equity Instruments | | | 25.26 | • | 25.26 | | 23.94 | | 23.94 | | 17.97 | <u>'</u> |
| - Mutual funds | | | 3.03 | • | 3.03 | | 3.33 | • | 3.33 | | 2.52 | <u>'</u> |
| Loans | 7 & 14 | | - | 54.56 | 54.77 | - | 1 | 43.20 | 43.20 | 1 | 1 | 38.77 |
| Trade Receivables | 11 | | • | 10,228.40 | 10,228.40 | | 1 | 8,245.76 | 8,245.76 | • | ' | 6,249.62 |
| Cash and Cash equivalents: | 12 | - | 1 | 602.83 | 602.83 | 1 | ı | 321.32 | 321.32 | ı | • | 23.05 |
| Bank Balances other than Cash and Cash equivalents: | 13 | 1 | 1 | 168.78 | 168.78 | 1 | • | 12.06 | 12.06 | 1 | 1 | 16.03 |
| Other Financial Assets | 8 | | | 2.60 | 2.60 | | | 36.62 | 36.62 | | | 18.61 |
| Total financial assets | | • | 28.29 | 11,057.19 | 11,085.67 | | 72.72 | 8,658.97 | 8,686.23 | • | 20.49 | 6,346.07 |
| Financial Liabilities | | | | | | | | | | | | |
| Borrowings | 18 & 21 | 7,498.31 | - | • | 7,498.31 | 6,923.02 | • | • | 6,923.02 | 4,814.11 | ' | |
| Trade Payables | 22 | 1 | - | 6,284.66 | 6,284.66 | - | 1 | 4,805.42 | 4,805.42 | 1 | 1 | 4,321.72 |
| Other Financial Liabilities: | 23 | - | - | 941.35 | 941.35 | • | 1 | 1,232.59 | 1,232.59 | • | | 836.54 |
| Total financial liabilities | | 7,498.31 | • | 7,226.01 | 14,724.32 | 6,923.02 | • | 6,038.01 | 12,961.03 | 4,814.11 | • | 5,158.26 |

Carrying amount of Trade Receivables, Trade Payables and Cash & Cash Equivalent are considered to be the same as their Fair Value due to their short term nature. Ξ

(ii) Carrying amount of Financial Assets and Liabilities carried Amortised Cost is considered a reasonable approximation of Fair Value.

(iii) Above table excludes Investment in Subsidiary, and Joint Venture, which are measured at cost in accordance with Ind AS 27, 'Separate Financial Statements'.

48. Fair Value Hierarchy:

This section explains the judgements and estimates made in determining fair values of financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in Financial Statements. To provide an indication about reliability of inputs used in determining fair value, group has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows underneath the table:

(₹ in Millions)

| Financial Assets and Liabilities measured at fair value - recurring fair value measurements as at 31st March, 2018 | Note Reference | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|---------|---------|----------|----------|
| Financial Assets | | | | | |
| Investments at FVOCI | 6 | | | | |
| - Equity Instruments | | 25.26 | - | - | 25.26 |
| - Mutual funds | | - | 3.03 | - | 3.03 |
| Loans | 7 & 14 | | | 54.56 | 54.56 |
| Total Financial Assets | | 25.26 | 3.03 | 54.56 | 82.85 |
| Financial Liabilities | | | | | |
| Borrowings | 18 & 21 | - | - | 7,498.31 | 7,498.31 |
| Other Financial Liabilities | 23 | - | - | 941.35 | 941.35 |
| Total Financial Liabilities | | - | - | 8,439.66 | 8,439.66 |

(₹ in Millions)

| Financial Assets and Liabilities measured at fair value - recurring fair value measurements as at 31st March, 2017 | Note Reference | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|---------|---------|----------|----------|
| Financial Assets | | | | | |
| Investments at FVOCI | 6 | | | | |
| - Equity Instruments | | 23.94 | - | - | 23.94 |
| - Mutual funds | | - | 3.33 | - | 3.33 |
| Loans | 7 & 14 | | | 43.20 | 43.20 |
| Total Financial Assets | | 23.94 | 3.33 | 43.20 | 70.46 |
| Financial Liabilities | | | | | |
| Borrowings | 18 & 21 | - | - | 6,923.02 | 6,923.02 |
| Other Financial Liabilities | 23 | - | - | 1,232.59 | 1,232.59 |
| Total Financial Liabilities | | - | - | 8,155.61 | 8,155.61 |

| Financial Assets and Liabilities measured at fair value - recurring fair value measurements as at 1st April, 2016 | Note Reference | Level 1 | Level 2 | Level 3 | Total |
|---|-------------------|---------|---------|----------|----------|
| Financial Assets | | | | | |
| Investments at FVOCI | 6 | | | | |
| - Equity Instruments | | 17.97 | - | - | 17.97 |
| - Mutual funds | | - | 2.52 | - | 2.52 |
| Loans | 7 & 14 | | | 38.77 | 38.77 |
| Total Financial Assets | | 17.97 | 2.52 | 38.77 | 59.27 |
| Financial Liabilities | | | | | |
| Borrowings | 18 & 21 | - | - | 4,814.11 | 4,814.11 |
| Other Financial Liabilities | 23 | - | - | 836.54 | 836.54 |
| Total Financial Liabilities | | - | - | 5,650.65 | 5,650.65 |



Fair value of financial instruments as referred to in note above has been classified into three categories depending on inputs used in valuation technique. Hierarchy gives highest priority to quoted prices in active market for Identical Assets or Liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for Identical Assets or Liabilities.

Level 2: The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Company's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

49. Financial Risk Management:

Company's businesses are subject to several risks and uncertainties including financial risks. Company's documented Risk Management Polices, act as an effective tool in mitigating various financial risks to which business is exposed to in course of their daily operations. Risk Management Policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counter party and concentration of credit risk and capital management.

Company's senior management oversees management of these risks. Senior professionals working to manage financial risks and appropriate financial risk governance framework for Company are accountable to Board of Directors and Audit Committee. This process provides assurance to Company's senior management that Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

49.1. MARKET RISK

Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency Risk;
- Price Risk;
- Commodity Price Risk;
- Interest Rate Risk

Above risks may affect Company's Income and Expenses, or value of its financial instruments. Company's exposure to and management of these risks are explained below.

49.1.1. CURRENCY RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

Company undertakes transactions denominated in foreign currencies mainly related to its operating activities. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established Risk Management Policies.

Carrying amounts of Company's foreign currency denominated monetary assets and monetary liabilities at end of reporting period were as follows:

(a) Amount payable in foreign currency on account of the following:

| | As as 31st March, 2018 | | As as 31st March, 2017 | | | As as 1 st April, 2016 | | | |
|--|------------------------|----------------------------|------------------------|------------------|----------------------------|-----------------------------------|------------------|----------------------------|---------------------|
| Particulars | ₹ in Millions | Amount in foreign currency | Foreign Currency | ₹ in Millions | Amount in foreign currency | Foreign Currency | ₹ in Millions | Amount in foreign currency | Foreign Currency |
| Import of Goods & | 359.45 | 5,542,067 | USD | 156.37 | 2,389,322 | USD | 120.58 | 1,811,554 | USD |
| Advance Received | 4.26 | 52,312 | EURO | 6.04 | 86,404 | EURO | 62.40 | 822,367 | EURO |
| | - | - | GBP | 4.77 | 59,500 | GBP | 1.28 | 13,360 | GBP |
| | 1.74 | 25,200 | CHF | 8.93 | 136,649 | CHF | 41.29 | 595,529 | CHF |
| | 9.41 | 187,996 | AUD | 0.50 | 9,963 | AUD | - | - | AUD |
| | 0.17 | 3,322 | SGD | 0.03 | 600 | SGD | 0.65 | 13,039 | SGD |
| Working Capital Loan (Buyer's Credit) | 1,377.63 | 21,126,102 | USD | 1,401.20 | 21,507,361 | USD | 765.12 | 11,486,546 | USD |
| Capex (Term Loan / Buyer's Credit) | 755.08 | 11,579,194 | USD | 233.18 | 3,579,194 | USD | 363.30 | 5,454,209 | USD |
| Royalty/Know How/ Licence fee | 22.75 | 279,167 | EURO | 18.65 | 266,667 | EURO | 8.85 | 116,667 | EURO |
| Expenses Payable | 27.74 | 425,360 | USD | 31.21 | 479,102 | USD | 22.24 | 333,885 | USD |
| | 0.21 | 4,125 | SGD | 7.74 | 164,882 | SGD | 1.99 | 40,162 | SGD |
| | 4.20 | 45,034 | GBP | 0.41 | 4,946 | GBP | 0.89 | 9,283 | GBP |
| | 0.98 | 55,730 | AED | 1.61 | 91,385 | AED | 0.84 | 46,750 | AED |
| | 5.23 | 64,137 | EURO | 0.17 | 2,476 | EURO | - | - | EURO |
| | 5.89 | 116,914 | AUD | 0.21 | 4,180 | AUD | 0.05 | 1,045 | AUD |
| Statutory Dues Payable | - | - | SGD | 0.62 | 13,295 | SGD | - | - | SGD |
| | 18.90 | 375,138 | AUD | - | - | - | - | - | - |
| Balance with Bank | 0.21 | 153,216 | GMD | - | - | GMD | - | - | GMD |
| Term Loan | 459.43 | 7,045,416 | USD | - | - | USD | - | - | USD |

(b) Amount receivable in foreign currency on account of the following:

| | As a | s 31st March, | 2018 | As a | As as 31st March, 2017 | | | As as 1 st April, 2016 | | |
|--------------------|------------------|----------------------------|---------------------|------------------|----------------------------|---------------------|------------------|-----------------------------------|---------------------|--|
| Particulars | ₹ in Millions | Amount in foreign currency | Foreign Currency | ₹ in Millions | Amount in foreign currency | Foreign Currency | ₹ in Millions | Amount in foreign currency | Foreign Currency | |
| Exports of Goods & | 393.77 | 6,093,010 | USD | 889.73 | 14,285,213 | USD | 479.66 | 7,178,437 | USD | |
| Advance Paid | 92.82 | 1,159,572 | EURO | 30.42 | 440,809 | EURO | 86.60 | 1,211,160 | EURO | |
| | 0.01 | 159 | SGD | 24.73 | 534,997 | SGD | 4.76 | 71,355 | SGD | |
| | 370.16 | 7,496,139 | AUD | 66.69 | 1,361,904 | AUD | 10.26 | 204,772 | AUD | |
| | - | - | CHF | 0.09 | 1,382 | CHF | 0.97 | 14,056 | CHF | |
| | 0.76 | 8,349 | GBP | 0.73 | 9,036 | GBP | 3.66 | 38,763 | GBP | |
| | - | - | JPY | 2.00 | 3,440,000 | JPY | - | - | JPY | |
| Amount Recoverable | - | - | SGD | - | - | SGD | 0.67 | 12,455 | SGD | |
| | 0.82 | 46,521 | AED | 0.82 | 46,353 | AED | - | - | AED | |
| | 0.01 | 4,000 | GMD | - | - | GMD | - | - | GMD | |
| Balance with Banks | 0.93 | 18,951 | SGD | 1.90 | 41,271 | SGD | 2.28 | 46,853 | SGD | |
| | 8.34 | 168,877 | AUD | 0.30 | 5,995 | AUD | 0.00 | 95 | AUD | |
| | 10.15 | 157,237 | USD | 0.16 | 2,491 | USD | 0.33 | 2,568 | USD | |
| | 1.28 | 72,521 | AED | 1.87 | 106,272 | AED | 0.45 | 25,312 | AED | |
| Statutory Dues | 0.01 | 217 | SGD | - | - | SGD | - | - | SGD | |



49.1.2. CURRENCY RISK - SENSITIVITY TO RISK

Following table demonstrates sensitivity to a reasonably possible change in USD, EUR, AUD exchange rates, with all other variables held constant. Impact on Company Profit Before Tax is due to changes in fair value of monetary assets and liabilities. Foreign currency exposures recognised by Company that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in Millions)

| | Impact on Pro | | Impact on Profit Before Tax on Decrease | | |
|--------------------------------|--|--|--|--|--|
| Particulars | 31 st As as March, 2018 | 31 st As as March, 2017 | 31 st As as March, 2018 | 31 st As as March, 2017 | |
| USD - Increase/ Decrease by 5% | (128.77) | (46.60) | 128.77 | 46.60 | |
| EUR - Increase/ Decrease by 5% | 3.03 | 0.28 | (3.03) | (0.28) | |
| AUD - Increase/ Decrease by 5% | 17.21 | 3.31 | (17.21) | (3.31) | |

49.1.3. PRICE RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

- (a) Company is exposed to the price risk due to its investment in Equity Shares & Mutual Funds. Price risk arises due to uncertainties about future market values of these investments.
- (b) Company reviews its investment at regualr intervals in order to minimise price risk arising from investments in Equity Shares & Mutual Funds.
- (c) Majority of investments of Company are publicly traded and listed in NSE Index. Carrying amounts of the Company's investment in Equity Shares & Mutual Funds at the end of the reporting period are given in Note 6.

49.1.4. PRICE RISK - SENSITIVITY TO RISK

Following table demonstrate sensitivity to a reasonably possible change in equity index where investments of Company are listed. Impact on Company's Profit Before Tax is due to changes in NSE Index.

