

KEI INDUSTRIES LIMITED

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

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

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

Dear Members,

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

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

Date: 17th May, 2018

Place: New Delhi

Sd/-
(Kishore Kunal)
Company Secretary

FORM DPT-1

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT

INVITING DEPOSITS

[Pursuant to Section 73(2)(a) and Section 76 and Rule 4(1) and 4(2) of the Companies

(Acceptance of Deposits) Rules, 2014]

1.	GENERAL INFORMATION	
a.	Name of the Company	KEI INDUSTRIES LIMITED (CIN:L74899DL1992PLC051527)
	Address	D-90, Okhla Industrial Area, Phase-1, New Delhi-110020
	Website	www.kei-ind.com
	Contact details	Tel.: +91-11-26818840, 26818642 Fax: +91-11-26811959, 26817225
b.	Date of incorporation of the Company	31 st December, 1992
c.	Business carried on by the Company and its Subsidiaries with the details of branches or units, if any	<p>The Company carries on the business of manufacturing of EHV / HT & LT Power, Control & Instrumentation Cables, House Wire, Winding Wire, Flexible Wire and Stainless Steel Wires and execution of Engineering Procurement and Construction Projects on Turnkey Basis. The Company has its factory located:</p> <p>Unit-I: at SP-919, 920 & 922, RIICO Industrial Area, Phase- III, Bhiwadi, (Rajasthan)-301 019</p> <p>Unit-II: at 99/2/7, Madhuban Industrial Estate, Rakholi, Silvassa (D&H) -396 240</p> <p>Unit-III: Plot No. A-280-284, RIICO Industrial Area, Chopanki, Dist. Alwar (Rajasthan)-301 019.</p> <p>Unit-IV: Plot No. SP2-874, RIICO Industrial Area, Pathredi, Distt – Alwar (Rajasthan).</p> <p>Name of Subsidiary: KEI Cables Australia Pty Ltd. Address: Tellam & Cassady, Level 1, 7 Marie Street, Milton, QLD 4064 Nature of Business: Bid Contracts for Cable Supply and Turnkey Projects and EPC.</p> <p>The Company has its Regional and Marketing offices in major cities inter-alia at Mumbai, Kolkata, Chennai, Bengaluru, Pune, Baroda, Chandigarh etc. and Overseas office at Dubai, Singapore and Australia.</p>

d.	Brief Particulars of the Management of the Company	The Company is managed by the Chairman-cum- Managing Director under the supervision, directions and control of the Board of Directors.		
e.	Name, Addresses, DIN and Occupations of the Directors			
	Name	Address	DIN	Occupation
1	Mr. Anil Gupta (Chairman-cum-Managing Director)	A-7, Puspanjali Farm, Bijwasan, South West Delhi-110061	00006422	Industrialist
2	Mrs. Archana Gupta (Non-Independent, Non-Executive)	A-7, Puspanjali Farm, Bijwasan, South West Delhi-110061	00006459	Business
3.	Mr. Akshit Diviaj Gupta (Whole-Time Director)	A-7, Puspanjali Farm, Bijwasan, South West Delhi-110061	07814690	Business
4	Mr. Pawan Bholusaria (Independent, Non- Executive)	26/11, Shakti Nagar, New Delhi - 110007	00092492	Chartered Accountant
5	Mr. Kishan Gopal Somani (Independent, Non- Executive)	163, Tagore Park, New Delhi - 110009	00014648	Chartered Accountant
6	Mr. Vijay Bhushan (Independent, Non- Executive)	B - 5, Swasthya Vihar, New Delhi - 110092	00002421	Business
7	Mr. Vikram Bhartia (Independent, Non- Executive)	271/2, Forest Lane, Neb Sarai Extn., New Delhi - 110068	00013654	Business
8	Mr. Rajeev Gupta (Non-Independent, Executive)	D-269, Anand Vihar, Delhi- 110092	00128865	Service
9	Mr. Sadhu Ram Bansal (Independent, Non- Executive)	Flat No. 1052, Sanskriti Apartments, Plot No. 35, Sector – 10, Dwarka, New Delhi - 110075	06471984	Advisor
f.	Management's perception of risk factors	<p>KEI Industries Limited is reputed name in the Cables & Wires Industry and carrying on its business since 1968 (formerly known as “Krishna Electricals Industries”). The Company is Listed at BSE, NSE, CSE. The Company has adequate surplus for timely repayment of fixed deposits.</p> <p>The deposit being unsecured in nature, but the Company has proven track record in servicing the depositors till date, without any default either in repayment of deposit or payment of interest thereon. As per Section 73(2)(c) of the Companies Act, 2013, the Company has deposited / will deposit 15%* of the amount of deposits maturing during current and next following financial year in a separate deposit repayment reserve account maintained with a scheduled bank, which ensure a very less risk factor.</p> <p>However, due to any slowdown in demand, change in domestic or international economic conditions or Government policies or occurrence of any force majeure, Company's cash flows may get impacted.</p> <p>*As per Companies (Amendment) Act, 2017, the limit has been proposed to be increased from 15% to 20% which is yet to be notified by Ministry of Corporate Affairs.</p>		
g.	Details of default, including the amount involved, duration of default and present status, in repayment of			
i	Statutory dues	NIL		
ii.	Debentures and interest thereon	N.A.		
iii.	Loan from any bank or financial institution and interest thereon.	NIL		

