

## IMPORTANT NOTICE

**IMPORTANT: You must read the following notice before continuing. This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately.** The following notice applies to the pre-numbered Placement Document (the “**Placement Document**”) of KEI Industries Limited (the “**Company**”) attached to this email, and you are therefore advised to read the following notice carefully before accessing or making any other use of the Placement Document. By accessing the Placement Document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

**The Placement Document is intended for use by the named recipient(s) only and you are not authorised to forward it or deliver it to any other person, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person, except your advisers and others in your company (provided that they are not in the United States or in any jurisdiction where offers or solicitations of the Equity Shares in the Issue (as both terms are defined in the Placement Document) are not permitted by law).**

**The offer is personal to each prospective investor and is being made on a private placement basis and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.**

The issue and distribution of the Placement Document is being done in reliance upon Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), and Section 42 and Section 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, each as amended (the “**Companies Act**”). The Placement Document has not been and will not be registered as a prospectus or a statement in lieu of prospectus with any registrar of companies in India under the Companies Act. The Placement Document shall be submitted to the Stock Exchanges (as defined in the Placement Document). The Placement Document has not been and will not be reviewed and approved by any regulatory authority or listing in India or abroad, including the Securities and Exchange Board of India, the Reserve Bank of India, any registrar of companies in India or any stock exchange in India.

The Equity Shares (as defined in the Placement Document) offered pursuant to the Placement Document have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and they may not be offered or sold in the United States except pursuant to a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in reliance on Regulation S under the U.S. Securities Act (“**Regulation S**”).

NOTHING HEREIN CONSTITUTES AN OFFER OF EQUITY SHARES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

The Placement Document does not constitute, and may not be used in connection with, an offer or solicitation of Equity Shares in any jurisdiction where offers or solicitations are not permitted by law. You are reminded that the Placement Document has been delivered to you on the basis that you are a person into whose possession the Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

You are advised that the information in the attached Placement Document is not complete and may be changed at any time without notice.

If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the Equity Shares offered pursuant to Placement Document.

The Placement Document has been made available to you in electronic form. You are reminded that documents transmitted through this medium may be altered or changed during the process of transmission and consequently none of the Company, GCBRLM or the BRLMs (as both terms are defined in the Placement Document) or any of their respective affiliates, directors, officers or employees accepts any liability or responsibility whatsoever in

respect of any discrepancies between the Placement Document distributed to you in electronic format and the hard copy version. A hard copy version will be provided upon request.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**Actions That You May Not Take:** you should not reply by e-mail to this message, and you may not purchase any of the Equity Shares in the Issue by doing so. Any reply, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

None of the GCBRLM, the BRLMs or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever, direct or indirect, for any loss howsoever arising from any use of this e-mail or the attached Placement Document or their respective contents or otherwise arising in connection therewith. Access to the Placement Document does not constitute a recommendation by the Company, the GCBRLM, the BRLMs, any of their respective affiliates or any other party to subscribe to or buy or sell the Equity Shares.

If you access the Placement Document, you will be deemed to make the following representations, warranties and agreements to the BRLMs:

- (1) you are outside the United States (as defined in Regulation S);
- (2) you are a resident in a jurisdiction where delivery of the attached Placement Document may be lawfully made in accordance with the laws of the applicable jurisdiction;
- (3) you are the intended recipient of the attached Placement Document and you are a "Qualified Institutional Buyer" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws and not excluded pursuant to Regulations 179(2)(b) of the SEBI ICDR Regulations;
- (4) you are aware that your name has been included in the Placement Document as a proposed allottee along with the number of Equity Shares proposed to be Allotted to you and the percentage of your post-Issue shareholding in the Company and you consent to such disclosure;
- (5) you are aware that if you, together with any other Qualified Institutional Buyers belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose your name, along with the name of such other Allottees and the number of Equity Shares Allotted to you and to such other Allottees, on the website of the Stock Exchanges, and you consent to such disclosure;
- (6) you are aware that if you are circulated the Placement Document or are Allotted any Equity Shares in the Issue, the Company is required to disclose details such as your name, address, PAN, email-id and the number of Equity Shares Allotted along with other relevant information as may be required, to the Registrar of Companies, and you consent to such disclosures; and
- (7) you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.

**If you do not agree to the terms contained in this notice, you are unauthorised to access the attached Placement Document and you should delete this email and destroy any printed copies of the Placement Document**



## KEI INDUSTRIES LIMITED

KEI Industries Limited (the “Company” or the “Issuer”) was formed pursuant to the conversion of a partnership firm, Krishna Electrical Industries, into a company on December 31, 1992, under the Companies Act, 1956. Our Company was incorporated as a public company with limited liability, on December 31, 1992 under the laws of the Republic of India, with a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi (the “RoC”).

**Corporate Identity Number:** L74899DL1992PLC051527

**Registered and Corporate Office:** D-90, Okhla Industrial Area, New Delhi – 110 020, India

**Telephone:** +91 (11) 2681 8840 / 8642 / 0242 / 4920; **Facsimile:** +91 (11) 2681 1959 / 7225 / 0699; **E-mail:** cs@kei-ind.com; **Website:** www.kei-ind.com

Issue of up to 10,000,000 equity shares of face value of ₹ 2 each (the “Equity Shares”) at a price of ₹ 500.00 per Equity Share (the “Issue Price”), including a premium of ₹ 498.00 per Equity Share, aggregating to ₹ 5,000.00 million (the “Issue”). For further details, see “Summary of the Issue” on page 36.

**THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”) AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER, EACH AS AMENDED (THE “COMPANIES ACT, 2013”).**

**THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE ONLY TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS (“ELIGIBLE QIBS”) AS DEFINED IN THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND SECTIONS 42 AND 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES.**

**THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.**

Invitations for subscription, offer and sale of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to the Preliminary Placement Document together with the respective Application Form, this Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, see “Issue Procedure” on page 191. The distribution of this Placement Document or the disclosure of its contents without our Company’s prior consent to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

A copy of the Preliminary Placement Document and the Placement Document (which include disclosures prescribed under Form PAS-4) have been delivered to the BSE Limited (the “BSE”), the National Stock Exchange of India Limited (the “NSE”), and The Calcutta Stock Exchange Limited (the “CSE”), and together with the BSE and the NSE, the “Stock Exchanges”). Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India (the “SEBI”), Reserve Bank of India (the “RBI”), the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document has not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Issue is meant only for Eligible QIBs by way of a private placement and is not an offer to the public or to any other class of investors.

**INVESTMENTS IN THE EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR ANY PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO READ “RISK FACTORS” ON PAGE 46 CAREFULLY BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHOULD CONDUCT THEIR OWN DUE DILIGENCE OF THE EQUITY SHARES AND OF OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND / OR LEGAL ADVISOR.**




The information on the websites of our Company, our Subsidiary, our Joint Venture, or our Associate or any website directly or indirectly linked to such websites or the websites of the book running lead managers or their respective affiliates do not form part of this Placement Document and prospective investors in the Issue should not rely on such information contained in, or available through, any such websites.

All of our Company’s outstanding Equity Shares are listed on the Stock Exchanges. The closing price of the outstanding Equity Shares on the BSE and the NSE on January 22, 2020 was, ₹ 517.90 and ₹ 521.90 per Equity Share, respectively, and there has been no trading on CSE on such date. Each of the in-principle approvals under Regulation 28(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) for listing of the Equity Shares have been received from the BSE and the NSE, the recognized stock exchanges having nationwide trading terminal, on January 23, 2020. Applications to the Stock Exchanges will be made for obtaining listing and trading approvals for the Equity Shares offered through this Placement Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

**YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.**

**THIS PLACEMENT DOCUMENT HAS BEEN PREPARED BY OUR COMPANY SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES DESCRIBED IN THIS PLACEMENT DOCUMENT.**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in reliance on Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdictions where those offers and sales are made. For a description of the selling restrictions in certain other jurisdictions, see “Selling Restrictions” on page 207. The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in “Transfer Restrictions” on page 213.

SOLE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER		BOOK RUNNING LEAD MANAGERS	
			
Edelweiss Financial Services Limited		Elara Capital (India) Private Limited	SBI Capital Markets Limited

This Placement Document is dated January 28, 2020.

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## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and we confirm that, to the best of our knowledge and belief, having made all reasonable enquiries, this Placement Document contains all the information with respect to us and the Equity Shares, that is material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to us and are based on reasonable assumptions. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Company and other sources identified herein.

Edelweiss Financial Services Limited (the “**Sole Global Coordinator and Book Running Lead Manager**” or the “**GCBRLM**”) and Elara Capital (India) Private Limited and SBI Capital Markets Limited (together with the GCBRLM, the “**Book Running Lead Managers**” or the “**BRLMs**”) have made reasonable enquiries but have not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Issue. Each person receiving this Placement Document acknowledges that such person has not relied on the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of us or any of the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

**The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in reliance on Regulation S.

See “*Selling Restrictions*” on page 207 for information about eligible offerees for the Issue and “*Transfer Restrictions*” on page 213 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The subscribers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 3, 5, 207, and 213, respectively.

The distribution of this Placement Document and the issuance of Equity Shares pursuant to the Issue may be restricted by law in certain jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been taken by our Company and the BRLMs which would permit an issue of the Equity Shares offered in the Issue or the distribution of this Placement Document in any jurisdiction, other than India, where action for that

purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue-related materials in connection with the Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs specified by the BRLMs or their representatives, and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents in connection with the Issue.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither we nor any of the BRLMs are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations. Prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

**Each subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in the Equity Shares under Indian law, including Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and chapter VI of the SEBI ICDR Regulations and is not prohibited by SEBI, RBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares, or otherwise accessing the capital markets in India. Each investor or subscriber of Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from us and review information relating to us and the Equity Shares.**

The information on the websites of our Company our Subsidiary, our Joint Venture, or our Associate or any website directly or indirectly linked to such websites or the websites of the BRLMs or their respective affiliates do not constitute or form part of this Placement Document and prospective investors in the Issue should not rely on such information contained in, or available through, any such websites.

This Placement Document contains summaries of certain terms of certain documents which are qualified in their entirety by the terms and conditions of such documents.

## REPRESENTATIONS BY INVESTORS

All references to “you” or “your” in this section are to the prospective investors in this Issue.