(₹ in Millions)

| Particulars | Impact on Other Components of Equity Before Tax | | t Before Tax Components | |
|--------------------------|---|---------------------------------|---------------------------------|---------------------------------|
| | 31 st March, 2018 | 31 st March, 2017 | 31 st March, 2018 | 31 st March, 2017 |
| NSE Index Increase by 5% | - | - | 1.41 | 1.36 |
| NSE Index Decrease by 5% | - | - | (1.41) | (1.36) |

49.1.5. COMMODITY PRICE RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and therefore require a continuous supply of major items of raw material viz. Copper and Aluminium. Due to the volatility of the prices of the Copper and Aluminium, Company has entered into various purchase contracts for these materials. The Company's Board of Directors has adopted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for purchase of these raw material based on average price of for each month.

49.1.6. INTEREST RATE RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

(a) Company invests in term deposits for a period of less than one year. Considering short-term nature, there is no significant Interest Rate Risk pertaining to these deposits.

- (b) Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's exposure to risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and term deposits. Company's fixed rate borrowings and deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither carrying amount nor future cash flows will fluctuate because of a change in market interest rates.
- (c) Risk is managed by Company by maintaining an appropriate mix between fixed and floating rate of borrowings.

Exposure of Company's borrowing to interest rate changes at end of reporting period are as follows:

(₹ in Millions)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2016 |
|--------------------------|------------------------|------------------------|------------------------|
| Variable rate borrowings | 5,179.52 | 6,460.00 | 4,868.65 |
| Fixed rate borrowings | 3,241.68 | 1,668.48 | 772.49 |
| Total borrowings | 8,421.20 | 8,128.48 | 5,641.14 |

Refer Note No. 18.1 for maturities of Company's borrowings

49.1.7. INTEREST RATE RISK - SENSITIVITY

Sensitivity analysis below has been determined based on exposure to interest rates for non-derivative instruments at end of reporting period. For floating rate liabilities, analysis is prepared assuming amount of liability outstanding at end of reporting period was outstanding for whole year.

(₹ in Millions)

| | • | ofit Before Tax crease | Impact on Profit Before Tax on Decrease | | |
|---|--|--|--|--|--|
| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2018 | As at 31 st March, 2017 | |
| Interest Rate - Increase/ Decrease by 50 basis point (50 bps) | 0.44 | 0.47 | 0.44 | 0.47 | |

49.2. CREDIT RISK

- (a) Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to Company.
- (b) Company is exposed to credit risk from its Operating Activities (primarily trade receivables and also from its Investing Activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, short-term investments, financial guarantees and derivative financial instruments. Credit limits are set based on a counterparty value. Methodology used to set list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out.
- (c) In respect of its investments, Company aims to minimize its financial credit risk through application of Risk Management Policies.
- (d) For financial instruments, Company attempts to limit credit risk by only dealing with reputable banks and financial institutions.
- (e) None of Company's cash equivalents, including time deposits with banks, are past due or impaired.
- (f) Trade receivables are subject to credit limits, controls & approval processes. These terms and conditions are determined on a case to case basis with reference to customer's credit quality and prevailing market conditions. Credit quality of Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. Due to large geographical base & number of customers, Company is



not exposed to material concentration of credit risk. Based on historical experience, risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances & the historical experience of Company. Solvency of customers and their ability to repay receivable is considered in assessing receivables for impairment. Where receivables are impaired, Company actively seeks to recover amounts in question and enforce compliance with credit terms.

(g) Company assesses and manages credit risk of Financial Assets based on following categories arrived on basis of assumptions, inputs and factors specific to class of Financial Assets.

A: Low Credit Risk on financial reporting date

B: Moderate Credit Risk

C: High Credit Risk

Company provides for Expected Credit Loss based on following:

| Asset group | Basis of categorisation | Provision for expenses credit loss |
|----------------------|---------------------------------------|------------------------------------|
| Low Credit Risk | Cash and Cash Equivalents, other Bank | 12 month expected credit loss |
| | Balances and other Financial Assets | |
| Moderate Credit Risk | Trade Receivables | Life time expected credit loss |
| High Credit Risk | Trade Receivables and other Financial | Life time expected credit loss or |
| | Assets | fully provided for |

(₹ in Millions)

| Credit rating | Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--------------------------------|--|--|--|---|
| A: Low credit risk | Cash and Cash Equivalents, other Bank Balances and other Financial Assets | 774.21 | 370.00 | 57.69 |
| B: Moderate credit risk | Trade Receivables | 10,228.40 | 8,245.76 | 6,249.62 |
| C: High credit risk | NIL | - | - | - |

A: Low Credit Risk (₹ in Millions)

| As at 31st March, 2018 | | | | | | | | |
|--|----------------|--------------------|------------|---|--|--|--|--|
| Particulars | Note reference | Carrying Amount | Impairment | Carrying Amount net of Impairment Provision | | | | |
| Cash and Cash Equivalents | 12 | 602.83 | - | 602.83 | | | | |
| Bank Balances other than Cash and Cash equivalents | 13 | 168.78 | - | 168.78 | | | | |
| Other Financial Assets | 8 | 2.60 | - | 2.60 | | | | |

| As at 31st March, 2017 | | | | | | | |
|--|-------------------|--------------------|---|---|--|--|--|
| Particulars | Note reference | Carrying Amount | | Carrying Amount net of Impairment Provision | | | |
| Cash and Cash Equivalents | 12 | 321.32 | - | 321.32 | | | |
| Bank Balances other than Cash and Cash equivalents | 13 | 12.06 | - | 12.06 | | | |
| Other Financial Assets | 8 | 36.62 | - | 36.62 | | | |

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(₹ in Millions)

| As at 1st April, 2016 | | | | | | | |
|---|----|-------|---|-------|--|--|--|
| Particulars Note Carrying Amount Impairment Carrying net of Improve | | | | | | | |
| Cash and Cash Equivalents | 12 | 23.05 | - | 23.05 | | | |
| Bank Balances other than Cash and Cash equivalents | 13 | 16.03 | - | 16.03 | | | |
| Other Financial Assets | 8 | 18.61 | - | 18.61 | | | |

B: Moderate Credit Risk

(₹ in Millions)

| As at 31st March, 2018 | | | | | | | |
|---|-------------------|-------------------|-----------------------------|-----------------------|---------------------|-----------|--|
| Ageing | Note reference | Upto 1 year | Between 1 and 2 years | Between 2 and 3 years | Above 3 years | Total | |
| Gross Carrying Amount (Considered Good) | | 9,605.04 | 692.42 | 37.57 | 55.27 | 10,390.30 | |
| Expected Credit Losses (Loss Allowance Provision) | 11 | - | 155.92 | 1.34 | 4.64 | 161.90 | |
| Carrying Amount of Trade Receivables (Net of Impairment) | | 9,605.04 | 536.50 | 36.23 | 50.63 | 10,228.40 | |

(₹ in Millions)

| As at 31st March, 2017 | | | | | | | |
|---|-------------------|-------------------|-----------------------------|--------------------------|---------------------|----------|--|
| Ageing | Note reference | Upto 1 year | Between 1 and 2 years | Between 2 and 3 years | Above 3 years | Total | |
| Gross Carrying Amount (Considered Good) | | 7,728.25 | 409.89 | 160.03 | 105.40 | 8,403.57 | |
| Expected Credit Losses (Loss Allowance Provision) | 11 | - | 90.12 | 39.98 | 27.71 | 157.81 | |
| Carrying Amount of Trade Receivables (Net of Impairment) | | 7,728.25 | 319.77 | 120.05 | 77.69 | 8,245.76 | |

| As at 1 st April, 2016 | | | | | | | |
|---|-------------------|-------------------|-----------------------------|--------------------------|---------------------|----------|--|
| Ageing | Note reference | Upto 1 year | Between 1 and 2 years | Between 2 and 3 years | Above 3 years | Total | |
| Gross Carrying Amount (Considered Good) | | 5,925.21 | 218.49 | 123.18 | 96.61 | 6,363.49 | |
| Expected Credit Losses (Loss Allowance Provision) | 11 | - | 40.43 | 37.19 | 36.25 | 113.87 | |
| Carrying Amount of Trade Receivables (Net of Impairment) | | 5,925.21 | 178.06 | 85.99 | 60.36 | 6,249.62 | |



Reconciliation of Loss Provision - Trade Receivables

(₹ in Millions)

| Reconciliation of Loss Allowance | Loss allowance |
|--|----------------|
| Impairment Loss Allowance as on 1st April, 2016 | 113.87 |
| Impairment Loss Recognised | 43.94 |
| Reversal | |
| Impairment Loss Allowance as on 31st March, 2017 | 157.81 |
| Impairment Loss Recognised | 4.09 |
| Reversal | |
| Loss Allowance as on 31st March, 2018 | 161.90 |

C: High Credit Risk: Nil

- (a) Liquidity risk is the risk that Company will face in meeting its obligations associated with its financial liabilities. Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.
- (b) Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2018 and 31st March, 2017.
- (c) Cash flow from Operating Activities provides funds to service financial liabilities on a day-to-day basis.
- (d) Company regularly monitors rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated is used for working capital management.
- (e) Following table analyse Company's financial liabilities into relevent maturity grouping based on their contractual maturity for all non derivative financial liabilities.

(₹ in Millions)

| As at 31st March, 2018 | | | | | | |
|--|----------------------|----------|----------|----------|--|--|
| Non-derivative liabilities | More than 1 years | Total | | | | |
| Trade payables (including acceptances) | 6,284.66 | 6,284.66 | - | 6,284.66 | | |
| Borrowings | 7,498.31 | 6,041.69 | 1,456.62 | 7,498.31 | | |
| Unpaid dividend | 1.49 | 1.49 | - | 1.49 | | |
| Other current financial liabilities | 939.86 | 939.86 | - | 939.86 | | |

| As at 31st March, 2017 | | | | | | |
|--|----------------------|----------|--------|----------|--|--|
| Non-derivative liabilities | More than 1 years | Total | | | | |
| Trade payables (including acceptances) | 4,805.42 | 4,805.42 | - | 4,805.42 | | |
| Borrowings | 6,923.02 | 6,159.51 | 763.51 | 6,923.02 | | |
| Unpaid dividend | 1.28 | 1.28 | - | 1.28 | | |
| Other current financial liabilities | 1,231.31 | 1,231.31 | - | 1,231.31 | | |

| As at 1st April, 2016 | | | | | | |
|---|----------|----------|----------|----------|--|--|
| Non-derivative liabilities Carrying Payable More than amount within 1 year 1 years | | | | | | |
| Trade payables (including acceptances) | 4,321.72 | 4,321.72 | - | 4,321.72 | | |
| Borrowings | 4,814.11 | 3,179.54 | 1,634.57 | 4,814.11 | | |
| Unpaid dividend | 1.21 | 1.21 | - | 1.21 | | |
| Other current financial liabilities | 835.33 | 835.33 | - | 835.33 | | |

49.3. CURRENT & LIQUID RATIO

Following table shows ratio analysis of Company for respective periods

| Period | CURRENT RATIO | LIQUID RATIO | |
|-----------------------------|---------------|--------------|--|
| 31st March, 2018 | 1.24 | 0.85 | |
| 31st March, 2017 | 1.12 | 0.74 | |
| 1 st April, 2016 | 1.19 | 0.75 | |

Company has hypothecated all of its Plant & Machinery, Factory Building, Trade Receivables and Cash & Cash Equivalents in order to fulfill collateral requirements for financial facilities in place. The counterparties have an obligation to return the securities to Company.

Under terms of major borrowings facilities, Company is required to comply with certain financial covenants and Company has complied with those covenants throughout the reporting period.

50. Capital Management:

50.1 RISK MANAGEMENT

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of Company's capital. Management monitors capital structure and net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short term investments.