2.	PARTICULARS OF THE DEPOSIT SCHEME		
a.	Date of passing of Board Resolution	17 th May, 2018	
b.	Date of passing of resolution in the general meeting authorizing the invitation of such deposits	19 th September, 2014	
c.	Type of deposits, i.e., whether secured or unsecured	Unsecured	
d.	Amount which the Company can raise by way of deposits as per the Act and the rules made thereunder	From Shareholders	: ₹ 598.99 Millions
		From Others	: ₹ 1,497.48 Millions
	Aggregate of deposits actually held on the last day of the immediately preceding financial year	₹ 78.16 Millions (as on 31 st March, 2018)	
	Aggregate of deposits actually held as on date of issue of circular or advertisement	₹ 77.70 Millions (as on 17 th May, 2018)	
	Amount of deposit proposed to be raised	₹ 100.00 Millions	
	Amount of deposit repayable within the next twelve months	NIL	
e.	Terms of raising of deposits: Duration, Rate of interest, Mode of payment and repayment		
SCHEME – I: FIXED DEPOSIT SCHEME			
	Duration	Rate of Interest (P.A.)	Mode of Payment
	1 Year / 2 Years / 3 Years	9.00%	Cheque/RTGS/NEFT
f.	Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid		
	Date of opening of the Scheme	from the date of publication of circular (DPT-1) in newspaper (after thirty days of filing of circular (DPT-1) with the Registrar of Companies).	
	Time period for which the circular or advertisement is valid	till 30 th September, 2019 or till the date of next Annual General Meeting of the Company to be held in FY 2018-19, whichever is earlier.	
g.	Reasons or objects of raising the deposits	For meeting short term / working capital requirement of the Company.	
h.	Credit rating obtained		
	Name of the Credit Rating Agency	a) ICRA Limited (ICRA) b) CARE Rating Limited (CARE)	
	Rating obtained	a) [ICRA] MA (Stable) b) CARE A- (FD) [Single A Minus (Fixed Deposit); Outlook: Positive] from CARE	
	Meaning of the rating obtained	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.	
	Date on which rating was obtained	a) 01 st September, 2017 from ICRA b) 13 th September, 2017 from CARE	