By bidding for and / or subscribing to any of the Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the BRLMs as follows:

- (a) your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company, Subsidiary, Joint Venture, or Associate that is not set forth in this Placement Document;
- (b) you are a QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and undertake to comply with the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws, including in respect of reporting requirements in India, or making necessary filings, if any, in connection with the Issue or otherwise accessing the capital markets;
- (c) you are eligible to invest in India under applicable laws, including those issued by the RBI and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and any notifications, circulars or clarifications issued thereunder (“**FEMA Rules**”), and have not been prohibited by SEBI or any other regulatory or statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;
- (d) you will make all necessary filings with the appropriate regulatory authorities including with the RBI, as required, pursuant to applicable laws;
- (e) if you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of a recognised stock exchange;
- (f) you will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;
- (g) you are aware that this Placement Document has not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013 and the SEBI ICDR Regulations or under any other law in force in India. You are aware that this Placement Document has not been reviewed or affirmed by the SEBI, RBI or the Stock Exchanges or any other regulatory or listing authority and is intended for use only by Eligible QIBs. The Preliminary Placement Document and the Placement Document have been filed with the Stock Exchanges and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;
- (h) you are permitted and have necessary capacity to acquire / subscribe to the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities and have obtained all necessary consents and approvals to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;
- (i) neither we nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendation to you or, advising you regarding the suitability of any transactions it may enter into in connection with this Issue; your participation in this Issue is on the basis that you are not, and will not, up to Allotment, be a client of any of the BRLMs and that neither the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any duty or responsibility to you for

providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

- (j) you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by us or our agents with regard to us or this Issue (“**Company Presentations**”); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that we or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm, that to the best of your knowledge, you have not been provided any material or price sensitive information relating to us and / or the Issue that was not publicly available;
- (k) you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended (the “**Insider Trading Regulations**”), the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003, and the Companies Act, 2013;
- (l) you are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of the Equity Shares shall be at the discretion of our Company in consultation with the BRLMs;
- (m) you understand that the Equity Shares issued pursuant to the Issue will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;
- (n) all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward looking statements, which speak only as at the date of this Placement Document. Neither our Company nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;
- (o) you have been provided a serially numbered copy of this Placement Document and have read this Placement Document in its entirety including, in particular “*Risk Factors*” on page 46;
- (p) in making your investment decision (i) you have relied on your own examination of our Company, its Subsidiary, Joint Venture, and Associate, and the terms of this Issue, including the merits and risks involved; (ii) you have made your own assessment of our Company, its Subsidiary, Joint Venture, and Associate and the Equity Shares and the terms of this Issue based solely on the information contained in this Placement Document and no other representation by us or any other party; (iii) you have consulted your own independent counsels and advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in this Placement Document and no other disclosure or representation by us or the BRLMs or any other party; (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares; and (vi) relied upon your investigation and resources in deciding to invest in this Issue. You are seeking to subscribe to / acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribution;
- (q) you are a sophisticated investor and have such knowledge and experience in financial, business and



investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of investment in the Equity Shares, (ii) will not look to our Company and / or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- (r) neither the BRLMs nor any of their shareholders, investors, officers, employees, counsels, agents, representatives or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of subscription, ownership or disposal of the Equity Shares (including, but not limited, to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLMs or any of their shareholders, investors, directors, officers, employees, counsels, agents, representatives or affiliates when evaluating the tax consequences of the Equity Shares (including, but not limited to, this Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against us, the BRLMs or any of their shareholders, investors, directors, officers, employees, counsels, agents, representatives or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
- (s) where you are acquiring the Equity Shares to be issued for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
- (t) you are not a ‘promoter’ of our Company, as defined under Section 2(69) of the Companies Act, 2013 and the SEBI ICDR Regulations, and are not a person related to the Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the Promoters or any of the members of the Promoter Group, or persons related to the Promoters;
- (u) you have no rights under a shareholders’ agreement or voting agreement with the Promoters or the members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than such rights acquired, if any, in the capacity of a lender not holding any Equity Shares of our Company, the acquisition of which shall not deem you to be a promoter or a person related to the Promoters;
- (v) you have no right to withdraw or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);
- (w) you are eligible to Bid and hold the Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding upon the Allotment of Equity Shares pursuant to this Issue shall not exceed the level permissible as per any applicable law;
- (x) the Bid submitted by you would not eventually result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “**Takeover Regulations**”), and you shall be solely responsible for compliance with all other applicable provisions of the Takeover Regulations;
- (y) your aggregate holding, together with other QIBs participating in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the present Issue, shall not exceed 50% of this Issue. For the purposes of this representation:
  - (i) QIBs belonging to the “same group” shall mean entities where (a) any of them controls, directly

or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a QIB, its subsidiary or holding company and any other QIB; and

- (ii) “**Control**” shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations;
- (z) you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for the Equity Shares is issued by the BSE and the NSE;
- (aa) you are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges, and if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted, to the Stock Exchanges and the BSE and the NSE shall make the same available on their website and you consent to such disclosure being made by us;
- (bb) you are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approvals have been received from recognized stock exchanges having nationwide trading terminal, being the BSE and the NSE, and (ii) the application for the listing and trading approval will be made only after Allotment. There can be no assurance that the approvals for listing and trading in the Equity Shares will be obtained in time or at all. Neither our Company nor the BRLMs shall be responsible for any delay or non-receipt of such approvals for listing and trading or any loss arising from such delay or non-receipt;
- (cc) you are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;
- (dd) you agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;
- (ee) you are aware and understand that the BRLMs have entered into a placement agreement with our Company (the “**Placement Agreement**”) whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken severally and not jointly to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;
- (ff) you are aware that in terms of the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed 24% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;
- (gg) the contents of this Placement Document are the exclusive responsibility of our Company and that neither

the BRLMs nor any person acting on their behalf, nor any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of us and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting to participate in this Issue, you agree and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares, is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of this Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by BRLMs (including any view, statement, opinion or representation expressed in any research published or distributed by any of the BRLMs or its affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of any of the BRLMs or its affiliates) or our Company or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates and neither the BRLMs nor our Company or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- (hh) you understand that neither the BRLMs nor any of their affiliates have any obligation to subscribe or acquire all or any part of the Equity Shares subscribed by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by us of any of our obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- (ii) you agree to indemnify and hold us and the BRLMs and their employees, officers, directors, associates, representatives and affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach, or alleged breach, of the representations, warranties, undertakings, acknowledgements and agreements made by you in this Placement Document. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
- (jj) you are a sophisticated investor who is seeking to subscribe to the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the subscription of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investment matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;
- (kk) any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at New Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;
- (ll) if you are not a resident of India, but a QIB, you are an Eligible FPI (as defined hereinafter) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution or a FVCI under the FEMA Rules, and are eligible to invest in India under applicable law, including the FEMA Rules and any notification, circular or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets;
- (mm) you have made, or shall be deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings set forth in “*Notice to Investors*” “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 3, 207, and 213, respectively;
- (nn) you represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate;

- (oo) each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment and listing and trading of the Equity Shares in the Issue;
- (pp) our Company, the BRLMs, their employees, officers, directors, associates, representatives and affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to them on their own behalf and on behalf of us and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs; and
- (qq) you acknowledge that the Preliminary Placement Document and this Placement Document do not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person.

## OFF-SHORE DERIVATIVE INSTRUMENTS (P-NOTES)

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (“**SEBI FPI Regulations**”), Category I FPIs, including the affiliates of the BRLMs, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as “**P-Notes**”), for which they may receive compensation from the purchasers of such instruments.

Further, in accordance with SEBI circular dated November 24, 2014, FPIs shall issue P-Notes to only those subscribers that meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. In terms of Regulation 21 of SEBI FPI Regulations, Category I FPIs are permitted to issue P-Notes to only those persons who are registered as Category I FPIs or only to those persons eligible for registration as Category I FPIs as per the SEBI FPI Regulations. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person eligible for registration as Category I FPIs. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by the SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

**Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company.** Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations of or claims on the BRLMs. Respective affiliates of the BRLMs which are Eligible FPIs may purchase the Equity Shares in the Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

## **DISCLAIMER CLAUSE OF THE STOCK EXCHANGES**

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;
2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

In this Placement Document, unless the context otherwise indicates or implies references to:

- “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the Eligible QIBs who are prospective investors in the Equity Shares issued pursuant to this Issue;
- unless otherwise specified and as applicable, “we”, “us” and “our” refers to KEI Industries Limited, its Subsidiary, Joint Venture, and Associate, on a consolidated basis; and
- unless otherwise specified, “our Company”, “the Company” and “the Issuer” refers to KEI Industries Limited on a standalone basis.

References in this Placement Document to “India” are to the Republic of India and its territories and possessions and the “Government” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions.

### Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

### Currency and Units of Presentation

In this Placement Document, all references to:

- “Rs.” or “Rupee(s)” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollars, the official currency of the United States of America;
- “AUD” or “A\$” are to Australian Dollars, the official currency of the Commonwealth of Australia;
- “ZAR” are to South African Rand, the official currency of the Republic of South Africa; and
- “CHF” are to Swiss Franc, the official currency of the Swiss Confederation.

### Financial and other information

Our Company publishes its financial statements in Indian Rupees. Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 notified by the Ministry of Corporate Affairs, our Company adopted Ind AS with effect from April 1, 2017. Accordingly, our financial statements for the year ended March 31, 2018 were the first financial statements to be prepared in accordance with Ind AS. Our historical financial statements for Fiscal 2017 and any period prior to Fiscal 2017 were originally prepared in accordance with Indian GAAP. Our financial statements for Fiscal 2017 were subsequently restated in accordance with Ind AS for the purpose of inclusion of corresponding figures in our Ind AS financial statements for the year ended March 31, 2018. However, Ind AS varies in many respects from Indian GAAP, and accordingly, our financial statements for Fiscal 2018 (including the comparative figures included therein for Fiscal 2017), Fiscal 2019, and the nine months ended December 31, 2019 and December 31, 2018 are not directly comparable with our historical financial statements prepared in accordance with Indian GAAP. See “*Financial Statements*” on page 239.