50.2 DIVIDENDS

| Particulars | 31 st March, 2018 | 31 st March, 2017 | 31st March, 2016 |
|--|------------------------------|------------------------------|------------------|
| Total number of Equity shares outstanding | 78,361,438 | 77,797,438 | 77,237,438 |
| Interim dividend for the year | • | - | - |
| Final dividend for the year (not recognised at the end of reporting period) - Subject to approval of Shareholders in ensuing Annual General Meeting. (₹ in Millions) | 78.36 | 46.68 | 38.62 |



51. Reconciliation of Balance Sheet as at 1st April 2016 (At the date of Transition):

| | | D (6:15) | A 19 | (< in Millions) |
|------|---|-----------------|-------------|-----------------|
| _ | ticulars | Previous (GAAP) | Adjustments | IND AS |
| l. | ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Property, Plant and Equipment | 3,264.71 | (2.51) | 3,262.20 |
| | (b) Capital Work -in- Progress | 293.36 | - | 293.36 |
| | (c) Other Intangible Assets | 17.17 | - | 17.17 |
| | (d) Financial Assets | | | |
| | (i) Investments | 31.12 | (10.62) | 20.50 |
| | (ii) Investments through Equity Method | | 3.52 | 3.52 |
| | (iii) Loans | 31.86 | (3.22) | 28.64 |
| | (iv) Other | 18.61 | - | 18.61 |
| | (e) Other non-current assets | 190.35 | 2.33 | 192.68 |
| | | 3,847.18 | (10.50) | 3,836.68 |
| 2 | Current Assets | | | |
| | (a) Inventories | 4,225.48 | (0.80) | 4,224.68 |
| | (b) Financial Assets | | , , | |
| | (i) Trade Receivables | 5,681.42 | 568.20 | 6,249.62 |
| | (ii) Cash and cash equivalents | 24.90 | (1.85) | 23.05 |
| | (iii) Bank Balances other than (ii) above | 16.03 | - | 16.03 |
| | (iv) Loans | 9.96 | 0.17 | 10.13 |
| | (c) Other Current Assets | 835.91 | 1.09 | 837.00 |
| | | 10,793.70 | 566.81 | 11,360.51 |
| | Total Assets | 14,640.88 | 556.31 | 15,197.19 |
| II. | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity Share Capital | 154.47 | - | 154.47 |
| | (b) Other Equity | 3,515.25 | (36.68) | 3,478.57 |
| | | 3,669.72 | (36.68) | 3,633.04 |
| 2 | Liabilties | | | |
| (i) | Non-Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowing | 1,881.49 | (246.92) | 1,634.57 |
| | (b) Provisions | 40.02 | - | 40.02 |
| | (c) Deferred Tax Liability (Net) | 362.44 | (42.94) | 319.50 |
| | | 2,283.95 | (289.86) | 1,994.09 |
| (ii) | Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowing | 2,489.95 | 689.59 | 3,179.54 |
| | (ii) Trade Payables | 4,337.68 | (15.96) | 4,321.72 |
| | (iii) Other Financial Liabilities | 619.87 | 216.67 | 836.54 |
| | (b) Other Current liabilities | 1,138.70 | (1.85) | 1,136.85 |
| | (c) Provisions | 79.05 | (15.37) | 63.68 |
| | (d) Current Tax Liability (Net) | 21.96 | 9.77 | 31.73 |
| | | 8,687.21 | 882.85 | 9,570.06 |
| | Total Equity and Liabilities | 14,640.88 | 556.31 | 15,197.19 |

Reconciliation of Balance Sheet As at 31st March 2017

| D | | Dunians (CAAD) | A J: | (< in Millions) |
|------|--|-----------------|-------------|-----------------|
| _ | culars | Previous (GAAP) | Adjustments | IND AS |
| l. | ASSETS | | | |
| 1 | Non-Current Assets | 4 005 07 | (0, (0) | 4 00 4 75 |
| | (a) Property, Plant and Equipment | 4,025.37 | (0.62) | 4,024.75 |
| | (b) Capital Work -in- Progress | 31.54 | - | 31.54 |
| | (c) Other Intangible assets | 27.26 | - | 27.26 |
| | (d) Financial Assets | | | |
| | (i) Investments | 31.12 | (3.84) | 27.28 |
| | (ii) Investments through Equity Method | | 1.85 | 1.85 |
| | (iii) Loans | 35.68 | (2.58) | 33.10 |
| | (iv) Other | 36.62 | - | 36.62 |
| | (e) Other non-current assets | 11.98 | 2.01 | 13.99 |
| | | 4,199.57 | (3.18) | 4,196.39 |
| 2 | Current Assets | | | |
| | (a) Inventories | 4,989.24 | - | 4,989.24 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 7,392.35 | 853.41 | 8,245.76 |
| | (ii) Cash and cash equivalents | 328.44 | (7.12) | 321.32 |
| | (iii) Bank Balances other than (ii) above | 12.06 | - | 12.06 |
| | (iv) Loans | 10.60 | (0.50) | 10.10 |
| | (c) Other Current Assets | 1,185.33 | (2.21) | 1,183.12 |
| | | 13,918.02 | 843.58 | 14,761.60 |
| | Total Assets | 18,117.59 | 840.40 | 18,957.99 |
| II. | EQUITY AND LIABILITIES | 10/11101 | | 10/101111 |
| | | | | |
| 1 | Equity | | | |
| - | (a) Equity Share Capital | 155.59 | _ | 155.59 |
| | (b) Other Equity | 4,579.12 | (123.93) | 4,455.19 |
| | (b) o the Equity | 4,734.71 | (123.93) | 4,610.78 |
| 2 | Liabilities | 1,70 1.77 | (120170) | 1,010.70 |
| (i) | Non-Current Liabilities | | | |
| (-) | (a) Financial Liabilities | | | |
| | (i) Borrowing | 1,641.29 | (877.78) | 763.51 |
| | (b) Provisions | 50.63 | (077.70) | 50.63 |
| | (c) Deferred Tax Liability (Net) | 427.20 | (74.02) | 353.18 |
| | (c) Deferred tax Elability (Net) | 2,119.12 | (951.80) | 1,167.32 |
| (ii) | Current Liabilities | 2,117.12 | (751.00) | 1,107.52 |
| (, | (a) Financial Liabilities | | | |
| | (i) Borrowing | 4,898.31 | 1,261.20 | 6,159.51 |
| | (ii) Trade Payables | 4,813.48 | (8.06) | 4,805.42 |
| | (iii) Other Financial Liabilities | 618.55 | 614.04 | 1,232.59 |
| | | | | |
| | (b) Other Current Liabilities (c) Provisions | 881.95 | (0.57) | 881.38 |
| | | 38.53 | 48.33 | 86.86 |
| | (d) Current Tax liability (Net) | 12.94 | 1.19 | 14.13 |
| | | 11,263.76 | 1,916.13 | 13,179.89 |
| | Total Equity and Liabilities | 18,117.59 | 840.40 | 18,957.99 |



Reconciliation of Profit or Loss for the year ended 31st March 2017

| | | (₹ in M | | | | | |
|------|--|-----------------|-------------|-----------|--|--|--|
| Part | iculars | Previous (GAAP) | Adjustments | IND AS | | | |
| | Revenue: | | | | | | |
| I. | Revenue from Operations | 28,370.90 | (46.65) | 28,324.25 | | | |
| II. | Other Income | 100.39 | 0.28 | 100.67 | | | |
| III. | Total Income (I + II) | 28,471.29 | (46.37) | 28,424.92 | | | |
| IV. | Expenses: | | | | | | |
| | Cost of material consumed | 18,697.86 | (11.16) | 18,686.70 | | | |
| | Purchase of stock in trade | 15.96 | - | 15.96 | | | |
| | Change in Inventories | (426.75) | - | (426.75) | | | |
| | Employee benefits expenses | 1,109.49 | 7.78 | 1,117.27 | | | |
| | Finance costs | 1,229.31 | 14.94 | 1,244.25 | | | |
| | Depreciation, amortization and impairment | 280.44 | 3.60 | 284.04 | | | |
| | Sub Contractor Expenses for Turnkey Projects | 580.01 | (0.72) | 579.29 | | | |
| | Excise Duty | 2,039.17 | 0.52 | 2,039.69 | | | |
| | Other Expenses | 3,610.13 | 11.99 | 3,622.12 | | | |
| | Total Expenses (IV) | 27,135.62 | 26.95 | 27,162.57 | | | |
| V. | Profit/ (loss) before share of profit /(loss) of Joint Venture and tax | 1,335.67 | (73.32) | 1,262.35 | | | |
| | Share of profit/ (loss) of Joint Venture (net of tax) | - | (1.67) | (1.67) | | | |
| VI. | Profit Before Tax | 1,335.67 | (74.99) | 1,260.68 | | | |
| VII | Tax expense: | | | | | | |
| | (1) Current tax | | | | | | |
| | - For the year | 376.62 | - | 376.62 | | | |
| | - For earlier years (net) | 1.44 | (1.27) | 0.17 | | | |
| | (2) Deferred tax (net) | 64.77 | (27.15) | 37.62 | | | |
| | (3) MAT Credit Entitlement | (90.18) | - | (90.18) | | | |
| | Total Tax Expense (VII) | 352.65 | (28.42) | 324.23 | | | |
| VIII | Profit Before Tax (VI-VII) | 983.02 | (46.57) | 936.45 | | | |
| IX | Other Comprehensive Income | - | (0.66) | (0.66) | | | |
| | A. (i) Items that will not be reclassified to Profit and Loss | - | (4.61) | (4.61) | | | |
| | (ii) Income Tax relating to Items that will not be reclassified to Profit and Loss | - | 3.94 | 3.94 | | | |
| | B. (i) Items that will be reclassified to Profit and Loss | | 0.01 | 0.01 | | | |
| | (ii) Income Tax relating to items that will be reclassified to Profit and Loss (*₹ 1,960) | | 0.00 | 0.00* | | | |
| Х | Total Comprehensive Income for the period (VIII+IX) (Comprehensive profit and other comprehensive income for the period) | 983.02 | (47.23) | 935.79 | | | |

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile Equity, Total Comprehensive Income and Cash Flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016

| (< IN MI | | | | |
|---|---------------------------------------|--------------------------|--|--|
| Particulars | As at 31 st March, 2017 | As at 1st April, 2016 | | |
| Total Equity (Shareholder's Funds) as per Previous GAAP | 4,734.71 | 3,669.72 | | |
| Adjustments: | | | | |
| Amortised Cost | | | | |
| Term Loan | 13.75 | 30.24 | | |
| Security Deposits | (0.33) | (0.25) | | |
| Loans to staff and workers | (0.74) | (0.47) | | |
| Impairment Allowance | | | | |
| Trade Receivables | (157.81) | (113.87) | | |
| Other Adjustments for : | | | | |
| Provision made for Warranty | (17.81) | (12.40) | | |
| Additional liability towards Gratuity | (30.52) | (18.71) | | |
| Amortisation of Leasehold Land | (3.57) | - | | |
| Capitalisation of Interest towards borrowing cost | 1.48 | - | | |
| Additional Depreciation on assets | (0.02) | - | | |
| Other Adjustments - transfer of assets from JV to Parent | 1.49 | (0.02) | | |
| Remeasurement of defined benefit obligation to OCI | 21.70 | 10.33 | | |
| Adjustment for : | - | 38.62 | | |
| Proposed Dividend | - | 7.86 | | |
| Tax on Proposed Dividend | | | | |
| Tax Impact on Above Adjustments | 66.50 | 39.36 | | |
| Total Adjustments in Reserve and Surplus | 4,628.83 | 3,650.41 | | |
| Other Comprehensive Income | | | | |
| Remeasurement of defined benefit obligation to OCI (Net of tax) | (14.20) | (6.75) | | |
| Fair value of Investment through OCI | (3.85) | (10.62) | | |
| Total Adjustments in OCI | (18.05) | (17.37) | | |
| Total Equity as per Ind AS | 4,610.78 | 3,633.04 | | |



Reconciliation of Total Comprehensive Income for the year ended as on 31st March, 2017

(₹ in Millions)

| Particulars | For the year ended as on 31st March, 2017 | | |
|--|--|---------|--|
| Profit After Tax as per previous GAAP | 4501151114 | 983.02 | |
| Adjustments: | | | |
| Amortised Cost | | | |
| Term Loan | (16.49) | | |
| Security Deposits | (0.08) | | |
| Loans to staff and workers | (0.27) | (16.84) | |
| Impairment Allowance | ` ' | , , | |
| Trade Receivables | (43.94) | (43.94) | |
| Other Adjustments for : | , , | | |
| Provision made for Warranty | (5.41) | | |
| Additional liability towards Gratuity | (11.81) | | |
| Amortisation of Leasehold Land | (3.57) | | |
| Share based payment Expenses | (6.48) | | |
| Capitalisation of Interest towards borrowing cost | 1.48 | | |
| Additional Depreciation on assets | (0.02) | | |
| Other Adjustments transfer of assets from JV to Parent | 1.51 | | |
| Remeasurement of defined benefit obligation to OCI | 11.37 | (12.93) | |
| Tax Impact on Above Adjustments | | 27.14 | |
| Total Adjustments in Profit and Loss | | 936.45 | |
| Other Comprehensive Income | | | |
| Item not to be reclassified to Profit and Loss | | | |
| Remeasurement of defined benefit obligation to OCI | (11.37) | | |
| Fair value of Investment through OCI | 6.76 | | |
| Tax Impact on Above Adjustments | 3.94 | (0.67) | |
| Items to be reclassified to Profit & Loss | | | |
| Foreign Currency Translation Reserve (FCTR) | 0.01 | | |
| Tax Impact on Above Adjustments (*₹ 1,960) | (0.00*) | 0.01 | |
| Total Adjustments in OCI | | | |
| Total Comprehensive Income for the year ended 31st March, 2017 | | 935.79 | |

Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended on $31^{\rm st}$, March, 2017

| Particulars | Previous GAAP | Adjustments | Ind AS |
|---|---------------|-------------|------------|
| Particulars | Previous GAAP | Adjustments | ind A5 |
| Net Cash from from Operating Activities | 40.98 | (329.19) | (288.21) |
| Net Cash flow from Investing Activities | (626.99) | (0.39) | (627.38) |
| Net Cash flow from Financing Activities | 1,963.37 | 323.17 | 2,286.54 |
| Net increase/ (decrease) in Cash and Cash Equivalents | 1,377.36 | (6.41) | 1,370.95 |
| Cash and Cash Equivalents as at 1st April, 2016 | (1,638.52) | (0.71) | (1,639.23) |
| Cash and Cash Equivalents as at 31st March, 2017 | (261.16) | (7.12) | (268.28) |

Corporate Overview Statutory Reports Financial Statements

52.

52.1 FIRST TIME ADOPTION OF IND AS

Group has adopted Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for year ended 31st March, 2018 are first financial statements Group has prepared under Ind AS. For all periods up to and including year ended 31st March, 2017, Group prepared its financial statements in accordance with accounting standards notified under Section 133 of Companies Act 2013, read together with Paragraph 7 of Companies (Accounts) Rules, 2014 ('Previous GAAP').

Adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, Group has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with comparative information as at and for year ended 31st March, 2017 and opening Ind AS Balance Sheet as at 1st April, 2016 date of transition to Ind AS.