i.	Extent of deposit insurance, ; Name of the Insurance Company, terms of the insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc.	The Ministry of Corporate Affairs (MCA) vide Notification dated 11 th May, 2017 has permitted the Companies to accept deposits without deposit insurance contract till 31 st March, 2018 or till the availability of deposit insurance product, whichever is earlier through insertion of a proviso to Rule 5 (1) of the Companies (Acceptance of Deposit) Rules, 2014. Further, as per Companies (Amendment) Act, 2017, it is proposed to omit this provision which is yet to be notified by MCA.		
j.	Short particulars of the charge created or to be created for securing such deposits, if any	N.A.		
k.	Any financial or other material interest of the Directors, Promoters or Key Managerial Personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons	Directors and their Relatives have invested in the Deposit Scheme of the Company, however their interest is at par and rank pari passu with the interest of other Depositors of the Company.		
3.	DETAILS OF ANY OUTSTANDING DEPOSITS			
a.	Amount Outstanding	Nil		
b.	Date of acceptance			
c.	Total amount accepted			
d.	Rate of Interest			
e.	Total number of depositors			
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved			
g.	Any waiver by the depositors, of interest accrued on deposits			
4.	FINANCIAL POSITION OF THE COMPANY			
a.	Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement			
	(₹ in Millions)			
	Particulars	Year ended 31.03.2018	Year ended 31.03.2017**	Year ended 31.03.2016*
	Profit/(Loss) Before Tax	2041.60	1262.51	953.44
	Profit/(Loss) After Tax	1445.56	938.28	622.02
b.	Dividends declared by the Company in respect of the said three financial years; Interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid)			
	Particulars	Year ended 31.03.2018	Year ended 31.03.2017**	Year ended 31.03.2016*
	Dividend Proposed/ Declared (₹ in Millions)	78.36	46.68	38.62
	Interest coverage ratio	2.83	2.01	1.75
c.	A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement			
	(₹ in Millions)			
	ASSETS	As at 31.03.2018	As at 31.03.2017**	As at 01.04.2016**
	Non –Current Assets			
	Property, Plant and Equipment	4039.50	4024.75	3262.20
	Capital Work-in-Progress	229.81	31.54	293.36

	Other Intangible Assets	30.31	27.26	17.17
	Financial Assets	71.57	97.00	67.75
	Other Non-Current Assets	118.79	13.99	192.68
	Current Assets	17,676.15	14,761.60	11,360.50
	TOTAL	22,166.13	18,956.14	15,193.66
	EQUITY AND LIABILITIES			
	Equity:			
	Equity Share Capital	156.72	155.59	154.47
	Other Equity	5,888.60	4,453.54	3,475.10
	Liabilities :			
	Non-Current Liabilities	1,922.27	1,167.32	1,994.09
	Current Liabilities	14,198.54	13,179.69	9,570.00
	TOTAL	22,166.13	18,956.14	15,193.66
d.	Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement			
				(₹ in Millions)
		As at 31.03.2018	As at 31.03.2017**	As at 31.03.2016*
	(A) CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit before tax and extraordinary items	2041.60	1262.51	953.44
	Adjustments for :			
	Depreciation and Amortisation Expenses	322.30	284.04	252.86
	Dividend received	(0.04)	(0.04)	(0.08)
	(Profit)/Loss on Investment	-	-	(0.04)
	Interest Income	(6.48)	(5.10)	-
	Interest / Finance Charges	1113.04	1244.25	1,269.74
	Share based payment Expenses	33.04	62.56	38.79
	Provision for leave encashment/ Gratuity	28.85	17.00	11.29
	Provision for Expected Credit Loss (ECL)	4.09	43.94	0.00
	Provision for Warranty	1.05	5.41	0.00
	Fair Value adjustment due to security deposit / Loan to Staff	0.18	0.35	0.00
	FCMITDA Written Off	0.00	8.59	29.12
	Fixed Assets written off	3.58	1.71	1.69
	Loss on sale of Assets	1.36	0.36	(0.17)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3542.57	2925.58	2,556.64
	Working Capital Adjustments :			
	(Increase)/Decrease in Trade & Other Receivables	(1930.23)	(2390.98)	(658.86)
	(Increase)/Decrease in Inventories	(566.64)	(764.57)	178.49
	Increase/(Decrease) in Trade & Other Payables	1375.43	245.70	(28.50)