In this Placement Document, we have included the following financial statements:

- (i) the Indian GAAP audited standalone financial statements for Fiscal 2017, along with the respective schedules and notes thereto (the “**2017 Audited Standalone Financial Statements**”);
- (ii) the Indian GAAP audited consolidated financial statements for Fiscal 2017, along with the respective

schedules and notes thereto (the “**2017 Audited Consolidated Financial Statements**”, together with the 2017 Audited Standalone Financial Statements, the “**2017 Audited Financial Statements**”);

- (iii) the Ind AS audited standalone financial statements for Fiscal 2018 (which includes the audited standalone financial statements for Fiscal 2017 prepared under Ind AS for the purposes of inclusion as comparative standalone financial statements for Fiscal 2017), along with the respective schedules and notes thereto (the “**2018 Ind AS Audited Standalone Financial Statements**”);
- (iv) the Ind AS audited consolidated financial statements for Fiscal 2018 (which includes the audited consolidated financial statements for Fiscal 2017 prepared under Ind AS for the purposes of inclusion as comparative consolidated financial statements for Fiscal 2017), along with the respective schedules and notes thereto (the “**2018 Ind AS Audited Consolidated Financial Statements**”, together with the 2018 Ind AS Audited Standalone Financial Statements, the “**2018 Ind AS Audited Financial Statements**”);
- (v) the Ind AS audited standalone financial statements for Fiscal 2019, along with the respective schedules and notes thereto (the “**2019 Ind AS Audited Standalone Financial Statements**”);
- (vi) the Ind AS audited consolidated financial statements for Fiscal 2019, along with the respective schedules and notes thereto (the “**2019 Ind AS Audited Consolidated Financial Statements**”, together with the 2019 Ind AS Audited Standalone Financial Statements, the “**2019 Ind AS Audited Financial Statements**” and the 2018 Ind AS Audited Financial Statements together with the 2019 Ind AS Audited Financial Statements, the “**Ind AS Audited Financial Statements**”);
- (vii) unaudited reviewed standalone financial results as of and for the nine months ended December 31, 2019, with comparative information as of and for the nine months ended December 31, 2018, along with the explanatory notes thereto, reviewed in accordance with the Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the ICAI and submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations (the “**Interim Unaudited Standalone Financial Results**”); and
- (viii) unaudited reviewed consolidated financial results as of and for the nine months ended December 31, 2019, with comparative information as of and for the nine months ended December 31, 2018, along with the explanatory notes thereto, reviewed in accordance with the Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the ICAI and submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations (the “**Interim Unaudited Consolidated Financial Results**”, together with the Interim Unaudited Standalone Financial Results, the “**Interim Unaudited Financial Results**”).

The 2017 Audited Financial Statements have been audited by Jagdish Chand & Co., Chartered Accountants, the previous statutory auditors of our Company, on which they have issued the audit report dated May 10, 2017. The 2018 Ind AS Audited Standalone Financial Statements, 2018 Ind AS Audited Consolidated Financial Statements, 2019 Ind AS Audited Standalone Financial Statements, and the 2019 Ind AS Audited Consolidated Financial Statements have been audited by our statutory auditors, Pawan Shubham & Co., Chartered Accountants (“**Statutory Auditors**”), on which they have issued the respective audit reports, each dated May 17, 2018 and May 21, 2019. The Interim Unaudited Standalone Financial Results and Interim Unaudited Consolidated Financial Results have been subjected to limited review by our Statutory Auditors and they have issued the respective review reports, each dated January 20, 2020 based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India (“**ICAI**”). Our Interim Unaudited Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period. For further information, see “*Financial Statements*” on page 239.

Unless the context requires otherwise, the financial data in this Placement Document is derived from our 2017 Audited Financial Statements and the Ind AS Audited Financial Statements (the “**Audited Financial Statements**”) and the Interim Unaudited Financial Results. Our Company’s Financial Year commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular “Fiscal Year”, “Fiscal”, “Financial Year” or “FY” are to the 12 months period ended on March 31 of that year.



Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. (“**U.S. GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does it provide a reconciliation of its Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the 2017 Audited Financial Statements, the Ind AS Audited Financial Statements, and the Interim Unaudited Financial Results included in this Placement Document will provide meaningful information is entirely dependent on the reader’s familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. For differences in accounting principles, please see the section entitled “*Risk Factors – Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition*” on page 61.

In this Placement Document, certain monetary thresholds have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Placement Document in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

## MARKET AND INDUSTRY DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled “*Assessment of cables and wires industry in India*” dated January 2020 (the “**CRISIL Report**”), which is a commissioned report prepared by CRISIL Research, a division of CRISIL Limited.

We have not commissioned any report for the purposes of this Placement Document other than the CRISIL Report. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Placement Document is reliable, it has not been independently verified by us or the BRLMs or any of their respective affiliates or advisors.

CRISIL Research, while preparing the CRISIL Report, has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in the CRISIL Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the BRLMs have (i) independently verified this data; and / or (ii) make any representation regarding the accuracy or completeness of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have neither been verified by any independent source and nor can we assure potential investors as to their accuracy. Similarly, internal estimates and surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither we nor the BRLMs make any representation as to the accuracy and completeness of information based on trade, industry and government publications and websites, data reports compiled by government bodies, professional organisations and analysts, or from other external sources. **The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “Risk Factors – This Placement Document contains information from an industry report which we have commissioned from a third party. There can be no assurance that such third-party statistical, financial and other industry data is either complete or accurate” on page 58. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based on such information.**

Industry information included in this Placement Document from the CRISIL Report is subject to the following disclaimer from CRISIL:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. KEI Industries Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute “forward-looking statements.” Bidders can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “seek”, “can”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, “will likely result”, “is likely”, “are likely”, “expected to”, “will continue”, “will achieve”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Volatility in the availability and price of copper, aluminium, and other raw material;
- Reliance on network of authorized dealers and distributors for the non-exclusive sales of products and failure to consolidate and add authorized dealers and distributors;
- Defaults on payment obligations for payment credit extended by to authorized dealers and distributors and on channel financing arrangements entered into by our Company with them;
- Sale of wires and cables for power transmission and distribution which transactions, by their nature, are non-recurrent in nature;
- Foreign exchange rate fluctuations;
- Restrictive covenants under financing arrangements; and
- Under-utilisation of manufacturing capacities and inability to effectively utilize expanded manufacturing capacities.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in “*Risk Factors*”, “*Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 46, 108, and 130, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company and the BRLMs expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein to reflect any changes in our Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. The Board of Directors of our Company comprises 10 Directors. All our Directors and Senior Management Personnel are residents of India. Majority of our assets are located in India. As a result, it may be difficult for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained in courts outside India against them.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (“**Civil Code**”).

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or parties litigating under the same title except:

- (a) where the judgment has not been pronounced by a court of competent jurisdiction;
- (b) where the judgment has not been given on the merits of the case;
- (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- (d) where the proceedings in which the judgment was obtained were opposed to natural justice;
- (e) where it has been obtained by fraud; or
- (f) where it sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Among other jurisdictions, each of the United Kingdom, Singapore, United Arab Emirates, and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment.

## EXCHANGE RATES

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US\$) for, or as of, the end of the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On January 22, 2020, the exchange rate (the Bloomberg Reference Rate) was ₹ 71.20 to USD 1 (*source: Bloomberg*).

Period	Period end	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
<b>Fiscal Year:</b>				
2019	69.17	69.89	74.39	64.93
2018	65.04	64.45	65.76	63.35
2017	64.84	67.09	68.72	64.84
<b>Quarter ended:</b>				
December 31, 2019	71.27	71.23	72.05	70.68
September 30, 2019	70.69	70.34	72.19	68.37
June 30, 2019	68.92	69.56	70.42	68.49
<b>Month ended:</b>				
December 31, 2019	71.27	71.19	71.78	70.72
November 30, 2019	71.73	71.45	72.05	70.68
October 31, 2019	70.81	71.04	71.51	70.73
September 30, 2019	70.69	71.33	72.19	70.69
August 31, 2019	71.76	71.15	72.18	69.06
July 31, 2019	68.86	68.81	69.06	68.37

### Notes:

- (1) Average of the official rate for each working day of the relevant period.
- (2) Maximum of the official rate for each working day of the relevant period.
- (3) Minimum of the official rate for each working day of the relevant period.
- (4) Source: [www.rbi.org.in](http://www.rbi.org.in) (for a period prior up to July 10, 2018) and [www.fbil.org.in](http://www.fbil.org.in) (for a period post July 10, 2018).
- (5) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed.

The following table sets forth information with respect to the exchange rates between the Rupee and the Australian Dollar (in ₹ per AUD) for, or as of, the end of the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into Australian Dollars at any particular rate, the rates stated below, or at all.

On January 22, 2020, the exchange rate (the Bloomberg Reference Rate) was ₹ 48.74 to AUD 1 (*source: Bloomberg*).

Period	Period end	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
<b>Fiscal Year:</b>				
2019	49.03	50.98	53.25	48.74
2018	50.16	49.88	51.83	47.45
2017	49.57	50.49	51.85	48.26
<b>Quarter ended:</b>				
December 31, 2019	50.03	48.69	50.03	47.51
September 30, 2019	47.88	48.26	49.24	47.25
June 30, 2019	48.34	48.70	50.08	47.70
<b>Month ended:</b>				
December 31, 2019	50.03	49.00	50.03	48.31
November 30, 2019	48.61	48.81	49.21	48.40
October 31, 2019	48.93	48.27	48.93	47.51
September 30, 2019	47.88	48.59	49.24	47.65
August 31, 2019	48.04	48.17	48.74	47.25
July 31, 2019	47.43	48.03	48.56	47.39

### Notes:

- (1) Average of the official rate for each working day of the relevant period.

- (2) Maximum of the official rate for each working day of the relevant period.  
(3) Minimum of the official rate for each working day of the relevant period.  
(4) Source: Bloomberg.  
(5) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed.

The following table sets forth information with respect to the exchange rates between the Rupee and the South African Rand (in ₹ per ZAR) for, or as of, the end of the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into South African Rand at any particular rate, the rates stated below, or at all.

On January 22, 2020, the exchange rate (the Bloomberg Reference Rate) was ₹ 4.96 to 1 ZAR (source: Bloomberg).