In preparing these Ind AS financial statements, Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. Resulting difference between carrying values of Assets and Liabilities in financial statements as at transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

This note explains adjustments made by Group in restating its financial statements prepared under previous GAAP, including Balance Sheet as at 1st April, 2016 and financial statements as at and for year ended 31st March, 2017.

1) OPTIONAL EXEMPTIONS FROM RETROSPECTIVE APPLICATION

Ind AS 101 permits first time adopters certain exemptions from retrospective application of certain requirements under Ind AS. Group has elected to apply following optional exemptions from retrospective application:

A. DEEMED COST FOR PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

On transition to Ind AS, Group has elected to continue with carrying value of all of its Property, Plant and Equipment and Intangible Assets recognised as at 1st April, 2016 measured as per Previous GAAP and use that carrying value as deemed cost of Property, Plant and Equipment and Intangible Assets.

B. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

Group has elected to measure its investments in subsidiaries and joint ventures at Previous GAAP carrying amount as its deemed cost on date of transition to Ind AS.

C. BUSINESS COMBINATIONS

Ind AS 101 provides option to apply Ind AS 103 prospectively from transition date or from a specific date prior to transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to transition date.

Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to transition date have not been restated.

Group has applied same exemption for investment in Subsidiary and Joint Venture.

D. LEASES

Appendix C to Ind AS 17-" Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at inception of contract or arrangement. Ind AS 101 provides an option to make this assessment on basis of facts and circumstances existing at date of transition to Ind AS except where effect is expected to be not material. Group has elected to apply this exemption for such contracts/arrangements.

E. LONG-TERM FOREIGN CURRENCY MONETARY ITEMS

Group has elected to continue its Previous GAAP policy (Paragraph 46A of AS 11 under Previous GAAP) for accounting for exchange differences arising from translation of long term foreign



currency monetary items recognised in financial statements for period ending immediately before beginning of first Ind AS financial reporting period.

2) MANDATORY EXCEPTIONS FROM RETROSPECTIVE APPLICATION

Group has applied following exceptions to retrospective application of Ind AS as mandatorily required under Ind AS 101:

A. ESTIMATES

On assessment of estimates made under Previous GAAP financial statements, Group has concluded that there is no necessity to revise estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by Group for relevant reporting dates reflecting conditions existing as at that date.

B. CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Ind AS 101 requires an entity to assess classification and measurement of financial assets on basis of facts and circumstances that exist on date of transition to Ind AS. Accordingly, Group has applied above requirement prospectively. Classification of financial assets to be measured at amortised cost or fair value through or comprehensive income is made on basis of facts and circumstances that existed on date of transition to Ind AS.

C. DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Ind AS 101 requires a first time adopter to apply derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS. Accordingly, Group has applied derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

D. IMPAIRMENT OF FINANCIAL ASSETS

Ind AS 101 requires an entity to assess and determine impairment allowance on financial assets as per Ind AS 109 using reasonable and supportable information that is available without undue cost or effort to determine credit risk at the date that financial instruments which were initially recognised and compare that to credit risk at date of transition to Ind AS. Group has applied this exception prospectively.

3) TRANSITION TO IND AS - RECONCILIATIONS

Ind AS 101 requires that an entity should explain how transition from previous GAAP to Ind AS's affected its reported balance sheet, financial performance and cash flows, accordingly Group has prepared:

- i. Reconciliation of Equity as at 1st April, 2016 (refer note No. 51).
- ii. Reconciliation of Equity as at 31st March, 2017 (refer note No. 51).
- iii. Reconciliation of Statement of Profit and Loss for year ended 31st March, 2017 (refer note No. 51).
- iv. Adjustments to Statement of Cash Flows for year ended 31st March, 2017 (refer note No. 51).

4) NOTES TO RECONCILIATION OF BALANCE SHEET AS AT 1ST APRIL, 2016 AND 31ST MARCH, 2016 AND TOTAL COMPREHENSIVE INCOME FOR YEAR ENDED 31ST MARCH, 2017. (refer note No. 51)

A. Joint Venture

Under previous GAAP, Jointly controlled entities accounted for using the proportionate consolidation method. Under Ind AS, these entities are classified as joint ventures and accounted for using the equity method. For the purpose of applying the equity method, the investment in Joint ventures of ₹ 3.53 Million, as at 1st April, 2016, has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

B. AMORTIZATION OF LEASE HOLD LAND

Under previous GAAP, long-term Lease hold land is recognised at transaction value and annual lease rentals are recognised as expense on time period basis. Under Ind AS, long-term leasehold land are assessed as being finance or operating lease and accordingly accounted.

Group has recognised lease hold land appearing in Property Plant & Equipments under finance lease model and accordingly amortisation of leasehold land is recorded for remaining life of leasehold

land considering deemed cost exemption on transition date. As a result of this change, Profit for year ended 31st March, 2017 decreased by ₹ 3.57 Million. Consequently total equity decreased by ₹ 3.57 Million as at 31st March, 2017 (1st April, 2016 NIL).

C. FAIR VALUE OF INVESTMENTS

Under previous GAAP, investments in Equity Instruments and Mutual Funds were classified as long-term investments or current investments based on intended holding period and realisability. Long-term investments were carried at cost less provision for or than temporary decline in value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Resulting fair value changes of these investments (or than equity instruments designated as at FVOCI) have been recognised in retained earnings as at date of transition and subsequently in Profit & Loss for year ended 31st March, 2017.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI - Equity Investment Reserve as at date of transition and subsequently in Other Comprehensive Income (OCI) for year ended 31st March, 2017. This decreased reserves by ₹ 3.85 Million as at 31st March, 2017 (1st April, 2016 - decreased ₹ 10.62 Million).

D. TRADE RECEIVABLES

Under previous GAAP, Group has created provision for Trade Receivables in respect of specific amounts based on management estimate of recoverability. Under Ind AS, impairment allowance has been determined based on Life time Expected Credit Loss model (ECL) for Trade Receivables. As a result of this change, Profit for year ended 31st March, 2017 decreased by ₹ 43.94 Million. Consequently total Equity decreased by ₹ 157.81 Million as at 31st March, 2017 (1st April, 2016 ₹ 113.87 Million).

E. BORROWINGS

Under previous GAAP, transaction costs incurred towards origination of borrowings were charged to profit or loss as and when incurred. Ind AS 109 requires these transaction costs to be deducted from carrying amount of borrowings on initial recognition. These costs are recognised in profit or loss over tenure of borrowing as part of interest expense by applying effective interest rate method.

Accordingly, borrowings as at 31st March, 2017 have been reduced by ₹13.75 Million. (1st April, 2016, ₹30.24 Million) with a corresponding adjustment to retained earnings. Total equity increased by an equivalent amount. Profit for year ended 31st March, 2017 reduced by ₹16.49 Million as a result of additional interest expense.

F. BORROWING COST & INCREASE IN VALUE OF PPE & DEPRECIATION

Under previous GAAP, Borrowing costs include interest and commitment charges on bank borrowings and short-term and long-term borrowings. Ind AS 23 requires interest expense to be calculated using effective interest method as described in Ind AS 109, Financial Instruments.

Accordingly, borrowing cost and subsequently Property Plant & Equipment (PPE) capitalised as at 31st March, 2017 have been increased by ₹ 1.48 Million (1st April, 2016: NIL). Profit for year ended 31st March, 2017 reduced by ₹ 0.02 Million as a result of additional depreciation expense.

G. BANK OVERDRAFTS & DE-RECOGNITION OF TRADE RECEIVABLES

As per Ind AS 109, Trade Debtors are derecognized only if significant control and risk are transferred. In case of factoring of debtors on 'Recourse' Debtors on account of Bill Discounting, Channel Financing & LC with Recourse added to gross Debtors, with corresponding impact on increase in short term borrowing.

Accordingly, Group has re-recognised Debtors which were de-recognised earlier on account of Bill Discounting & Channel Financing as at 31st March, 2017 have been increased by ₹ 1,011.21 Million (1st April, 2016 ₹ 689.59 Million) with corresponding impact on short term borrowing from bank. There is no impact on total Equity and Profit as at 1st April, 2016 & 31st March, 2017.

H. WARRANTY PROVISION

As per Ind AS - 37, Group has recognised a provision for expected cost to be incurred on completed



and ongoing Turnkey Projects and Sale of Cable during effective defect liability period. Consequently Profit for year ended 31st March, 2017 decreased by ₹ 5.41 Million and total Equity decreased by ₹ 17.81 Million as at 31st March, 2017 (1st April, 2016 ₹ 12.40 Million).

I. DEFERRED TAX

Previous GAAP requires deferred tax accounting using Income Statement Approach, which focuses on differences between taxable profits and accounting profits for period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach, which focuses on temporary differences between carrying amount of an Asset or Liability in Balance Sheet and its tax base. Application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

J. PROPOSED DIVIDEND

Under previous GAAP, Dividends proposed by Board of Directors after Balance Sheet date but before approval of Financial Statements were considered as adjusting events. Accordingly, provision for Proposed Dividend was recognised as a liability.

Under Ind AS, such Dividends are recognised when same is approved by shareholders in General Meeting. Accordingly, liability for Proposed Dividend and Dividend Distribution Tax has been reversed with corresponding adjustment to Retained Earnings. As a result of this change, total equity increased by ₹ 46.48 Million as at 1st April, 2016. There was no impact as at 31st March, 2017.

K. EXCISE DUTY

Under previous GAAP, Revenue from sale of products was presented exclusive of Excise Duty. Under Ind AS, revenue from sale of goods is presented inclusive of Excise Duty. Excise duty paid is presented on face of Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for year ended 31st March, 2017 by ₹ 1,661.10 Million. There is no impact on total Equity and Profit as at 31st March, 2017 & 1st April, 2016.

L. CASH & TRADE DISCOUNT

Under previous GAAP, Cash & Trade discount was presented under or expenses. Under Ind AS revenue from sales of goods is recognised at fair value of consideration expected to be received. Accordingly, Cash & Trade Discount given by Group to Buyers have been re-measured. This change has resulted in decrease in total revenue and total expense for year ended 31st March, 2017 by ₹130.44 Million. There is no impact on total Equity and Profit as at 1st April, 2016 & 31st March, 2017.

M. FREIGHT INCOME & FREIGHT CHARGES

As per Ind AS 18, Revenue includes gross inflows of economic benefits received and receivable by entity on its own account. Accordingly, Freight charged by Group on invoices has been re-measured as part of Revenue. This change has resulted in increase in total revenue and total expense for year ended 31st March, 2017 by ₹ 98.24 Million. There is no impact on total Equity and Profit as at 1st April, 2016 & 31st March, 2017.

N. RE-MEASUREMENT OF DEFINED BENEFIT OBLIGATION

Both under previous GAAP and Ind AS, Group recognised costs related to its post employment defined benefit plan on an actuarial basis. Under previous GAAP, entire cost, including actuarial gains and losses, are charged to Profit or Loss. Under Ind AS, re-measurements i.e. actuarial gains and losses and return on plan assets, excluding amounts included in net interest expense on net defined benefit liability are recognised in Balance Sheet through Other Comprehensive Income. Thus, employee benefits expense is reduced by ₹ 11.37 Million and is recognised in Other Comprehensive Income during year ended 31st March, 2017. Related tax expense of ₹ 3.94 Million has also been reclassified from Profit and Loss account to Other Comprehensive Income. There is no impact on total equity as at 1st April, 2016 & 31st March, 2017.

O. SHARE BASED PAYMENTS

Under Previous GAAP, Group recognised only intrinsic value for long-term incentive plan as an expense. Ind AS requires fair value of share options to be determined using an appropriate pricing model recognised over vesting period. An additional expense of ₹ 6.48 Million has been recognised in profit or loss for year ended 31st March, 2017. There is no impact on total Equity as at 1st April, 2016 & 31st March, 2017.

P. SECURITY DEPOSITS

Under previous GAAP, interest free lease Security Deposits (that are refundable in cash on completion of lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, Group has fair valued security deposits under Ind AS.

Difference between fair value and transaction value of security deposit has been recognised as prepaid rent. Consequent to this change, amount of Security Deposits decreased and proportionate increase in prepaid rent by ₹ 2.01 Million as at 31st March, 2017 (1st April, 2016 ₹ 2.33 Million). Total profit for the year 31st March, 2017 decreased by ₹ 0.08 Millions and Total equity as at 31st March, 2017 decreased by ₹ 0.33 Millions (₹ 0.25 Million as on 1st April, 2016) due to amortisation of prepaid rent of which is partially off-set by notional interest income recognised on security deposits.

Q. LOAN & ADVANCES TO EMPLOYEES

Under previous GAAP, interest-free loan and advances given to employees and workers are reported at their transaction values. Under Ind AS, interest-free loan and advances are measured at fair value on initial recognition and at amortised cost on subsequent recognition. Difference between transaction value and fair value of loan and advances at initial recognition is treated as employee benefit expenses.

Difference between fair value and transaction value of loan and advances has been recognised as employee benefit expenses. Consequent to this change, amount of loan and advances decreased by ₹ 0.74 Million as at 31st March, 2017 (1st April, 2016 ₹ 0.47 Million). Total Profit for the year 31st March, 2017 decreased by ₹ 0.27 Million and Total equity as at 31st March, 2017 decreased by ₹ 0.74 Million (₹ 0.47 Million as on 1st April, 2016) due to increase in employee benefits expenses which is partially off-set by notional interest income recognised on loan and advances.