Cash Generated from operations	2421.13	15.73	2,047.77
Direct Taxes paid	(527.52)	(304.22)	(196.11)
Net Cash from Operating Activities	1893.61	(288.49)	1,851.66
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets and other capital expenditure	(655.82)	(625.06)	(976.67)
Sale of Fixed Assets	8.15	6.52	1.29
Sale of Investments	0.25	0.00	0.28
Investments in Subsidiary (₹ 3,988/-, Previous Year ₹ Nil)	0.00	0.00	0.00
Interest Income	6.48	5.10	-
Dividend Received	0.04	0.04	0.08
Investments/proceed from deposits with banks	(122.49)	(13.98)	-
Net Cash from Investing Activities	(763.39)	(627.38)	(975.02)
(C) CASH FLOW FROM FINANCIAL ACTIVITIES			
Proceeds from long term borrowings (Banks)	1729.51	4.26	-
Proceeds from long term borrowings (Others)	-	312.23	875.35
Repayment of long term borrowings (Banks)	(437.12)	(348.07)	(426.97)
Repayment of long term borrowings (Others)	(888.75)	(490.00)	0.00
Proceeds from finance lease	6.10	20.89	13.58
Repayment of finance lease	(13.54)	(15.02)	-
Interest Expense / Financial Charges	(1113.04)	(1244.25)	(1,269.74)
Inter-corporate and other deposits (Net of repayments)	(31.85)	270.14	40.97
Working Capital demand loan from banks	101.19	3803.24	(61.85)
Issue of Equity Share Capital (including premium) upon Exercise of ESOS	19.74	19.60	-
Dividend paid to equity shareholders	(46.68)	(38.62)	(30.89)
Dividend Distribution Tax	(9.50)	(7.86)	(6.29)
Net Cash from Financing Activities	(683.94)	2286.54	(865.84)
Net Change In Cash And Cash Equivalents (A+B+C)	446.28	1370.67	10.80
Cash & Cash Equivalents as at 1st April (Opening Balance)	(268.57)	(1639.24)	46.87
Cash & Cash Equivalents as at 31st March (Closing Balance)	177.71	(268.57)	57.67

Note:

*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 / rearranged as per Ind AS.

**Figures for the year ended 31.03.2017 have been regrouped / rearranged as per Ind AS.

e.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company.	The Balance Sheet for the FY 2017-18 has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. The Company has adopted Ind AS for the first time w.e.f. 01 st April, 2017 with a transition date of 01 st April, 2016.
5.	A DECLARATION BY THE DIRECTORS THAT	
a.	the Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest there on;	
b.	the Board of Directors have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that the Company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;	
c.	the Company has complied with the provisions of the Act and the Rules made thereunder;	
d.	the compliance with the Act and the Rules does not imply that repayment of deposits is guaranteed by the Central Government;	
e.	the deposits accepted by the Company before the commencement of the Act have been repaid in full on or before 31.03.2015;	
f.	in case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty;	
g.	the deposits shall be used only for the purposes indicated in the circular or circular in the form of advertisement;	
h.	the deposits accepted by the Company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari-passu with other unsecured liabilities of the Company.	

Sd/-

(Anil Gupta)**Chairman-cum-Managing Director**

DIN: 00006422

Add: A-7, Puspanjali Farm, Bijwasan,
South West Delhi-110061

Sd/-

(Archana Gupta)**Director**

DIN: 00006459

Add: A-7, Puspanjali Farm, Bijwasan,
South West Delhi - 110061

Sd/-

(Akshit Diviaj Gupta)**Whole Time Director**

DIN: 07814690

Add: A-7, Puspanjali Farm, Bijwasan,
South West Delhi-110061

Sd/-

(Vijay Bhushan)**Independent Director**

DIN: 00002421

Add: B - 5, Swasthya Vihar,
Delhi- 110092

Sd/-

(Pawan Bholusaria)**Independent Director**

DIN: 00092492

Add: 26/11, Shakti Nagar,
New Delhi-110007

Sd/-

(Vikram Bhartia)**Independent Director**

DIN: 00013654

Add: 271/2, Forest Lane,
Neb Sarai Extn., New Delhi - 110068

Sd/-

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

DIN: 00128865

Add: D-269, Anand Vihar
Delhi - 110092

Sd/-

(Sadhu Ram Bansal)**Additional Director (Independent Director)**

DIN: 06471984

Add: Flat No. 1052, Sanskriti Apts.,
Plot No. 35, Sector – 10,
Dwarka, New Delhi - 110075

Place : New Delhi

Date : 17th May, 2018