Period	Period end	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
<b>Fiscal Year:</b>				
2019	4.78	5.09	5.53	4.64
2018	5.50	4.98	5.62	4.52
2017	4.81	4.79	5.26	4.23
<b>Quarter ended:</b>				
December 31, 2019	5.08	4.85	5.09	4.64
September 30, 2019	4.67	4.80	4.97	4.63
June 30, 2019	4.89	4.84	4.97	4.61
<b>Month ended:</b>				
December 31, 2019	5.08	4.95	5.09	4.78
November 30, 2019	4.90	4.83	4.90	4.69
October 31, 2019	4.71	4.76	4.86	4.64
September 30, 2019	4.67	4.81	4.91	4.67
August 31, 2019	4.72	4.69	4.77	4.63
July 31, 2019	4.82	4.89	4.97	4.82

**Notes:**

- (1) Average of the official rate for each working day of the relevant period.  
(2) Maximum of the official rate for each working day of the relevant period.  
(3) Minimum of the official rate for each working day of the relevant period.  
(4) Source: Bloomberg.  
(5) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed.

The following table sets forth information with respect to the exchange rates between the Rupee and the Swiss Franc (in ₹ per CHF) for, or as of, the end of the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into Swiss Franc at any particular rate, the rates stated below, or at all.

On January 22, 2020, the exchange rate (the Bloomberg Reference Rate) was ₹ 73.29 to 1 CHF (source: Bloomberg).

Period	Period end	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
<b>Fiscal Year:</b>				
2019	69.44	70.62	75.83	66.72
2018	68.37	66.42	69.42	63.81
2017	64.83	67.90	70.44	64.83
<b>Quarter ended:</b>				
December 31, 2019	73.83	71.96	73.83	70.93
September 30, 2019	71.22	71.42	73.81	68.93
June 30, 2019	70.76	69.34	71.16	67.83
<b>Month ended:</b>				
December 31, 2019	73.83	72.39	73.83	71.74
November 30, 2019	71.74	71.98	72.79	71.35
October 31, 2019	71.88	71.53	72.21	70.93
September 30, 2019	71.22	72.05	73.26	71.10
August 31, 2019	72.22	72.65	73.81	69.39

Period	Period end	Average <sup>(1)(4)(5)</sup>	High <sup>(2)(4)(5)</sup>	Low <sup>(3)(4)(5)</sup>
July 31, 2019	69.47	69.66	70.23	68.93

**Notes:**

- (1) Average of the official rate for each working day of the relevant period.
- (2) Maximum of the official rate for each working day of the relevant period.
- (3) Minimum of the official rate for each working day of the relevant period.
- (4) Source: Bloomberg.
- (5) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed.

## DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “*Summary Financial Statements*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Legal Proceedings*” and “*Financial Statements*” on pages 38, 222, 78, 234, and 239, respectively, shall have the meaning given to such terms in such sections.

### General Terms

Term	Description
Company / Our Company / the Issuer	KEI Industries Limited, a public limited company incorporated under the Companies Act, 1956
‘us’, ‘we’, or ‘our’	Unless the context otherwise indicates or implies, refers to our Company, together with its Subsidiary, Joint Venture, and Associate

### Company Related Terms

Term	Description
2017 Audited Consolidated Financial Statements	The Indian GAAP audited consolidated financial statements for Fiscal 2017, along with the respective schedules and notes thereto
2017 Audited Financial Statements	The 2017 Audited Consolidated Financial Statements, together with the 2017 Audited Standalone Financial Statements
2017 Audited Standalone Financial Statements	The Indian GAAP audited standalone financial statements for Fiscal 2017, along with the respective schedules and notes thereto
2018 Ind AS Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements for Fiscal 2018 (which includes the audited consolidated financial statements for Fiscal 2017 prepared under Ind AS for the purposes of inclusion as comparative consolidated financial statements for Fiscal 2017), along with the respective schedules and notes thereto
2018 Ind AS Audited Financial Statements	The 2018 Ind AS Audited Consolidated Financial Statements, together with the 2018 Ind AS Audited Standalone Financial Statements
2018 Ind AS Audited Standalone Financial Statements	The Ind AS audited standalone financial statements for Fiscal 2018 (which includes the audited standalone financial statements for Fiscal 2017 prepared under Ind AS for the purposes of inclusion as comparative standalone financial statements for Fiscal 2017), along with the respective schedules and notes thereto
2019 Ind AS Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements for Fiscal 2019, along with the respective schedules and notes thereto
2019 Ind AS Audited Financial Statements	The 2019 Ind AS Audited Consolidated Financial Statements, together with the 2019 Ind AS Audited Standalone Financial Statements
2019 Ind AS Audited Standalone Financial Statements	The Ind AS audited standalone financial statements for Fiscal 2019, along with the respective schedules and notes thereto
Articles / Articles of Association	The articles of association of our Company as amended from time to time
Associate	The associate of our Company, namely KEI Cables SA PTY Limited
Audit Committee	The audit committee of our Board of Directors
Audited Financial Statements	The 2017 Audited Financial Statements, together with the Ind AS Audited Financial Statements
Auditors / or Statutory Auditors	The statutory auditors of our Company, namely, Pawan Shubham & Co., Chartered Accountants
Board of Directors / Board	The board of directors of our Company, or a duly constituted committee thereof
Company Presentations	Investor meetings or presentations by our Company or our agents with regard to us or this Issue
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board of Directors



Term	Description
Director(s)	Director(s) of our Company, unless otherwise specified
Equity Shares	The equity shares of face value ₹ 2 each of our Company
ESOS 2015	KEI Employee Stock Option Scheme 2015
Executive Director(s)	Executive director(s) of our Company, unless otherwise specified
Ind AS Audited Financial Statements	The 2018 Ind AS Audited Financial Statements, together with the 2019 Ind AS Audited Financial Statements
Independent Directors	Independent directors of our Company, unless otherwise specified
Interim Unaudited Consolidated Financial Results	The unaudited reviewed consolidated financial results as of and for the nine months ended December 31, 2019, with comparative information as of and for the nine months ended December 31, 2018, along with the explanatory notes thereto, reviewed in accordance with the Standard on Review Engagements 2410, “ <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i> ” issued by the ICAI and submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations
Interim Unaudited Financial Results	The Interim Unaudited Consolidated Financial Results, together with the Interim Unaudited Standalone Financial Results
Interim Unaudited Standalone Financial Results	The unaudited reviewed standalone financial results as of and for the nine months ended December 31, 2019, with comparative information as of and for the nine months ended December 31, 2018, along with the explanatory notes thereto, reviewed in accordance with the Standard on Review Engagements 2410, “ <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i> ” issued by the ICAI and submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations
Joint Venture	Our unincorporated joint venture, namely Joint Venture of KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland
Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination cum Remuneration Committee	The nomination cum remuneration committee of our Board of Directors
Non-executive Director(s)	Non-executive director(s) of our Company, unless otherwise specified
Promoter Group / members of the Promoter Group	The individuals and entities forming part of our promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	Anil Gupta and Archana Gupta
Qualified Institutions Placement Committee	The qualified institutions placement committee constituted by our Board of Directors
Registered and Corporate Office	The registered and corporate office of our Company, situated at D-90, Okhla Industrial Area, New Delhi – 110 020, India
Risk Management Committee	The risk management committee of our Board of Directors
Senior Management Personnel	The senior management personnel of our Company
Shareholders	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board of Directors
Subsidiary	The subsidiary of our Company, namely KEI Cables Australia PTY Limited

#### Issue Related Terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares, in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Bid Amounts submitted by them in compliance with Chapter VI of the SEBI ICDR Regulations
Allot / Allotment / Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form, including any revisions thereof, the indicative format of which is as set forth in section “ <i>Application Form</i> ” on page 245 of this Placement Document which will be submitted by the QIBs for registering a Bid in this Issue during the Issue Period.
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term “Bidding” shall be construed accordingly.

Term	Description
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by such Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bidder(s)	An Eligible QIB who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period / Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof along with the Bid Amount
Book Running Lead Managers / BRLMs	Edelweiss Financial Services Limited, Elara Capital (India) Private Limited, and SBI Capital Markets Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e. on or about January 28, 2020
CRISIL Report	The report titled “Assessment of cables and wires industry in India” dated January 2020 prepared and issued by CRISIL Research, a division of CRISIL Limited
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottee’s demat account, as applicable to the relevant Allottee
Eligible FPI(s)	FPIs that are eligible to participate in this Issue in terms of applicable law other than individuals, corporate bodies and family offices
Eligible QIB(s)	QIBs which are eligible to participate in the Issue and who are (i) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and (ii) not restricted from participating in the Issue under applicable law, including the SEBI ICDR Regulations.
Escrow Account	The account opened with the Escrow Agent in the name and style “KEI INDUSTRIES LIMITED - QIP ESCROW ACCOUNT”, pursuant to the Escrow Agreement, into which the Bid Amount payable by Bidders towards subscription of the Equity Shares pursuant to the Issue shall be deposited
Escrow Bank / Escrow Agent	Axis Bank Limited
Escrow Agreement	The agreement dated January 23, 2020 entered into amongst our Company, the Escrow Agent, and the BRLMs
Floor Price	The price of ₹ 518.14 per Equity Share, which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations.  Our Company has offered a discount of 3.50% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations, and pursuant to the approval of the shareholders of our Company accorded through their resolution passed by way of postal ballot on January 15, 2020
Sole Global Coordinator and Book Running Lead Manager / GCBRLM	Edelweiss Financial Services Limited
Issue	The offer, issue and Allotment of the Equity Shares to eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
Issue Closing Date	January 28, 2020, which is the last date up to which the Application Forms and Bid Amount shall be accepted by our Company (or the BRLMs, on behalf of our Company)
Issue Opening Date	January 23, 2020, which is the date on which the acceptance of the Application Forms and Bid Amount shall be commenced by our Company (or the BRLMs, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ 500.00
Issue Size	The issue of up to 10,000,000 Equity Shares, aggregating to ₹ 5,000.00 million
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 4,854.88 million
Placement Agreement	The agreement dated January 23, 2020 between our Company and the BRLMs
Placement Document	This placement document dated January 28, 2020 issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013

Term	Description
Preliminary Placement Document	The preliminary placement document-cum-Application Form dated January 23, 2020, issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, pursuant to which a QIB shall submit a Bid in the Issue
QIBs / Qualified Institutional Buyers	A qualified institutional buyer as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013, read with PAS Rules, and all other applicable provisions of the Companies Act, 2013
Refund Amount	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	January 23, 2020, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decided to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and who will be Allocated Equity Shares in the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