R. RETAINED EARNINGS

Retained earnings as at 1st April, 2016 has been adjusted consequent to above Ind AS transition adjustments.

S. OTHER COMPREHENSIVE INCOME

Under previous GAAP, Group has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

53. Interest in Other Entities:

(a) Subsidiaries

The Group's subsidiary as at 31st March, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| | Country of | Functional | | | nip interest held by the Group | | |
|-------------------------------|--------------------------|------------|-----------------------------|--|--|-------------------------|--|
| Name of Entity | Country of Incorporation | Currency | As at 31st March 2018 | As at 1 st March 2017 | As at 1 st April 2016 | Principal Activities | |
| KEI Cables Australia PTY Ltd. | Australia | AUD | 90% | 100% | 100% | Trading | |

No Dividend is received from subsidiary

Subsidiary with material Non-Controlling Interests

The Group includes one subsidiary, KEI Cables Australia PTY Ltd., with material non-controlling interests (NCI):



| | | of ownership rights held b | | | | | Accumulated NCI | | | |
|-------------------------------|---|---|--|---|---|--|---|---|--|--|
| Name | As at 31 st March 2018 | As at 31 st March 2017 | As at 1 st April 2016 | As at 31 st March 2018 | As at 31 st March 2017 | As at 1 st April 2016 | As at 31 st March 2018 | As at 31 st March 2017 | As at 1 st April 2016 | |
| KEI Cables Australia PTY Ltd. | 10.00% | N.A. | N.A. | 0.01 | N.A. | N.A. | 0.13 | N.A. | N.A. | |

Summarised Financial Information for KEI Cables Australia PTY Ltd. before intra group eliminations, is set out below:

(₹ in Millions)

| | | | (|
|---|---------------------------|------------------------|--------------------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1 st April, 2016 |
| Non-Current Assets | - | - | - |
| Current Assets * ₹ 4755 | 174.23 | 0.29 | 0.00 |
| Total Assets (A) | 174.23 | 0.29 | 0.00 |
| Non-Current Liabilities | - | - | - |
| Current Liabilities | 174.34 | 0.50 | 0.05 |
| Total Liabilities (B) | 174.34 | 0.50 | 0.05 |
| Net Assets C= (A-B) | (0.11) | (0.21) | (0.05) |
| Equity Attributable to Owners of the Parent | 1.21 | (0.21) | 0.05 |
| Non - Controlling Interests | 0.13 | - | - |

| Particulars | As at 31st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------|---------------------------------------|--------------------------------------|
| Revenue | 981.41 | - | - |
| Expenditure | 978.09 | 0.16 | 0.05 |
| Profit/(Loss) before Tax | 3.32 | (0.16) | (0.05) |
| Current Tax | 0.92 | - | - |
| Profit/(Loss) after Tax | 2.40 | (0.16) | (0.05) |
| Profit for the year attributable to owners of the Parent | 2.16 | (0.16) | (0.05) |
| Profit for the year attributable to NCI | 0.24 | - | - |
| Profit for the Year | 2.40 | (0.16) | (0.05) |
| Other Comprehensive Income for the year (net of tax) | (2.29) | | |
| Other Comprehensive Income for the year attributable to owners of the parent | (2.06) | - | - |
| Other Comprehensive Income for the year attributable to NCI | (0.23) | - | - |
| Other Comprehensive Income for the year | (2.29) | - | - |
| Total Comprehensive Income for the year | 0.11 | (0.16) | (0.05) |
| Total Comprehensive Income for the year attributable to owners of the parent | 0.71 | (0.16) | (0.05) |
| Total Comprehensive Income for the year attributable to NCI | 0.01 | - | - |
| Total Comprehensive Income for the year | 0.72 | (0.16) | (0.05) |

Summarised cash flow for KEI Cables Australia PTY Ltd., before intragroup eliminations, is set out below:

(₹ in Millions)

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 |
|---|---------------------------------------|---------------------------------------|
| Cash Flows from Operating Activities | 13.77 | 0.29 |
| Cash Flows from Investing Activities | - | - |
| Cash Flows from Financing Activities | (5.65) | - |
| Net increase/ (decrease) in Cash and Cash Equivalents | 8.12 | 0.29 |

The Financial Statement of Subsidiary are unaudited, since there is no requirement of Audit under local Laws.

Joint Ventures

Set out below are the joint venture of the group as at 31st March, 2018 which, in the opinion of the directors, are material to the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. This Joint Venture is a Jointly Controlled Entity within the meaning of Ind AS - 111 on "Joint Arrangements". The Joint Venture is in form of a Association of Persons (AOP) and the Company is holding 100% share in Profit / Loss of AOP. Company has not invested any amount as capital in Joint Venture. Investment in Joint Venture is accounted for in accordance with Ind AS-28 "Investments in Associates and Joint Ventures".

| | | _ | Ownership | Interest held | | |
|---|----------------------|------------------------|--|--|---|---------------|
| Name of Entity | Place of business | Functional Currency | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 | Relationship |
| Joint Venture of KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland | | INR | 100% | 100% | 100% | Joint Venture |

(b) Summarised Financial Information for Joint Venture's is set out below:

| | (₹ in Millions) | | | | | |
|--|--|--|---|--|--|--|
| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 | | | |
| Non-Current Assets | | - | 2.52 | | | |
| Current Assets | 3.04 | 10.52 | 72.88 | | | |
| Total Assets (A) | 3.04 | 10.52 | 75.40 | | | |
| Non-Current Liabilities | | | - | | | |
| Current Liabilities | 1.34 | 8.66 | 71.87 | | | |
| Total Liabilities (B) | 1.34 | 8.66 | 71.87 | | | |
| Net Assets C= (A-B) | 1.70 | 1.86 | 3.53 | | | |
| a) Includes Cash and Cash Equivalents | | | | | | |
| b) Includes Financial Liabilities (excluding Trade and Other Payables and Provisions) | | | | | | |



(c) Summarised statement of Profit & Loss for Joint Venture is set out below:

(₹ in Millions)

| Particulars | Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG, Switzerland | | | |
|--|---|--|--|--|
| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | | |
| Revenue | 0.45 | 22.26 | | |
| Cost of Materials Consumed | - | 16.20 | | |
| Finance Costs | 0.01 | 0.06 | | |
| Sub Contractor expense for turnkey projects | - | 0.72 | | |
| Other Expenses | 0.60 | 5.68 | | |
| Tax expense | - | 1.26 | | |
| Profit/ (Loss) and Total Comprehensive Income for the year | (0.16) | (1.66) | | |

(d) Reconciliation of carrying amounts is set out below:

| Particulars | Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG, Switzerland |
|---------------------------------------|---|
| Opening Net Assets (1st April, 2016) | 3.53 |
| Capital Introduction | - |
| Profit/ (Loss) for the year | (1.66) |
| Closing Net Assets (31st March, 2017) | 1.87 |
| Profit/ (Loss) for the year | (0.16) |
| Capital Distribution | - |
| Closing Net Assets (31st March, 2018) | 1.71 |
| Group share in % | 100% |
| Carrying Amount | 1.71 |

54. Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiary and Joint Venture:

Part "A" : Subsidiary

| S. No. | Name of Subsidiary | KEI Cables Australia PTY Ltd. |
|-----------|--|-------------------------------|
| 1 | The date since when subsidiary was accquired | 14 th Dec, 2015 |
| 2 | Reporting period for subsidiary | 01.07.2017 to 30.06.2018 |
| 3 | Reporting Currency in the case of Foreign Subsidiary | AUD |
| 4 | Exchange Rate as on the last date of the relevant Financial year in the case of foreign Subsidiary | 50.39 |
| 5 | Share Capital | 0.01 |
| 6 | Reserve and Surplus | (0.12) |
| 7 | Total Assets | 174.23 |
| 8 | Total Liabilities | 174.34 |
| 9 | Investments | - |
| 10 | Turnover | 981.41 |
| 11 | Profit Before Taxation | 3.32 |
| 12 | Provision for Taxation | 0.92 |
| 13 | Profit after Taxation | 2.39 |
| 14 | Proposed Dividend | - |
| 15 | % of Holding | 90% |

Part "B" : Joint Venture

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture

(₹ in Millions)

| | | (< in Millions) | | |
|-----------|---|--|--|--|
| S. No. | Name of Joint Ventue | Joint Venture of KEI Industries Ltd, New Delhi & Brugg Kabel AG, Switzerland | | |
| 1 | Latest Balance Sheet Date | 31 st March, 2018 | | |
| 2 | Date on which the Joint Venture was accquired | 24 th June, 2014 | | |
| 3 | Shares of Joint Venture held by the Group on the year end | | | |
| | - Numbers | N.A. | | |
| | - Amount of Investment in Joint Venture | 0 | | |
| | - Extent of Share in Profit/Loss | 100% | | |
| 4 | Description of how there is significant influence | Jointly Controlled Entity & Share in Profit/Loss 100% | | |
| 5 | Reason why the Joint Venture is not consolidated | N.A. | | |
| 6 | Networth Attributable to Shareholding as per latest audited Balance Sheet | 1.71 | | |
| 7 | Profit / (Loss) for the year | | | |
| | (i) Considered in Consolidation | (0.15) | | |
| | (ii) Not Considered in Consolidation | - | | |



55. Additional Information in pursuant to Schedule III of the Companies Act, 2013

(₹ in Millions)

| | | | Net Assets, i.e., Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|----------|---|----------------------------|--|----------|--|----------|--|--------|--|----------|
| S. No | Name of the Entity | Own- ership Interest | As % of Consoli- dated net Assets | Amount | As % of Consolidated Profit or Loss | Amount | As % of Consolidated Other Comprehen- sive Income | Amount | As % of Total Compre- hensive Income | Amount |
| 1 | Parent | - | 99.99% | 6,045.34 | 99.94% | 1,445.59 | 72.28% | (5.97) | 100.17% | 1,439.62 |
| 2 | Subsidiaries | | | | | | | | | |
| Α | Foreign | | | | | | | | | |
| a.) | KEI Cables Australia PTY Ltd. | 90.00% | (0.02%) | (1.01) | 0.15% | 2.16 | 24.94% | (2.06) | (0.06%) | (0.91) |
| 3 | Non - Controlling Interest in All Subsidiaries | 10.00% | 0.00% | - | 0.02% | 0.24 | 2.78% | (0.23) | 0.00% | - |
| 4 | Joint Ventures | | | | | | | | | |
| | Investments Accounted for using Equity Method | | | | | | | | | |
| В | Indian | | | | | | | | | |
| a.) | Joint Venture of KEI Industries Ltd, New Delhi & Brugg Kabel AG, Switzerland | 100.00% | 0.03% | 1.70 | (0.11%) | (1.55) | 0.00% | - | (0.11%) | (1.55) |
| | TOTAL | | 100% | 6046.03 | 100.00% | 1446.44 | 100.00% | (8.26) | 100% | 1437.16 |

56. Events After Balance Sheet Date:

Board of Directors have Proposed Dividend \mathfrak{T} 1 per share on face value of \mathfrak{T} 2.00 per share (previous year \mathfrak{T} 0.60 per share on face value of \mathfrak{T} 2 per share). If approved by Members of the Company in ensuing Annual General Meeting of the Company the total out flow of cash will be \mathfrak{T} 94.47 Millions Including Dividend Distribution Tax.

57. Previous Year's figures have been regrouped / rearranged wherever necessary.

As per our Separate Report of even date attached

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

(PAWAN KUMAR AGARWAL)

Partner

M.No. 092345

(KISHORE KUNAL)

GM (Corporate) & Company Secretary

M.No. FCS-9429

(ADARSH KUMAR JAIN)

Sr. General Manager (Finance) M.No. 502048

Place of Signing : New Delhi Date : 17th May, 2018

Place of Signing : New Delhi Date : 17th May, 2018

Corporate Overview Statutory Reports Financial Statements

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

(₹ in Millions)

| Sl. No. | Particulars | Details |
|---------|--|--|
| 1. | Name of the Subsidiary | KEI CABLES AUSTRALIA PTY LIMITED |
| 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 30.06.2018 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | AUD and Exchange Rate is 50.39 INR=1AUD (As on 31.03.2018) |
| 4. | Share Capital | 0.01 |
| 5. | Reserves and Surplus | (0.12) |
| 6. | Total Assets | 174.23 |
| 7. | Total Liabilities | 174.34 |
| 8. | Investments | - |
| 9. | Turnover | 981.41 |
| 10. | Profit before taxation | 3.32 |
| 11. | Provision for taxation | 0.92 |
| 12. | Profit after taxation | 2.39 |
| 13. | Proposed Dividend | Nil |
| 14. | % of shareholding | 90% |

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 AG, Switzerland |
|---------|--|---|
| 1. | Latest audited Balance Sheet Date | 31.03.2018 |
| 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 | Jointly Controlled Entity & Share in Profit/ Loss 100 % |
| 4. | Reason why the Associate/Joint Venture is not consolidated | N.A. |
| 5. | Net worth attributable to shareholding as per latest audited Balance Sheet | ₹1.71 Millions |
| 6. | Profit/Loss for the year (PAT) | ₹ (0.15) Millions |
| | i. Considered in Consolidation | ₹ (0.15) Millions |
| | ii. Not Considered in Consolidation | - |

For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C (ANIL GUPTA)
Chairman-cum-Managino

Chairman-cum-Managing Director DIN: 00006422

(PAWAN KUMAR AGARWAL)

Partner **M.No. 092345**

Place of Signing : New Delhi Date : 24th July, 2018

(KISHORE KUNAL)

GM (Corporate) & Company Secretary M.No. FCS-9429

Place of Signing : New Delhi Date : 24th July, 2018

(RAJEEV GUPTA)

Executive Director (Finance) & CFO DIN: 00128865

(ADARSH KUMAR JAIN)

Sr. General Manager (Finance) M.No. 502048



NOTICE

THE 26TH 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 SEPTEMBER, 2018 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2018, 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 on 31st March, 2018 and the Report of Auditors thereon.
- 2. To consider and approve declaration of Dividend for the Financial Year ended on 31st March, 2018.
- To appoint a Director in place of Mrs. Archana Gupta (holding DIN: 00006459), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. Re-appointment of Mr. Anil Gupta (holding DIN:00006422) as Chairman-cum-Managing Director of the Company:

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

"RESOLVED pursuant **THAT** the recommendation of Nomination and Remuneration Committee of the Board and Board of Directors and 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) and such other approvals as may be necessary, the members of the Company hereby accord its approval for re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director (CMD) of the Company with effect from July 01, 2018 to June 30, 2021 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. Anil Gupta:

| 1. Period | from 1st July, 2018 to 30th June 2021 | |
|---|---|--|
| 2. Remuneration | | |
| a. Salary | ₹ 30,00,000/- basic salary per month w.e.f. 1stJuly, 2018 upto maximum basic salary of ₹ 40,00,000/-per month | |
| b. Perquisites | Perquisites shall be restricted to an amount equal to not exceeding ₹ 6,00,000/- per month w.e.f. 1st July 2018 up to maximum of ₹ 7,00,000/-per month. | |
| c. Commission | Up to 5% of the Net Profit less remuneration payable under point no. (a) & (b) above, calculated as per the provisions of Section 197 of the Companies Act, 2013. | |
| For this purpose perquisites are classified into three categories A, B and C: | | |

Category - A

- i) Housing: The expenditure by the Company on hiring furnished / unfurnished accommodation for him will be subject to the following ceilings:
 - a) ₹3,00,000/- per month w.e.f. 1st July, 2018 up to maximum of ₹6,00,000/-per month.

The expenditure incurred by the Company on gas, electricity, water and furnishings evaluated as per Income Tax Rules, 1962.

- ii) **Medical Reimbursement**: Expenses incurred for himself and his family as per rules of the Company.
- iii) **Club Fees**: Fees of clubs to a maximum of two clubs. This will not include admission and life membership fees.

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 Company's policy.

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 Directors of the Company or such Officer(s) /Authorised Representative(s) as may be authorized by the Board be and are hereby authorized to file the necessary applications, e-forms, documents with, inter- alia, the Registrar of Companies, send intimation(s) to Stock Exchange(s) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

5. Appointment of Mr. Sadhu Ram Bansal (holding DIN: 06471984) as Independent Director (Non-Executive) of the Company:

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

"RESOLVED **THAT** pursuant the recommendation of the Nomination and Remuneration Committee of the Board and Board of Directors and provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, members of the Company hereby accord its approval for appointment of Mr. Sadhu Ram Bansal (holding DIN: 06471984) who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013 and being eligible for appointment be and

is hereby appointed as an Independent Director (Non-Executive) of the Company for a term of 5 (Five) consecutive years commencing from January 24, 2018 to January 23, 2023.

RESOLVED FURTHER THAT the Board / Committee of Directors of the Company or such Officer(s) / Authorised Representative(s) as may be authorized by the Board be and are hereby authorized to file the necessary applications, e-forms, documents inter- alia, the Registrar of Companies, send intimation(s) to Stock Exchange(s) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

6. Approval for Borrowing limits of the Company:

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

"RESOLVED THAT in supersession of the earlier resolution passed by the members of the Company at their meeting held on September 19, 2014 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company and / or any Committee thereof to borrow at its discretion, either from the Company's Bank(s) or any other Indian or Foreign Bank(s), Financial Institution(s) and / or any other Lending Institutions or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers / Fls in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital, free reserves and securities premium of the Company that is to say, reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors shall not exceed the sum of ₹ 2,000 Crores (Rupees Two Thousand Crores Only) at any one time."



7. Approval for Creation of mortagage/charge on assets of the Company:

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

"**RESOLVED THAT** in supersession of the earlier resolution passed by the members of the Company at their meeting held on September 19, 2014 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and subject to other approvals, if applicable or required under any statute(s) / rule(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities, the Board of Directors of the Company and / or Committee thereof be and are hereby authorised and shall be deemed to have always been so authorised to create such mortgages/ charges/ hypothecation and / or other encumbrances, in addition to the existing mortgages, charges, hypothecation and other encumbrances, if any created by the Company on all or any part of the immovable and/or movable properties, current and / or fixed assets, tangible or intangible assets, book debts and / or claims of the Company wheresoever situate, present and future such charge to rank either pari-passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecation and other encumbrances created / to be created by the Company in favour of Indian or Foreign Bank(s), Financial Institution(s), Foreign Financial Institution(s), other Lending Institution and / or to such other persons, if any, from whom the Company has / or proposed / proposes to borrow money/ sums of moneys by way of Term Loans, Cash Credits, Overdrafts, discounting of bills, inter corporate deposits, commercial papers or such other financial instruments permitted to be used by the appropriate authorities from time to time together with interest, cost, charges and other incidental expenses in terms of agreement(s) entered / to be entered into by the Board of Directors / Committee(s) thereof of the Company within the overall borrowing limits fixed pursuant to Section 180(1)(c) of the Companies Act, 2013 i.e. ₹ 2,000 Crores (Rupees Two Thousand Crores Only) at any one time."

8. Ratification of Remuneration of M/s. S. Chander & Associates, Cost Accountants, appointed as Cost Auditors of the Company.

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(s) thereof for the time being in force or from time to time), M/s.S.Chander&Associates, CostAccountants, 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 2018-19, be paid the remuneration of ₹ 2,30,000/- plus Goods and Service Tax as applicable 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

(Kishore Kunal)

Place: New Delhi GM (Corporate) & Company Secretary Date: August 09, 2018 M. No.: FCS-9429

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

NOTES:

 At 25th AGM, M/s Pawan Shubham and Co., Chartered Accountants (Firm Registration number 011573C) were appointed as Statutory Auditors of the Company for a term of 5 years until the conclusion of 30th AGM of the Company.

The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013,

is not required, in terms of Notification No. S.O. 188 (E) dated May 07, 2018, issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of the AGM Notice.

2. 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.

- 3. 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.
- 4. 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.
- 5. Members or their respective proxies are requested to:
 - 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.
- 6. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.

- The Register of Members and Share Transfer Books will remain closed from September 13, 2018 to September 19, 2018 (both days inclusive).
- 8. 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 September 19, 2018. 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 September 12, 2018, as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- Un-claimed / Unpaid Dividend for the Financial Year 2009-10 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 from Company/RTA. Pursuant to Rule 5(8) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company uploaded the details of unpaid and unclaimed amounts lying with the Company as on 19th July, 2017 (date of last Annual General Meeting) on the website of the Company at www.kei-ind.com under Investor Relations Section and also on the website of the Ministry of Corporate Affairs at 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.

Further, the Company has also transferred 1,69,395 Equity Shares of the Company to the Demat Account of Investor Education and Protection Fund held with NSDL and CDSL pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time for the FY 2009-10 in respect of which dividend has not been paid or claimed for seven consecutive years or more.



Further, the details of shareholders whose dividend and shares are transferred to Investor Education and Protection Fund are updated on the website of the Company at www.kei-ind.com under Investor Relations Section.

Concerned shareholders may claim their shares or apply for refund of dividend to the IEPF Authority by making an application in the prescribed form. For claiming Refund from IEPF, website link: http://www.iepf.gov.in/IEPFA/refund.html.

- 10. In terms of Article 113 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mrs. Archana Gupta (holding DIN: 00006459) retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Further, Board of Directors of the Company in its Meeting held on 24th January, 2018 has appointed Mr. Sadhu Ram Bansal (holding DIN: 06471984) as an Additional Director and also appointed him as a Non-Executive, Independent Director of the Company for a term of 5 (Five) years w.e.f. 24th January, 2018 to 23rd January 2023, 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 IV of the Companies Act, 2013 is annexed herewith.
- 11. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses specified under Item No. 4, 5, 6, 7 and 8 are annexed hereto.
- 12. 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.
- 13. 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 e-mail ids are registered with the Company/ Depository Participant(s) unless a specific request for hard copy has been requested.

- 14. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication(s) 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 M/s. 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, e-mail: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.
- 15. 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, M/s. MAS SERVICES LTD at the address mentioned in above point.
- 16. The Securities and Exchange Board of India vide its gazetted notification dated June 08, 2018 and BSE Circular Ref. No. LIST/ COMP/15/2018-19 dated July 05, and NSE Circular Ref. No. NSE/CML/2018/26 dated July 09, 2018 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which mandated that transfer of securities with effect from December 05, 2018 would be in dematerialized form only. Members holding shares in physical form are requested to take necessary steps with their respective Depository Participants to dematerialize physical shares. Information dematerialization of shares including the process for dematerialization is available on the website of the Company at www.kei-ind.com under Investor Relations Section.

- 17. Members may also note that the Notice of Annual General Meeting and Annual Report 2017-18 is available on the website of the Company at <u>www.kei-ind.com</u> under Investor Relations Section.
- 18. 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.
- 19. 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.
- 20. 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.

21. The voting period begins on 16th September, 2018 (at 09:00 A.M (IST)) and ends on 18th September, 2018 (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) i.e. 12th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- 22. 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

(Kishore Kunal)

Place: New Delhi GM (Corporate) & Company Secretary Date: August 09, 2018 M. No.: FCS-9429

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. 4

At the 24th Annual General Meeting of the Company held on 06th September, 2016, the members of the Company had approved re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director (CMD) of the Company for a period of 3 years with effect from July 01, 2016 to June 30, 2019. He has been on the Board of Directors of the Company since inception of the Company. He is B.Com and has about 37 years of experience in managing the Company, as a partner of erstwhile Krishna Electrical Industries thereafter as Chairman-cum-Managing Director of KEI INDUSTRIES LIMITED which has successfully set up manufacturing plants at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa. Under his leadership, the Company has ventured into manufacturing of whole range of cables including Extra High Voltage (EHV) cables up to 400kV.

He looks after the policies of marketing, production, quality control and product development. As CMD of the Company, he is responsible for motivating the team of professionals to implement management policies.

Subject to the shareholder's approval, Nomination & Remuneration Committee and the Board of Directors at their meeting held on April 30, 2018 and May 17, 2018 respectively have re-appointed



Mr. Anil Gupta, as Chairman-cum-Managing Director of the Company for a period of three years with effect from July 1, 2018 to June 30, 2021 on the terms and conditions set out in the resolution under Item No. 4.

Re-appointment of Mr. Anil Gupta, as Chairman-cum-Managing Director (CMD) 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 the re-appointment of Mr. Anil Gupta and remuneration payable to him is commensurate with his duties and responsibilities as the Chairman-cum-Managing Director of the Company. Therefore, the Special Resolution at Item No. 4 is placed before the members for their approval.

The Special Resolution proposed to be passed is an enabling resolution, permitting the Company to pay the fixed remuneration even during absence or inadequacy of profits in any financial year, in compliance with Section 197 read with Schedule V to the Companies Act, 2013.

Except Mr. Anil Gupta, Mrs. Archana Gupta and Mr. Akshit Diviaj Gupta being directors, 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. 4 of the Notice.

This may be regarded as an abstract of Mr. Anil Gupta's terms of re-appointment and remuneration payable to him as CMD of the Company and Memorandum of interest under Section 190 of the Companies Act, 2013.

Accordingly, the Board/Committee recommends the resolution as set out in Item No. 4 of Notice for approval of the members.

ITEM NO. 5

Nomination and Remuneration Committee and Board of Directors at its meeting held on 24th January, 2018 had appointed Mr. Sadhu Ram Bansal as an Additional Director (Non-Executive, Independent Director) for a period of five years with effect from 24th January, 2018 pursuant to Section 161(1), 149 and Schedule IV and other applicable provisions of the Companies Act, 2013 read with Rules. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Mr. Sadhu Ram Bansal will hold office only upto the date of ensuing Annual General Meeting.

Mr. Sadhu Ram Bansal has given Form DIR-2, 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 and a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Sadhu Ram Bansal fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as an Independent Director and he is independent of the management.

In compliance with the provision of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Mr. Sadhu Ram Bansal is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Director shall be open for inspection by the members at the Registered Office during normal working business hours on any working days of the Company.

Except Mr. Sadhu Ram Bansal (for his respective appointment), 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. 5 of the Notice.

Accordingly, the Board/Committee recommends the resolution as set out in Item No. 5 of the Notice for approval of the members.

ITEM NO. 6 & 7

The members may kindly be informed that in Extra-Ordinary General Meeting held on 23/11/2006 and Annual General Meeting held on 19/09/2014 respectively, the shareholders had authorized the Board of Directors:

- To borrow monies upto ₹ 1,000 crores under Section 293(1)(d) of the Companies Act, 1956 and corresponding provision Section 180(1)(c) of the Companies Act, 2013 and
- To secure the same by suitable mortgage/ charge on all or any of the movable and/or immovable properties, regarded as disposal of the Company's undertakings under Section 293(1)(a) of the Companies Act, 1956 and corresponding provision Section 180(1)(a) of the Companies Act, 2013.