### Conventional and General Terms / Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS / Accounting Standards	Accounting standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015
AUD or A\$	Australian Dollar, the official currency of the Commonwealth of Australia
BIS Act	The Bureau of Indian Standards Act, 2016
BSE	BSE Limited
Cash Profit	Cash profit as profit for the year plus depreciation, and amortization expenses
CDSL	Central Depository Services (India) Limited
CFO	Chief financial officer
CHF	Swiss Franc, the official currency of the Swiss Confederation
CIN	Corporate identification number
Civil Code	Code of Civil Procedure, 1908
Companies Act	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder
CSE	The Calcutta Stock Exchange Limited
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DP / Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBITDA	Earnings before interest, taxes, depreciation, and amortization expenses, calculated as profit for the year / period plus total tax expense, finance costs, depreciation and amortisation expenses for the relevant year / period
EBITDA Margin	EBITDA divided by revenue from operations
EGM	Extraordinary general meeting
EPS	Earnings per share, i.e., profit after tax for a financial year / period divided by the weighted average number of equity shares during the financial year / period
ERP	Enterprise resource planning
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the regulations framed thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year /	A period of 12 months ending March 31, unless otherwise stated

Term	Description
Fiscal / FY	
Form PAS-4	The Form PAS-4 prescribed under the PAS Rules
FPI / Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross domestic product
GDR	Global depository receipt
GIR Number	General Index Register Number
GoI / Government	Government of India
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards as notified by the MCA vide Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule 2015 in its G.S.R dated February 16, 2015
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Interest Coverage Ratio	Interest coverage ratio is calculated on the basis of Cash Profit after tax plus interest expenses divided by interest expenses for the year / period
IT	Information technology
MCA	Ministry of Corporate Affairs
Non-Resident Indian(s) / NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
PAN	Permanent account number
Regulation S	Regulation S under the U.S. Securities Act
₹ / Rs / Rupees / Indian Rupees	The legal currency of India
RBI	Reserve Bank of India
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Stock Exchanges	BSE, NSE, and CSE
STT	Securities transaction tax
Takeover Regulations	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.\$ / USD / U.S. dollar	United States Dollar, the official currency of the United States of America
USA / U.S. / United States	The United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
ZAR	South African Rand, the official currency of the Republic of South Africa

## Technical / Industry Related Terms / Abbreviations

Term	Description
AISI	American Iron & Steel Institute
Bhiwadi Facility	Our manufacturing facility located in Bhiwadi, Rajasthan
Chinchpada Facility	Our manufacturing facility located in Chinchpada, Silvassa in Dadra and Nagar Haveli
Chopanki Facility	Our manufacturing facility located in Chopanki, Rajasthan
ckm	Circuit Kilometres
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
DELP Scheme	The Domestic Efficient Lighting Programme Scheme
EHV	Extra high voltage
EPC	Engineering, procurement and construction
HT	High tension
HRFR	Heat resistant flame retardant
HR-FRLS	High resistant-flame retardant low smoke
IEEMA	Indian Electrical and Electronics Manufacturers Association
IPDS	Integrated Power Development Scheme
LCVs	Light commercial vehicles
LT	Low tension
MHCV	Medium and heavy commercial vehicles
MoSPI	Ministry of Statistics and Programme Implementation
MRTS	Mass rapid transit systems
NABL	National Accreditation Board for Testing and Calibration Laboratories
NIP	National Infrastructure Pipeline issued by the Government of India
NSM	National Solar Mission
Pathredi Facility	Our manufacturing facility located in Pathredi, Rajasthan
PMAY	Pradhan Mantri Awas Yojana
PVC	Polyvinyl chloride
R&D	Research and development
Rakholi Facility	Our manufacturing facility located in Rakholi, Dadra and Nagar Haveli
RGVY	Rajiv Gandhi Grameen Vidutikaran Yojana
SLNP	The Street Lighting National Programme
SSW Segment	Stainless steel wires segment
XLPE Compound	Cross linked polyethylene

## SUMMARY OF BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward Looking Statements” on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Business”, “Industry Overview”, “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations”, “Risk Factors” and “Summary Financial Statements” on pages 108, 78, 239, 133, 46, and 38, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals ended 2017, 2018 and 2019 included herein is based on the 2017 Audited Financial Statements and the Ind AS Audited Financial Statements, and the financial information included herein for the nine months ended December 31, 2019 (including the comparative financial information with respect to the nine months ended December 31, 2018) is based on the Interim Unaudited Financial Results, included in this Placement Document. For further information, see “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Summary Financial Statements” on pages 239, 130, and 38, respectively.*

*In this section, unless otherwise indicated or the context requires, a reference to “our Company” is a reference to KEI Industries Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to KEI Industries Limited and its Subsidiary, Joint Venture and Associate, on a consolidated basis. Unless otherwise indicated, all industry and market data used in this section has been derived from the CRISIL Report. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

We are one of the leading manufacturers of cables and wires in India, with a diverse product portfolio ranging from house wires to low tension (“LT”) power cables, high tension (“HT”) cables and extra high voltage (“EHV”) cables, catering to retail and institutional customers (*Source: CRISIL Report*). We are one of the few manufacturers of EHV cables in India (*Source: CRISIL Report*). Our share in the total cables and wires industry was 5.2% whereas our share in the organized cables and wires industry was 7.3%, each in Fiscal 2019 (*Source: CRISIL Report*). Further, our market share increased by over 100 basis points between Fiscal 2015 and Fiscal 2019, from 4.1% to 5.2% (*Source: CRISIL Report*). Our share in the organized market also increased by approximately 80 basis points during the same period to 7.3% (*Source: CRISIL Report*).

Our Company operates its business under three segments – retail, institutional and exports segments. The retail segment comprises house wires, winding and flexible wires and LT power cables and HT cables. Our institutional segment, which formed the majority of our revenue from operations as on March 31, 2019, comprises EHV cables, engineering, procurement and construction (“EPC”) business segment, LT power cables and HT cables, whereas our exports business segment also comprises LT power cables, HT cables and EHV cables with a continued focus on the oil and gas and other infrastructure focused sectors. We also manufacture stainless steel wires and provide EPC services within the exports business segment.

We have been able to consistently increase our total income with the revenue generated from the sale of our products under the retail segment growing by 104.98%, from ₹ 6,831.48 million in Fiscal 2017 to ₹ 14,003.13 million in Fiscal 2019, revenue generated under the institutional segment growing by 45.63%, from ₹ 16,038.48 million in Fiscal 2017 to ₹ 23,356.99 million in Fiscal 2019, and the revenue generated under the exports segment growing by 41.44%, from ₹ 3,793.19 million in Fiscal 2017 to ₹ 5,365.16 million in Fiscal 2019. The revenue generated under the retail segment, institutional segment and the exports segments was ₹ 10,922.20 million, ₹ 19,216.59 million and ₹ 6,505.02 million, respectively, in the nine months ended December 31, 2019. For details, see “- Strengths - Track record of growth in financial performance” on page 112.

We have continually strived to grow our sales under the retail segment through our network of pan-India authorized dealers and distributors. Our dealer and distribution network comprised 1,602 authorized dealers and distributors as on the nine months ended December 31, 2019, with 548 authorized dealers and distributors in north India, 329 authorized dealers and distributors in south India, 376 authorized dealers and distributors in east India and 349 authorized dealers and distributors in west India. Further, for the nine months ended December 31, 2019, we exported our products to over 45 countries. As on December 31, 2019, we have also set up marketing / project offices in United Arab Emirates, Nepal and Gambia, which along with our Subsidiary in Australia, and our Associate in South Africa, facilitate the sale of our products to our international customers.

We operate through our five manufacturing facilities, with a combined installed capacity of 114,600 Kms in respect of cables, 1,117,000 Kms in respect of wires and 6,600 MT in respect of stainless steel wire, as on the nine months ended December 31, 2019. These manufacturing facilities are located in Bhiwadi, Rajasthan (“**Bhiwadi Facility**”), Rakholi, Dadra and Nagar Haveli (“**Rakholi Facility**”), Chopanki, Rajasthan (“**Chopanki Facility**”), Pathredi, Rajasthan (“**Pathredi Facility**”) and Chinchpada, Silvassa in Dadra and Nagar Haveli (“**Chinchpada Facility**”). The products manufactured through these facilities fall under three main segments – cables, stainless steel wires and EPC projects. Within the cable segment, our Company manufactures EHV cables, HT cables, LT power cables, instrumentation cables, winding and flexible wires and house wires. In addition, we also manufacture specialty cables, rubber cables, submersible cables and polyvinyl chloride (“**PVC**”) / poly wrapped winding wires. Within the stainless steel wires segment (“**SSW Segment**”), our Company manufactures welding wires, hard stainless steel wires, cold heading wires, fine stainless steel wires and general purpose wires. In the EPC projects segment, we provide integrated turnkey solutions including design, engineering, material procurement, field services, construction and project management services for projects where we are pre-qualified to provide such services.

We have been able to diversify our products range mainly due to our technological capabilities and our research and development (“**R&D**”), which we benefit from. Our R&D facility, which is located at Bhiwadi, Rajasthan, is accredited with the National Accreditation Board for Testing & Calibration Laboratories (“**NABL**”) under the ISO 17025:2005 standard, and employs R&D engineers, designers and technicians for undertaking the operations. Towards this end, we rely on our R&D team, which helps us to customize the products to serve customers across diverse industries. We believe that our R&D team, in assisting our sales and marketing team in understanding our customers’ requirements, has helped us to provide solutions to customers across diverse industries.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. Our Company received the ISO 9001:2015 accreditation for the certification and approval of the quality management system and the ISO 14001:2015 accreditation for environment management system. Further, in addition to our R&D facility being accredited with the NABL, certain of our manufacturing facilities also have the ISO 14001:2015 certification for environment management system, the OHSAS 18001: 2007 certification for occupational health and safety management and the ISO 9001:2015 certification for the certification and approval of the quality management system. Further, our Company received the superbrand status in 2019 from the Superbrands Council, an independent authority on branding, comprising luminaries who are experts in branding, marketing, design and product management, among others. In addition to this, our Company was also named as one of the Fortune 500 companies in India in the year 2019.