To meet the funds requirements of the Company, the Company may require to borrow monies from time to time by way of loans from Company's Banks or any other Indian or Foreign Bank(s), financial institution and / or any other lending institutions or persons from time to time and therefore it is recommended to enhance the borrowing limits of the Company from ₹1,000 crores to ₹2,000 crores.

As per Section 180(1)(c) of the Companies Act, 2013, Board of Directors cannot borrow monies more than the aggregate of the paid-up capital of the Company, its free reserves and securities premium (apart from temporary loans obtained from Company's banker in the ordinary course of business by the Company) except with the approval from shareholders of the Company by way of Special Resolution. In order to secure the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power of Board of Directors to lease or otherwise dispose of the whole or substantially the whole of the undertaking subject to the approval from shareholders of the Company by way of Special Resolution.

The Board of Directors of your Company has approved these matters in their meeting held on 17th May, 2018 and recommends the resolution as set out in Item No. 6 & 7 of Notice for the approval of members of the Company as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is connected or interested in the Resolutions set out at Item No. 6 & 7 of the Notice except to the extend of their shareholding in the Company, if any.

ITEM NO. 8

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 Goods and 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. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2019.

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. 8 of the Notice.

By Order of the Board of Directors For KEI INDUSTRIES LIMITED

(Kishore Kunal)

Place: New Delhi GM (Corporate) & Company Secretary Date: August 09, 2018 M. No.: FCS-9429

CIN: L74899DL1992PLC051527

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



PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) 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 UNDER ITEM NO. 3, 4 & 5 IS FURNISHED AS BELOW:

ITEM NO. 3

| Name of Director | Mrs. Archana Gupta (holding DIN:00006459) |
|--|--|
| Date of Birth | 23.07.1961 |
| Date of First Appointment | 31.01.2005 |
| No. of Equity Shares held (face value of ₹ 2 each) | 8,37,315 |
| Qualification | BA (Hons.) |
| Nature of Expertise | Mrs. Archana Gupta is serving as Director of the Company since January 31, 2005. Mrs. Archana Gupta is BA (Hons.) and has been associated with KEI Industries Limited for a long period. She is looking after day to day affairs of the Company's Stainless Steel Wire Segment at Bhiwadi (Rajasthan). |
| Relationship with other Director(s) | Related with Mr. Anil Gupta, Chairman-cum- Managing Director and Mr. Akshit Diviaj Gupta, Whole Time Director of the Company. |
| Name of Listed Companies in which she holds Directorship | KEI Industries Limited |
| Name of Committees of Listed Companies in which she is Chairman/Member | KEI Industries Limited - Finance Committee (Member) |
| Number of Meetings of the Board attended during the FY 2017-18 | 7 |

ITEM NO. 4

| Name of Director | Mr. Anil Gupta (holding DIN:00006422) |
|---|---|
| Date of Birth | 24.05.1959 |
| Date of First Appointment | 31.12.1992 |
| No. of Equity Shares held (face value of ₹ 2 each) | 1,36,80,776 |
| Qualification | B.Com |
| Nature of Expertise | He is B.Com and has about 37 years of experience in managing KEI Industries Limited. He looks after the policies of marketing, production, quality control and product development. |
| Relationship with other Director(s) | Related with Mrs. Archana Gupta, Non-executive Director and Mr. Akshit Diviaj Gupta, Whole Time 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 (Chairman) -Share Allotment Committee (Member) -Corporate Social Responsibility Committee (Member) |
| Number of Meetings of the Board attended during the FY 2017-18 | 7 |

ITEM NO. 5

| Name of Director | Mr. Sadhu Ram Bansal (holding DIN: 06471984) |
|---|--|
| Date of Birth | 03.01.1956 |
| Date of First Appointment | 24.01.2018 |
| No. of Equity Shares held (face value of ₹ 2 each) | NIL |
| Qualification | M.A English, CAIIB |
| Nature of Expertise | He has a rich experience in the field of Finance / Banking / Administration. |
| Relationship with other Director(s) | Not related with any Director of the Company |
| Name of Listed Companies in which he holds Directorship | Nil |
| Name of Committees of Listed Companies in which he is Chairman/Member | Nil |
| Number of Meetings of the Board attended during the FY 2017-18 | Nil |

ADDITIONAL INFORMATION AS REQUIRED PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO 4 OF THE NOTICE:

I. GENERAL INFORMATION:

| (1) | Nature of Industry | The Company is engaged in manufacturing of Electrical Cables & Wires and execution of Engineering Procurement and Construction (EPC) Projects on turnkey basis. |
|-----|---|---|
| (2) | Date or expected date of commencement of commercial production | The Company is already in existence and is in operation since December 31, 1992. |
| (3) | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable |
| (4) | Financial Performance for last 3 years is given below | w: |

(₹ In Millions)

| Particulars - On Standalone Basis | FY 2018 | FY 2017* | FY 2016** |
|--|-----------|-----------|-----------|
| Revenue from Operations (Gross) | 34,964.19 | 28,324.25 | 24,980.15 |
| Other Income | 92.99 | 100.67 | 53.48 |
| Total Income | 35,057.18 | 28,424.92 | 25,033.63 |
| Total Expenses | 33,015.58 | 27,162.41 | 22,355.84 |
| Profit before tax | 2,041.60 | 1,262.51 | 953.44 |
| Tax Expenses (including Current tax, MAT Credit Entitlement, Deferred Tax, short/excess provision for earlier years) | 596.04 | 324.23 | 331.42 |
| Profit for the year | 1,445.56 | 938.28 | 622.02 |
| Appropriations | | | |
| Proposed Dividend on Equity Shares | 78.36 | 46.68 | 38.62 |
| Dividend Distribution Tax on Proposed Dividend | 16.11 | 9.50 | 7.86 |
| Paid-up Share Capital | 156.72 | 155.59 | 154.47 |
| Reserves and Surplus | 5,888.60 | 4,453.54 | 3,511.77 |
| Net Worth | 6,045.32 | 4,609.13 | 3,666.24 |

^{*}Figures for the year ended 31.03.2017 have been regrouped / re-arranged as per Ind AS.

^{**}Figures for the year ended 31.03.2016 are as per audited balance sheet as on 31.03.2016 and figures have not been regrouped / re-arranged as per Ind AS.



| (5) | Foreign investments or collaborators, if any | • | Foreign Technical Collaboration Agreement with Brugg Kabel A.G, Switzerland for manufacturing of Extra High Voltage (EHV) cables ranging from 66kV to 400kV. |
|-----|--|---|--|
| | | • | Invested towards initial and further share capital for setting up subsidiary in Australia. |

II. INFORMATION ABOUT THE APPOINTEE:

Mr. Anil Gupta, Chairman-cum Managing Director

| | ii Gupta, Chairman-cum Managing Direc | <u></u> |
|-----|--|--|
| (1) | Background details | Mr. Anil Gupta has been on the Board of Directors of the Company since formation of the Company i.e. 31/12/1992. Under his leadership, Company has moved up to the present level of turnover of ₹ 35,057.18 millions. He is B.Com and has about 37 years of experience in managing the Company, as a partner of erstwhile Krishna Electrical Industries thereafter as CMD of KEI INDUSTRIES LIMITED which has successfully set up manufacturing plants of Cables, Wires and Stainless Steel Wires and also ventured into Engineering Procurement and Construction (EPC) projects. He looks after the policies of marketing, production, quality control and product development. |
| (2) | Past remuneration | (a) Salary: ₹3,00,00,000/- per annum (b) Perquisites: ₹60,00,000/- per annum (c) Commission Upto 5% of the Net profit less remuneration payable under point no. (a) & (b) above, calculated as per the provisions of Section 197 of the Companies Act, 2013. |
| (3) | Recognition or awards | None |
| (4) | Job profile and his suitability | Mr. Anil Gupta, being the Chairman-cum-Managing Director (CMD) of the Company is entrusted with substantial powers of management in relation to normal business matters. He looks after policies of marketing, production, quality control and product development. As CMD of the Company he is responsible for motivating the team of professionals to implement management policies. |
| (5) | Remuneration proposed | As per resolution under Item No.4 |
| (6) | with respect to industry, size of the company, profile of the position and | The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top level managerial persons having comparative qualifications and experience. |

| (7) | indirectly with the company, or | There is no other pecuniary relationship of Mr. Anil Gupta, Chairman-cum-Managing Director with the Company except the Remuneration payable to him as CMD and shares held by him and his relatives in the Company. There is no relationship of Mr. Anil Gupta with any other Managerial Personnel except Mrs. Archana Gupta, a Non-executive Director and Mr. Akshit Diviaj Gupta, Whole Time Director of the Company. He is Promoter of the Company. |
|-----|---------------------------------|---|
|-----|---------------------------------|---|

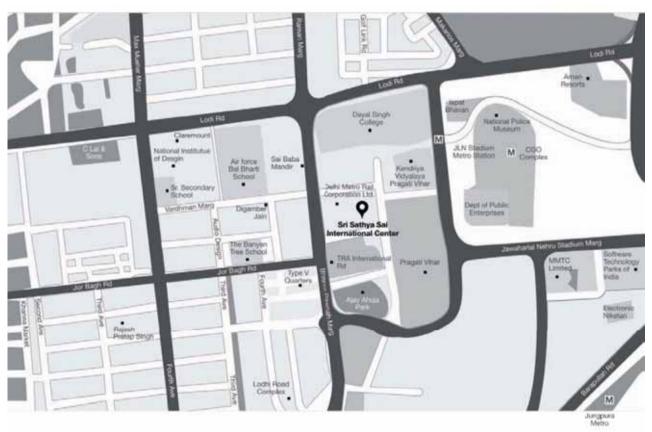
III. OTHER INFORMATION:

| (1) | Reasons for loss or inadequate profits | The Company has been making profit since inception. The Company has also good dividend payment record. During the last three years Company has been able to improve operational performance but the profit may be inadequate due to margin pressure, low capacity utilization and competition in the Industry. This is an enabling resolution. |
|-----|---|--|
| (2) | Steps taken or proposed to be taken for improvement | The Company has taken various steps to improve productivity and increase operational efficiency. Margin has improved with the strong order book position and demand. |
| (3) | Expected increase in productivity and profits in measurable terms | The Company is expected to close the current financial year with improved production and profits. |

IV. DISCLOSURES:

- (1) The Shareholders of the Company shall be informed of the remuneration package of Mr. Anil Gupta as per the provisions of applicable laws.
- (2) Requisite disclosure regarding remuneration, service contracts, stock options etc has been disclosed as a part of Directors' Report under the heading "Corporate Governance" attached to the Annual Report of the Company.

ROUTE MAP TO THE VENUE OF THE 26TH AGM OF KEI INDUSTRIES LIMITED





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.