We have been able to grow our revenue from operations at a CAGR of 22.22%, from ₹ 28,324.25 million in Fiscal 2017 to ₹ 42,309.80 million in Fiscal 2019. Our profit after tax, on the other hand, has grown at a CAGR of 38.93%, from ₹ 936.45 million in Fiscal 2017 to ₹ 1,807.47 million in Fiscal 2019. Our revenue from operations and profit after tax in the nine months ended December 31, 2019, was ₹ 36,292.74 million and ₹ 1,942.64 million, respectively. Further, our revenue from the cable segment was ₹ 30,611.66 million in Fiscal 2019, whereas the revenue generated from SSW Segment and the EPC projects segment (including for sale of cables) was ₹ 1,380.20 million and ₹ 10,332.55 million, respectively, in the same period. The revenue generated from the cable segment, SSW Segment and the EPC projects segment (including for sale of cables) in the nine months period ended December 31, 2019 was ₹ 25,069.13 million, ₹ 982.45 million and ₹ 10,265.48 million, respectively. In addition, our EBITDA has grown to ₹ 4,477.43 million for Fiscal 2019 from ₹ 2,788.97 million for Fiscal 2017, at a CAGR of 26.70%.

## **Strengths**

*Large and diversified product portfolio to serve wide range of customers across various sectors*

We offer a diverse range of products and services with our portfolio comprising offerings under the cable segment, SSW Segment and the EPC projects segment. Since our incorporation in 1992, we have significantly expanded our product portfolio, which now comprises cables and wires not only for industrial and commercial use but also for domestic consumption, catering to requirements of a diversified customer base. Although the technical specifications for our products are largely standardized, we may undertake certain customization of certain products for our institutional and corporate customers. For instance, we manufacture cables and wires in accordance with specifications prescribed by the power utilities. We believe our dedicated efforts towards expanding our product portfolio and our ability to identify our customers' requirements contribute significantly to our position in the cables and wires industry.

We supply our products to various organizations across diverse sectors, including power distribution and transmission, fertilizers, oil refineries, railways (including metro rail), automobiles, cement, steel, mining, textile and real estate sectors. Our R&D team helps us to customize the products to serve customers across diverse industries. We also have an R&D facility which is accredited with the NABL to be in compliance with ISO/IEC 17025:2005 in respect of general requirements for the competence of testing and calibration laboratories for electrical testing. Our R&D team enables us to provide solutions to improve manufacturing efficiency on the existing products, reduce production costs and introduce innovative solutions to meet the varied requirements of our customers thereby allowing us to achieve time efficiency in development of new products and technologies. We believe that our large product offerings coupled with our focus on consistently delivering the products customized per the design, technology, features and quality specified by our customers, help us to attract large corporate and institutional customers, including project contractors, thereby enabling us to widen our customer base.

We believe our ability to manufacture products based on our customer requirements enables us to cater to the needs of various industry players including companies as well as original equipment manufacturers. Given the diversification of our product portfolio over the years, we are not only able to cater to varying customer demands but also to meet any specific selection criteria of companies involved in the business which require our products. Further, satisfaction of prescribed pre-qualification requirements also entitles us with the ability to supply our products to various governmental agencies. We believe that our capability and competence to adapt our offerings to match the needs of our consumers across a wide range of applications as well as our pre-qualified status with power utilities and governmental agencies gives us a competitive edge in the market for such products.

#### ***Established relationship with institutional customers and strong pre-qualification credentials***

We believe we have an established relationship with several institutional customers owing to our track record of supply of product offerings to various power utilities and governmental agencies. Within the institutional segment, we manufacture and sell EHV cables, LT power cables and HT cables. We also provide EPC services, including execution of power transmission projects of 66 kV to 400 kV substations on turnkey basis, EPC of cable systems, electrical balance of plant systems for power plant and electrical industrial projects. While our order book for the supply of EHV cables stood at ₹ 6,764.59 million, our order book for the supply of LT power cables and HT cables, and for the execution of EPC projects stood at ₹ 16,217.12 million and ₹ 18,280.81 million, respectively, each as on December 31, 2019. We believe that the supply of technologically advanced products enables us to maintain such established relationships with these power utilities and governmental agencies.

We supply our products to various governmental agencies, based on a pre-qualification process and grant of approval by these governmental agencies. Pre-qualification requirements include past experience in supply to such entities, ability to meet specific technical requirements, financial strength and the price competitiveness of our product offerings. We believe that our pre-qualified status with power utilities and such governmental agencies strengthens our position in the market.

Owing to our relationship with our institutional customers, we were able to continually grow our revenue from sale of products and services within the institutional segment in each of the last three Fiscals. The revenue generated from sale of EHV cables in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 1,012.26 million, ₹ 1,585.50 million, ₹ 1,718.38 million and ₹ 3,063.07 million, respectively. The revenue generated from the execution of the EPC projects (excluding sale of cables) in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 4,236.90 million, ₹ 6,539.40 million, ₹ 7,293.29 million and ₹ 5,781.10 million, respectively.

#### ***Strategically located manufacturing facilities facilitate cost-effective manufacturing capabilities***



Our five manufacturing facilities are strategically located in north and west India, and we believe that such location of our facilities helps us in optimizing logistics cost in respect of our exports. Our proximity to the ports in west India also allows ease of our import of raw materials, thereby helping us save time and cost towards their transportation, and allowing for lesser turnaround time for supply of final products to our customers. We also have backward integration capabilities owing to our ability to manufacture PVC, an essential raw material, as well as forward integration capabilities owing to our ability to offer turnkey solutions through our EPC projects segment. Accordingly, these strategically located manufacturing facilities have enabled us to pursue greater efficiencies of cost, time, quality and scale in our manufacturing processes. However, we continue to strive to improve process, design and planning across all of our manufacturing facilities. For instance, in Fiscal 2019, to further automation development, we installed double capacity single machines such as the aluminium rod breakdown and stranding machine with auto loading system to reduce manpower, increase productivity and enhance product quality.

As on March 31, 2019, our aggregate installed capacity at our five manufacturing facilities for the manufacture of cables, wires, and stainless steel wires was 109,600 Kms, 817,000 Kms and 6,000 MT, respectively. However, each of these capacities had further increased to 114,600 Kms, 1,117,000 Kms and 6,600 MT, respectively, as on the nine months ended December 31, 2019. The capacity utilization at these manufacturing facilities for the nine months ended December 31, 2019 in respect of the manufacture of cables, wires, and stainless steel wires (calculated based on the closing capacity as on December 31, 2019), was 82.64%, 68.39% and 90.30%, respectively (with annualization done for calculating capacity utilization as on December 31, 2019). For further details of our installed capacity and our capacity utilization at each of our manufacturing facilities, see “- *Manufacturing Facilities*” on page 119.

We have, over the course of time, also been able to forward integrate our operations by providing EPC services through which, we largely focus on projects and assignments with significant cabling requirements such as overhead as well as underground power transmission and distribution systems and railway electrification / substation on turnkey basis. Our forward integration processes, with our EPC projects segment team led by experienced professionals, enable us to be both, effective as well as able to meet the set timelines. Our revenue generated from the EPC projects segment (including for sale of cables) was ₹ 6,754.40 million, ₹ 9,561.48 million, ₹ 10,332.55 million and ₹ 10,265.48 million in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, respectively. We have also been able to backward integrate our services by setting up in-house manufacturing of PVC. Our facility manufacturing PVC catered to approximately 56.72% of our total PVC requirement, as on the nine months ended December 31, 2019. Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. As a result, we are able to fulfil our customers’ needs in a timely manner and enhance our ability to offer cost-competitive solutions.

Due to the large scale of our operations, extensive experience in manufacturing, our forward and backward integration capabilities, improved processes and availability of skilled and unskilled manpower at our manufacturing facilities, we are able to offer cost effective solutions to our customers. Owing to our efficient manufacturing processes, we are able to offer prices which are competitive to similar products manufactured by our competitors in India.

#### ***Offering product portfolio across various geographies***

While our net sales from exports stood at ₹ 6,505.02 million as on the nine months ended December 31, 2019, we were able to increase our net sales from exports continually, from ₹ 3,793.19 million in Fiscal 2017 to ₹ 4,609.08 million and ₹ 5,365.16 million in Fiscals ended 2018 and 2019, respectively.

Bolstering our relationships with our global customers remains central to growing our exports segment. To further this objective and to also expand our marketing network, we invested in an Associate in Johannesburg, South Africa, in Fiscal 2019. We also continue to strengthen our pre-qualification credentials to meet the stringent parameters set out by these international customers. We believe our competitive pricing policy coupled with our ability to offer customized solutions and specialty cables has enabled us to grow our presence in the overseas markets. Further, we have set up overseas marketing / project offices in United Arab Emirates, Nepal and Gambia to strengthen our marketing and customer outreach. We have also incorporated a Subsidiary in Australia to cater to our international customers.

The products manufactured by our Company are exported to over 45 countries, across the world, for the nine months ended December 31, 2019. We offer a wide range of cables, including EHV cables, HT cables and LT power cables, stainless steel wires as well as EPC services to our international customers. Our products are focused

at meeting the requirements of the oil and gas and other infrastructure focused sectors. This ability to execute large orders with local companies in the Middle East, Australia, Sri Lanka, Bangladesh and Nigeria has resulted in us achieving a robust growth. Additionally, being closer to our overseas customers, through our presence at strategic locations and tie-ups with agents and dealers and distributors, has enabled us to build on our global relationships and secure necessary approvals seamlessly to further sales.

### ***Strong retail presence with pan-India sales and distribution network***

The retail segment of our Company comprises house wires, winding and flexible wires, LT power cables and HT cables. Over the past five years, we have been able to expand our geographical presence in the retail division through aggressive promotion campaigns, outdoor marketing activities and sponsorships, which, as a result has also led to enhancement of our brand visibility. We also undertake various above the line and below the line advertisement and promotion activities, targeting not only a wider audience but also highly specific groups of potential customers.

Our dealer and distribution network in India enables an efficient roll out of our products, which gives us a competitive advantage over our competitors. We have been able to grow this network from 1,147 dealers and distributors as on March 31, 2017 to 1,450 dealers and distributors as on March 31, 2019. As on the nine months ended December 31, 2019, we had 1,602 dealers and distributors. We continue to enhance our addressable market through this network of authorized dealers and distributors, including by carrying out promotional activities to create awareness for our products.