E-mail: 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

| Name of the Men | nber(s): E-mail ID: | | | |
|---|---|---|---|--|
| Registered Addre | Regd. Folio No./ Client Id *: DP Id *: | | | |
| *Applicable to sha | reholders holding shares in electronic form. | | | |
| I/We, being the me | ember (s) ofshares of the above named Company, hereby appoint: | | | |
| | | | | |
| Address: | | | | |
| E-mail Id : | | | | |
| Signature : | | or | failing him/he | |
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| as my/our proxy to | o attend and vote (on a poll) for me/us and on my/our behalf at the 26th Ai | nnual General | Meeting of the | |
| Company, to be he New Delhi - 110 00 | | nnual General :re, Pragati Vil | Meeting of the | |
| Company, to be he New Delhi - 110 00 | o attend and vote (on a poll) for me/us and on my/our behalf at the 26 th Aleld on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 03 and at any adjournment thereof in respect of such resolutions as are indic | nnual General :re, Pragati Vil | Meeting of the | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business | o attend and vote (on a poll) for me/us and on my/our behalf at the 26 th Ai eld on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 03 and at any adjournment thereof in respect of such resolutions as are indi- proxy to vote in the manner as indicated in the box below: Description | nnual General cre, Pragati Vil cated below: | Meeting of the | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. | o attend and vote (on a poll) for me/us and on my/our behalf at the 26 th Ai eld on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 03 and at any adjournment thereof in respect of such resolutions as are indi- proxy to vote in the manner as indicated in the box below: Description | nnual General cre, Pragati Vil cated below: | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business | be attend and vote (on a poll) for me/us and on my/our behalf at the 26 th Aleld on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cento 3 and at any adjournment thereof in respect of such resolutions as are indicentariated in the box below: Description | rnual General re, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business | o attend and vote (on a poll) for me/us and on my/our behalf at the 26 th Aleld on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Centrol 3 and at any adjournment thereof in respect of such resolutions as are indicented proxy to vote in the manner as indicated in the box below: Description | rnual General re, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business 1. 2. 3. Special Business | attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At 21d on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indicated proxy to vote in the manner as indicated in the box below: Description Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31 st March, 2018 and Report of the Board Directors and the Auditors of the Company thereon. Declaration of Dividend for the Financial Year 2017-18 on Equity Shares of the Compan Re-appointment of Mrs. Archana Gupta as a Director, who retires by Rotation. | rnual General rre, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business 1. 2. 3. | p attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At 21d on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indicated proxy to vote in the manner as indicated in the box below: Description | rnual General rre, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business 1. 2. 3. Special Business | attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At 21d on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indic proxy to vote in the manner as indicated in the box below: Description Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31 st March, 2018 and Report of the Board Directors and the Auditors of the Company thereon. Declaration of Dividend for the Financial Year 2017-18 on Equity Shares of the Compar Re-appointment of Mrs. Archana Gupta as a Director, who retires by Rotation. Re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director of the 2015-2015-2015-2015-2015-2015-2015-2015- | rnual General rre, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business 1. 2. 3. Special Business 4. | attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At 21d on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indicproxy to vote in the manner as indicated in the box below: Description Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2018 and Report of the Board Directors and the Auditors of the Company thereon. Declaration of Dividend for the Financial Year 2017-18 on Equity Shares of the Company Re-appointment of Mrs. Archana Gupta as a Director, who retires by Rotation. Re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director of the Company. Appointment of Mr. Sadhu Ram Bansal as an Independent Director of the Company. Approval for Borrowing limits of the Company. | rnual General rre, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 *** I wish my above Resolution No. Ordinary Business 1. 2. 3. Special Business 4. 5. 6. 7 | attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At 21d on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indicproxy to vote in the manner as indicated in the box below: Description Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31 st March, 2018 and Report of the Board Directors and the Auditors of the Company thereon. Declaration of Dividend for the Financial Year 2017-18 on Equity Shares of the Company Re-appointment of Mrs. Archana Gupta as a Director, who retires by Rotation. Re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director of the Company. Appointment of Mr. Sadhu Ram Bansal as an Independent Director of the Company. Approval for Borrowing limits of the Company. Approval for Creation of mortagage/charge on assets of the Company. | rnual General Cre, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business 1. 2. 3. Special Business 4. 5. 6. | attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At 21d on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indicproxy to vote in the manner as indicated in the box below: Description Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2018 and Report of the Board Directors and the Auditors of the Company thereon. Declaration of Dividend for the Financial Year 2017-18 on Equity Shares of the Company Re-appointment of Mrs. Archana Gupta as a Director, who retires by Rotation. Re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director of the Company. Appointment of Mr. Sadhu Ram Bansal as an Independent Director of the Company. Approval for Borrowing limits of the Company. | rnual General Cre, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi – 110 00 *** I wish my above Resolution No. Ordinary Business 1. 2. 3. Special Business 4. 5. 6. 7 8. | attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At 21d on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indic proxy to vote in the manner as indicated in the box below: Description Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2018 and Report of the Board Directors and the Auditors of the Company thereon. Declaration of Dividend for the Financial Year 2017-18 on Equity Shares of the Company Re-appointment of Mrs. Archana Gupta as a Director, who retires by Rotation. Re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director of the Company. Approval for Borrowing limits of the Company. Approval for Creation of mortagage/charge on assets of the Company. Ratification of Remuneration of M/s. S. Chander & Associates, Cost Accountants | rnual General Cre, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road | |
| Company, to be he New Delhi - 110 00 ** I wish my above Resolution No. Ordinary Business 1. 2. 3. Special Business 4. 5. 6. 7 8. Signed this | attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At ald on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indicated proxy to vote in the manner as indicated in the box below: Description Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2018 and Report of the Board Directors and the Auditors of the Company thereon. Declaration of Dividend for the Financial Year 2017-18 on Equity Shares of the Company Re-appointment of Mrs. Archana Gupta as a Director, who retires by Rotation. Re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director of the Company. Approval for Borrowing limits of the Company. Approval for Creation of mortagage/charge on assets of the Company. Ratification of Remuneration of M/s. S. Chander & Associates, Cost Accountant appointed as Cost Auditors of the Company. | rnual General Cre, Pragati Vilicated below: For ne of | Meeting of the nar, Lodhi Road Against | |
| Company, to be he New Delhi - 110 00 *** I wish my above Resolution No. Ordinary Business 1. 2. 3. Special Business 4. 5. 6. 7 8. Signed this Signature of Share | attend and vote (on a poll) for me/us and on my/our behalf at the 26 th At 21d on 19 th September, 2018 at 10:00 a.m. at Sri Sathya Sai International Cent 33 and at any adjournment thereof in respect of such resolutions as are indicproxy to vote in the manner as indicated in the box below: Description Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2018 and Report of the Board Directors and the Auditors of the Company thereon. Declaration of Dividend for the Financial Year 2017-18 on Equity Shares of the Company Re-appointment of Mrs. Archana Gupta as a Director, who retires by Rotation. Re-appointment of Mr. Anil Gupta as Chairman-cum-Managing Director of the Company. Approval for Borrowing limits of the Company. Approval for Creation of mortagage/charge on assets of the Company. Ratification of Remuneration of M/s. S. Chander & Associates, Cost Accountant appointed as Cost Auditors of the Company. day of 2018. | rnual General Cre, Pragati Vilicated below: For ne of | Against Affix | |

- 1. 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.
- 2. 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.
- 3. ** This is only optional. Please put '<' 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.
- 4. For the Resolutions, Explanatory Statements and Notes, please refer the Notice of 26th Annual General Meeting.

KEI INDUSTRIES LIMITED

Form for updation of Email Address

| Torni for apartion of Email Address | |
|--|------------------------|
| To, The Company Secretary | Date: |
| KEI INDUSTRIES LIMITED D-90, Okhla Industrial Area, Phase-I, New Delhi-110020 | |
| Dear Sir, | |
| Sub: Updation of email address | |
| Please register my email address for the purpose of sending Annual Report and other electronic mode: | r notices/documents in |
| 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 Tel.: +91-11-26818840, 26818642, 26815558, 26815559 Fax: +91-11-26811959, 2 E-mail: cs@kei-ind.com, Website: www.kei-ind.com |) |
| Annual General Meeting: 19th September, 2018 | |
| Folio No. /DP Id-Client Id : | |
| Name and Address of First/ Sole Shareholder : | |
| No. of Shares held : | |

Notes:

Road, New Delhi - 110 003.

- 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.

I hereby record my presence at the 26th Annual General Meeting of the Company being held on Wednesday, the 19th day of September, 2018 at 10.00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar Institutional Area, Lodhi

Signature of Member/Proxy

c) Members are informed that no duplicate attendance slips shall be issued at the Meeting.

SECOND REMINDER

Dear Shareholders,

Unit: KEI Industries Limited

Sub: Mandatory updation of PAN and Bank account details in Company records and Dematerialization for transfer of shares

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 Dated 20th April, 2018 and SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 Dated July 16, 2018 every listed Company has to update Bank Account details and PAN number of all the shareholders holding shares in physical form.

In this regard we have sent a letter dated July 02, 2018 by Registered/Speed Post. We are again sending this reminder letter and request the shareholders who have not updated their Bank Account Details and PAN till date to send the following documents to the Company/RTA, within a period of 21 days from the date of this letter so as to update your details in records of the Company:

- 1) Duly filled and signed Request Form (enclosed);
- 2) Self attested copy of PAN card, including that of joint shareholders; (exempt for shareholders resident of Sikkim state);
- 3) An original cancelled cheque of 1st shareholder only;
 - Name of 1st shareholder should be printed on cheque leaf and;
 - If name of shareholder is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker alongwith cancelled cheque shall be required;
- 4) Copy of Share Certificate.

As directed by SEBI, in case of failure to register PAN and Bank details as aforesaid, any transaction in the securities of the Company shall be subject to enhance due diligence by the Company / RTA, as may be prescribed. Also, it may be noted that issue of payment instruments without bank details may be disallowed.

Further, pursuant to Gazette notification issued by SEBI on June 08,2018, BSE Circular Ref No: LIST/COMP/15/2018-19 dated July 05, 2018 and NSE Circular Ref No: NSE/CML/2018/26 dated July 09, 2018 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated that transfer of securities with effect from December 05, 2018 would be in dematerialized form only.

In other words, request for effecting transfer of equity shares held in physical form will not be processed from the effective date i.e. December 05, 2018. It shall be mandatory to convert physical holding into electronic mode i.e. demat, for transferring shares to another person(s).

Members holding shares in physical form are requested to take necessary steps with their respective Depository Participants to dematerialize their physical shares. Information on dematerialization of shares including the process for dematerialization is available on the website of the Company at www.kei-ind.com under Investor Relations Section.

For KEI INDUSTRIES LIMITED

Place: New Delhi Dated: August 09, 2018 (Kishore Kunal)
GM (Corporate) & Company Secretary
M. No.: FCS-9429

CIN: L74899DL1992PLC051527

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

REQUEST FORM

To, MAS SERVICES LIMITED T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi - 110020

Date:

Sub: Updation of PAN and Bank Account details in Company records

Unit: KEI Industries Limited

FOLIO NO:

| With reference to your letter regarding the captioned subject, | , please find below our Bank and PAN details for updating the |
|--|---|
| same in Company records (attach self attested proofs also): | |

| OL | 10 110. | | | | | | | | | | | | | | | | | | |
|--|--|-----------------|--|--|--------|--------|--|-----|------|-----|------|------|-----|-----|-------|-------|------|------|--------|
| Dea | r Sir, | | | | | | | | | | | | | | | | | | |
| | n reference to your letter regarding the in Company records (attach self att | | | | oleas | e find | l be | low | our | Baı | nk a | nd I | PAN | det | tails | for | upd | atin | g the |
| Α | PAN of 1st shareholder | | | | | | | | | | | | | | | | | | |
| | PAN of 2 nd shareholder | | | | | | | | | | | | | | | | | | |
| | PAN of 3 rd shareholder | | | | | | | | | | | | | | | | | | |
| В | Bank Details of 1st Shareholder | | [Attach Original cancelled cheque(with name printed on it)] | | | | | | | | | | | | | | | | |
| | Name of bank: | | | | | | | | | | | | | | | | | | |
| | Branch address : | | _ | | | | | | | | | | | | | | | | |
| | 9 Digit MICR Code | | | | | | | | | | | | | | | | | | |
| | Bank Account Number | | | | | | | | | | | | | | T | | | | |
| | 11 Digit IFSC Code | | | | | | T | | Τ | | | | | | | | | T | |
| | Account type: | | | Saving / Current account / cash credit | | | | | | | | | | | | | | | |
| С | E-MAIL-ID (in block letters): | | | | | | | | | | | | | | | | | | |
| | MOBILE No. /PHONE No.: | | | | | | | | | | | | | | | | | | |
| | , | | · <u> </u> | | | | | | | | , | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | Signature of 1st Shareholder | Signatu | re of 2 nd Shareholder Signature of 3 rd Shareholder | | | | | | | | | | | | | | | | |
| | | For chan | | | | | | v: | | | | | | | | | | | |
| icer | lly change/update my address in you nse /Passport/Aadhar card/Voter ID c r Address: (FILL IN BLOCK LETTERS C | ard. | enc | losin | ıg SEI | _F AT | TES | STE | D CC | DPY | of a | any | two | Pho | oto | ld pr | oofs | s: D | riving |
| Pin | Code (Mandatory) | | | | | | | | | | | | | | | | | | |
| Γhar | nking you, | | | | | | | | | | | | | | | | | | |
| Your | rs truly, | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| Signature of 1st Shareholder Signature | | | re of 2 nd Shareholder | | | | Signature of 3 rd Shareholder | | | | | | | | | | | | |
| Name: | | | | N.A | • | | | | | | | | | N. | Α. | | | | |
| | | SIGNAT | UR | E AT | TEST | ΓΑΤΙΟ | NC | | | | | | | | | | | | |
| | ount no. of Shareholder: | | | | | | | | | | | | | | | | | | |
| • | nature of above FIRST shareholder a | as per bank's i | reco | ords: | | | | | | | | | | | | | | | |
| ign | ature of Bank Manager: | | | | | | | | | | | | | | | | | | |

Bank & Branch Seal with employee name & number:_____

Bank Telephone nos.(with STD code.):_____

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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

| ELECTRONIC VOTING PARTICULARS | | | | | | | | | |
|--|---------------------------------|--|----------------|--|--|--|--|--|--|
| EVEN (E-Voting Event Number) | USER ID | PASSWORD/PIN | NO. OF SHARES | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| The e-voting facility will | be available during the foll | owing voting period: | | | | | | | |
| Commencement of e-ve | oting | From 09:00 a.m. (IST) on Sept | ember 16, 2018 | | | | | | |
| End of e-voting | | Upto 05:00 p.m. (IST) on September 18, 2018 | | | | | | | |
| • | | e of e-voting is 12 th September, | | | | | | | |
| TEAR HERE ***The power behind the power* **The power behind the powe | | | | | | | | | |
| ATTENDANCE SLIP | | | | | | | | | |
| Regd. Folio No. / DP ID - | Client ID | : | | | | | | | |
| Name & Address of First/S | Sole Shareholder | : | | | | | | | |
| No. of Shares held | | : | | | | | | | |
| | 8 at 10:00 A.M. at Sri Sathya S | Meeting of the Company to be he ai International Centre, Pragati Vi | | | | | | | |

Notes:

Signature of Member/Proxy

- a) 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.
- c) Members are informed that no duplicate attendance slips shall be issued at the meeting.

The procedure and instructions for e-voting for 26th 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.nsdl.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" 109133 (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.
 - I. 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 skbatrapcs@gmail.com with a copy marked to evoting@nsdl.co.in.
- II. In case of Members receiving Physical copy of Notice of 26th 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 SI. No. (b) to SI. 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 <u>www.evoting.nsdl.com</u> 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 September, 2018.
- 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 September, 2018, 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.nsdl.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.
- Mr. Sumit Kumar Batra, Practicing Company Secretary (Membership No. FCS-7714 & CP No. 8072), Proprietor of M/s. S. K. Batra & Associates, 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

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