Further, we supply our portfolio of products to our direct customers including EPC companies and government companies through direct sales as well as through project distributors who stock our products as per their requirement. In certain instances, these distributors directly obtain orders from the customers and we subsequently supply the products to them in addition to paying them certain amount of commission. In addition to our authorized dealer and distribution network, our sales and marketing team, comprising 551 full time employees, as on the nine months ended December 31, 2019, is responsible for carrying out promotional and brand building activities for our products, including through digital, print and social media and conducting seminars, architect meets, electrician meets to create awareness amongst our products amongst electricians, retailer meets, dealer meets, direct mailers to create awareness amongst institutional customers, exhibitions and one-to-one customer interactions. We manage our sales and marketing activities through our Registered and Corporate Office, 38 marketing offices and 22 depots in India, as on December 31, 2019.

Further, our retail sales through our dealer and distribution network grew significantly by 104.98% from ₹ 6,831.48 million in Fiscal 2017 to ₹ 14,003.13 million in Fiscal 2019 and was ₹ 10,922.20 million in the nine months ended December 31, 2019.

### ***Track record of growth in financial performance***

We have been able to increase our total income at a CAGR of 22.11% during the last three Fiscals, from ₹ 28,424.92 million in Fiscal 2017 to ₹ 42,381.74 million in Fiscal 2019. Our total income in the nine months ended December 31, 2019 was ₹ 36,435.54 million. Our revenue from operations in Fiscals 2017, 2018, 2019 and in the nine months ended December 31, 2019, was ₹ 28,324.25 million, ₹ 35,031.19 million, ₹ 42,309.80 million and ₹ 36,292.74 million, respectively. Following are the details of the revenue generated and the revenue as a percentage of our revenue from operations, with respect to each of our business segments in the last three Fiscals and in the nine months ended December 31, 2019.

Business Segment	Fiscal 2017		Fiscal 2018		Fiscal 2019		Nine months ended December 31, 2019	
	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)
<b>Retail Segment</b>	6,831.48	25.62%	9,774.63	28.31%	14,003.13	33.10%	10,922.20	30.09%
<b>Institutional Segment</b>	16,038.48	60.15%	20,217.68	58.56%	23,356.99	55.20%	19,216.59	52.95%
<b>Exports Segment</b>	3,793.19	14.23%	4,609.08	13.35%	5,365.16	12.68%	6,505.02	17.92%
Ind As Adjustment	-	0.00%	(75.70)	(0.22%)	(415.48)	(0.98%)	(351.07)	(0.96%)

<b>Net Sale</b>	<b>26,663.15</b>	100.00%	<b>34,525.69</b>	100.00%	<b>42,309.80</b>	100.00%	<b>36,292.74</b>	100.00%
Excise Duty*	1,661.10		505.50		-		-	
<b>Total</b>	<b>28,324.25</b>		<b>35,031.19</b>		<b>42,309.80</b>		<b>36,292.74</b>	

\* Excise duty was applicable in Fiscal 2017 and Fiscal 2018 (until June 30, 2017)

Further, we have been able to consistently increase our revenue from the cable segment, the SSW Segment and the EPC projects segment. Following are the details of the revenue generated, with respect to each of our product segments in the last three Fiscals and in the nine months ended December 31, 2019.

(₹ in million)

Product Segment	Revenue Generated in			
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Nine months ended December 31, 2019
<b>Cable Segment</b>	20,435.62	24,313.27	30,611.66	25,069.13
<b>SSW Segment</b>	1,139.05	1,182.55	1,380.20	982.45
<b>EPC Projects Segment*</b>	6,754.40	9,561.48	10,332.55	10,265.48
Elimination	(4.82)	(26.11)	(14.61)	(24.32)
<b>Total</b>	<b>28,324.25</b>	<b>35,031.19</b>	<b>42,309.80</b>	<b>36,292.74</b>

\* EPC projects segment also includes sale of cables.

Our profit after tax has grown at a CAGR of 38.93%, from ₹ 936.45 million in Fiscal 2017 to ₹ 1,807.47 million in Fiscal 2019, and was ₹ 1,942.64 million for the nine months ended December 31, 2019. In the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, we reported EBITDA of ₹ 2,788.97 million, ₹ 3,485.77 million, ₹ 4,477.43 million and ₹ 3,895.31 million, respectively. Our EBITDA has grown at a CAGR of 26.70% from Fiscal 2017 to Fiscal 2019.

We believe that our financial position as mentioned above, illustrates not only the growth of our operations over the years, but also the effectiveness of the administrative and cost management protocols that we have implemented. Among other things, our strong financial position and results of operations have enabled us to invest in capital expenditure, including towards purchase of technology and R&D. Over the last three Fiscals ended 2017, 2018 and 2019 and during the nine months ended December 31, 2019, our capital expenditure was ₹ 609.69 million, ₹ 640.57 million, ₹ 1,211.48 million and ₹ 854.27 million, respectively.

### ***Experienced and qualified management team***

Our Company has experienced business growth under the leadership of our Promoter, Anil Gupta, who is also our Chairman cum Managing Director, and has over 27 years of experience in the cables and wires industry, and our Chief Financial Officer, Rajeev Gupta, who is also an Executive Director on our Board.

Additionally, our senior management possesses extensive industry and management experience which has given us a specialized understanding of the complexities involved in the manufacturing of cables and wires and the processes involved. Our business growth is also attributable to our strong management culture fostered by an entrepreneurial spirit, each product segment being managed by experienced and hands-on segment heads having in-depth knowledge of our industry. Our ability to retain talented pool of employees is supplemented by issuance of employee stock options to such employees from time to time. Our experienced and dedicated management team also enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions.

### **Strategies**

#### ***Continue to focus on domestic presence and increased penetration by further expanding dealer and distribution network***

Our Company has a pan-India presence and an extensive dealer and distribution network within the retail segment. However, we believe we have significant opportunities to grow our business by increasing our penetration within the existing geographies and our existing customer base, adding new customers and pursuing additional marketing channels. We anticipate an increase in demand and to cater to such demand, our Company recently set-up a manufacturing facility at Chinchpada, Silvassa in Dadra and Nagar Haveli for the manufacture of house wires.

Further, the demand for cables and wires in the retail segment is directly co-related with infrastructure development, housing construction and power distribution and transmission demand. Government schemes for affordable housing such as the Pradhan Mantri Awas Yojana, for healthcare and for education are expected to gain momentum, which are expected to lead to an increased demand for cables and wires in the retail market

(Source: CRISIL Report). The increased availability of electricity owing to multiple schemes being pursued by the Government is also expected to lead to an increase in demand for house wires (Source: CRISIL Report). In addition, the central Government issued a National Infrastructure Pipeline (“NIP”) for enhancing the infrastructure spend in identified sectors for a period of five years, from Fiscal 2020 to Fiscal 2025 (Source: CRISIL Report). Pursuant to this development, the Government has allocated ₹ 102 lakh crore to be invested in various sectors including energy, road infrastructure, urban infrastructure and railways (Source: CRISIL Report). If implemented in timely manner, the NIP shall drive overall demand for the cables and wires industry, especially sectors such as energy and railways, which together account of approximately 37% of the overall project investment (Source: CRISIL Report). We believe that our past experience of working with government agencies and power utilities, and our long standing relationships with institutional customers and corporate houses will be a significant driver for demand for our products on account of growing focus of the government on urbanization and any demand created by the market for new products. In light of this, we plan to further broaden our customer base for our products by increasing our focus on enhancing our visibility and expanding our presence with institutional and corporate customers, including within the infrastructure sector. These developments provide us with a prospect to increase our revenue and we intend to be at the forefront and capitalise on any opportunity that may arise. To this end, we also intend to consistently expend on marketing campaigns and increase our dealer and distributor reach.

As on December 31, 2019, our Company had a network of 1,602 dealers and distributors in India, that market and distribute our products. We constantly seek to add additional dealers and distributors to this network by building dealer presence in new markets, as well as, by strengthening and broadening our dealer and distribution network in under-penetrated markets within existing geographies. We believe that this would help achieve increased brand awareness and visibility, leading to an increase in our market share and sales volume. In addition, we seek to gain further penetration and consolidate our position in geographies that we currently serve, by strengthening our relationships with existing dealers and distributors and adding new dealers and distributors within these areas. We have long-standing relationships with many of them and further continue to enhance these long-standing relationships. Further, we also continue to deepen our engagement with our channel partners and influencers, including getting our products approved from architects and consultants, to effectively and efficiently serve our customers.

#### ***Focus on increased global geographical presence***

We seek to expand our global reach through increased customer acceptance of our products in international markets. While for the nine months ended December 31, 2019, our products were exported to over 45 countries, across the world, we further seek to enter into new international markets. Towards this objective, we intend to focus on building a new authorized dealer and distribution network in such markets with focus on both domestic and industrial cables and wires. We also intend to exploit our current manufacturing capacities coupled with our R&D capabilities to manufacture products of quality that we believe will enable us to secure approvals from international agencies and satisfy their pre-qualification requirements. We also propose to undertake promotional activities for our products, aimed at strengthening our brand in international markets.

Our extensive experience, proven track record, strong brand and reputation and ability to provide a range of products position us strongly for further expansion of our international presence. We intend to continue to focus on our existing international markets such as the Middle East, Australia, Sri Lanka, Bangladesh and Nigeria while also focus on new geographies. To expand into new international markets, we intend to leverage our established business relationships and engage experienced local representatives to expand our overseas sales channels. We also intend to improve our brand recognition in overseas markets by participating in international trade exhibitions. Further, we will continue to apply for and obtain approvals and accreditations to enter into new international markets.

#### ***Increase capacity in existing product portfolio and enhance capacity utilization***

We aim to continue to be one of the leading manufacturers of cables and wires in India in terms of quantity and sales. As on the nine months ended December 31, 2019, our aggregate installed capacity at our five manufacturing facilities for the manufacture of cables, wires, and stainless steel wires was 114,600 Kms, 1,117,000 Kms and 6,600 MT, respectively. The capacity utilization at these manufacturing facilities for the nine months ended December 31, 2019 in respect of the manufacture of cables, wires, and stainless steel wires (calculated based on the closing capacity as on December 31, 2019), was 82.64%, 68.39% and 90.30%, respectively (with annualization done for calculating capacity utilization as on December 31, 2019). The table below provides the annual installed capacity across each of our manufacturing facilities as on March 31, 2019 and as on December 31, 2019:

Manufacturing Facility	Product Category	Capacity as on March 31, 2019	Capacity as on December 31, 2019
Bhiwadi Facility	EHV Cables	200 Kms	200 Kms
	HT Cables	3,600 Kms	3,600 Kms
	LT Power Cables <sup>1</sup>	51,600 Kms	51,600 Kms
	Wires <sup>2</sup>	190,000 Kms	190,000 Kms
	Stainless Steel Wires	6,000 MT	6,600 MT
Rakholi Facility	LT Power Cables <sup>3</sup>	26,000 Kms	29,000 Kms
	Wires <sup>4</sup>	627,000 Kms	627,000 Kms
Chopanki Facility	EHV Cables	700 Kms	700 Kms
	HT Cables	3,900 Kms	3,900 Kms
	LT Power Cables	10,000 Kms	3,000 Kms
Pathredi Facility	HT Cables	3,600 Kms	3,600 Kms
	LT Power Cables	10,000 Kms	19,000 Kms <sup>5</sup>
Chinchpada Facility	Wires <sup>4</sup>	-	300,000 Kms
<b>Total</b>	<b>Cables</b>	<b>109,600 Kms</b>	<b>114,600 Kms</b>
	<b>Wires</b>	<b>817,000 Kms</b>	<b>1,117,000 Kms</b>
	<b>Stainless Steel Wires</b>	<b>6,000 MT</b>	<b>6,600 MT</b>

1. LT power cables also include control cables, instrumentation cables and rubber cables.
2. While wires include house wires, flexible wires, winding wires, solar wires and poly-winding wires, Bhiwadi Facility is only engaged in the manufacture of winding wires, solar wires and poly-winding wires.
3. LT power cables also include control cables.
4. Wires refer to house wires being manufactured.
5. LT power cables also include control cables and instrumentation cables. While Pathredi Facility had the capacity to manufacture HT cables and LT Power cables as on March 31, 2019, new capacity was added to manufacture control cables and instrumentation cables as on the nine months ended December 31, 2019.

We are in the process of augmenting our manufacturing capacity for house wires through the completion of our greenfield expansion pursuant to the setting up of a new unit at our Chinchpada Facility. The first phase of production commenced in July 2019. We believe that increasing our capacities is critical to enable us to continue to capitalize upon the growing demand for cables and wires in India and abroad. Further, we also intend to capitalize on the unutilized capacity at our manufacturing facilities to further increase production of our current portfolio and take advantage of the experience of our sales and marketing team to increase acceptance for our products and enhance our visibility in the domestic market.

#### *Continue to focus on diversifying our product portfolio*

We have, since our inception, consistently sought to diversify our portfolio of products which could cater to customers across segments, sectors, and geographies. In accordance with this, while we seek to continue to strengthen our existing product portfolio, we intend to further diversify into products with prospects for increased growth and profitability.

Currently, our offerings include varied products and services under the cable segment, SSW Segment and the EPC projects segment. However, similar to our strategy in the past, we intend to continue to increase our offerings within our current portfolio and service verticals as well as diversify into new segments, based on our management's determination of those segments that have prospects for significant growth and higher return ratios. Towards this, we plan to conduct additional R&D activities and to undertake market research to understand the changing requirements and expectations of our customers, which is key to our product and service development.

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. The summary should be read in conjunction with, and is qualified in its entirety by, the more detailed terms appearing elsewhere in this Placement Document, including under the sections titled “Risk Factors”, “Use of Proceeds”, “Issue Procedure”, “Description of the Equity Shares” and “Placement” on pages 46, 71, 191, 218, and 205, respectively.

<b>Issuer</b>	KEI Industries Limited
<b>Issue Size</b>	Up to 10,000,000 Equity Shares at a price of ₹ 500.00 each, including a premium of ₹ 498.00 per Equity Share, aggregating to ₹ 5,000.00 million  <b>A minimum of 10% of the Issue Size, i.e. at least 1,000,000 Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance 9,000,000 Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds</b>  In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs
<b>Face value</b>	₹ 2 per Equity Share
<b>Floor Price</b>	₹ 518.14 per Equity Share  The Floor Price for the Issue is calculated in terms of Regulation 176 under Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 3.50% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Company accorded through their resolution passed by way of postal ballot on January 15, 2020.
<b>Issue Price</b>	₹ 500.00 per Equity Share
<b>Eligible investors</b>	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were circulated and who were eligible to make a Bid and participate in the Issue. See “Issue Procedure”, “Selling Restrictions” and “Transfer Restrictions” on pages 191, 207, and 213, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document was delivered was determined by the BRLMs, in consultation with our Company, at their sole discretion
<b>Dividend</b>	See “Description of the Equity Shares” and “Dividend” on pages 218 and 77, respectively
<b>Indian taxation</b>	See “Statement of Possible Tax Benefits” on page 222
<b>Date of Board resolution authorizing the Issue</b>	November 12, 2019
<b>Date of passing of resolution by Shareholders (through postal ballot) authorizing the Issue</b>	January 15, 2020
<b>Equity Shares issued and outstanding immediately prior to the Issue</b>	79,504,438 Equity Shares
<b>Equity Shares issued and outstanding immediately after the Issue</b>	89,504,438 Equity Shares
<b>Issue procedure</b>	The Issue is being made to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For details in relation to Issue procedure, see “Issue Procedure” on page 191
<b>Listing</b>	Our Company has obtained in-principle approvals each dated January 23, 2020, from the NSE and the BSE in terms of Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue. Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approvals for the Equity Shares
<b>Lock-up</b>	See “Placement – Lock-up” on page 205 for a description of restrictions on our Company, Promoters and certain members of our Promoter Group, in relation to

	Equity Shares
<b>Transferability restriction</b>	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. For details in relation to other transfer restrictions, see “ <i>Selling Restrictions</i> ” and “ <i>Transfer Restrictions</i> ” on pages 207 and 213, respectively
<b>Use of proceeds</b>	The gross proceeds from the Issue will be ₹ 5,000.00 million. The net proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are expected to be approximately ₹ 4,854.88 million. See “ <i>Use of Proceeds</i> ” on page 71 for further information
<b>Risk factors</b>	See “ <i>Risk Factors</i> ” on page 46 for a discussion of risks that you should consider before participating in the Issue
<b>Closing Date</b>	The Allotment is expected to be made on or about January 28, 2020
<b>Ranking</b>	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> in all respects with the existing Equity Shares including the rights in respect of dividends after the Closing Date. The holders of such Equity Shares as on the record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws. The holders of such Equity Shares may attend and vote in Shareholders’ meetings in accordance with the provisions of the Companies Act, 2013. See “ <i>Dividend</i> ” and “ <i>Description of the Equity Shares</i> ” on pages 77 and 218, respectively
<b>Voting Rights of Shareholders</b>	See “ <i>Description of the Equity Shares- Voting Rights</i> ” on page 220
<b>Security codes for the Equity Shares</b>	ISIN: INE878B01027 BSE Code: 517569 NSE Code: KEI CSE Code: 21180

## SUMMARY FINANCIAL STATEMENTS

The following tables set out selected financial information derived from our Audited Financial Statements and Interim Unaudited Financial Results, in each case prepared in accordance with the applicable accounting standards and Companies Act, 2013 and presented in “Financial Statements” on page 239. The selected financial information presented below should be read in conjunction with “Management’s Discussion and Analysis of our Financial Conditions and Results of Operations” and “Financial Statements” on pages 130 and 239, respectively.

### SUMMARY OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017

(in ₹ million)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4,856.77	4,039.50	4,024.75
Capital Work-in-Progress	316.06	229.81	31.54
Intangible Assets	29.78	30.31	27.26
Financial Assets			
Investments	17.35	29.99	29.13
Loans	68.58	40.67	33.10
Other Financial Assets	6.27	2.60	36.62
Other Non-Current Assets	92.14	118.79	13.99
<b>Total Non-Current Assets</b>	<b>5,386.95</b>	<b>4,491.67</b>	<b>4,196.39</b>
<b>Current Assets</b>			
Inventories	6,932.08	5,555.88	4,989.24
Financial Assets			
Trade Receivables	10,909.28	10,228.40	8,245.76
Cash and Cash Equivalents	220.73	602.83	321.32
Bank Balances other than Cash and Cash Equivalents	1,732.67	168.78	12.06
Loans	36.86	13.89	10.10
Other Financial Assets	1,040.47	521.02	290.36
Other Current Assets	1,377.61	616.53	892.76
<b>Total Current Assets</b>	<b>22,249.70</b>	<b>17,707.33</b>	<b>14,761.60</b>
<b>Total Assets</b>	<b>27,636.65</b>	<b>22,199.00</b>	<b>18,957.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	157.85	156.72	155.59
Other Equity	7,622.62	5,890.22	4,455.19
Total Equity Attributable to Owners of the Company	7,780.47	6,046.94	4,610.78
Non Controlling Interest	(1.11)	0.01	-
<b>Total Equity</b>	<b>7,779.36</b>	<b>6,046.95</b>	<b>4,610.78</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	1,193.37	1,456.62	763.51
Provisions	86.26	67.21	50.63
Deferred Tax Liabilities (Net)	440.55	397.20	353.18
<b>Total Non-current Liabilities</b>	<b>1,720.18</b>	<b>1,921.03</b>	<b>1,167.32</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	3,865.25	6,041.69	6,159.51
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	914.41	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	9,291.95	6,284.66	4,805.42
Other Financial Liabilities	3,378.93	1,333.47	1686.91
Other Current Liabilities	457.49	425.48	427.06



Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Provisions	134.98	111.29	86.86
Current Tax Liabilities (Net)	94.10	34.43	14.13
<b>Total Current Liabilities</b>	<b>18,137.11</b>	<b>14,231.02</b>	<b>13,179.89</b>
<b>Total Equity and Liabilities</b>	<b>27,636.65</b>	<b>22,199.00</b>	<b>18,957.99</b>

**SUMMARY OF STANDALONE BALANCE SHEET AS AT MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

<i>(in ₹ million)</i>			
Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4,856.77	4,039.50	4,024.75
Capital Work-in-Progress	316.06	229.81	31.54
Intangible Assets	29.78	30.31	27.26
Financial Assets			
Investments	15.66	28.30	27.28
Loans	68.58	40.67	33.10
Other Financial Assets	6.27	2.60	36.62
Other Non-Current Assets	92.14	118.79	13.99
<b>Total Non-Current Assets</b>	<b>5,385.26</b>	<b>4,489.98</b>	<b>4,194.54</b>
<b>Current Assets</b>			
Inventories	6,896.37	5,555.88	4,989.24
Financial Assets			
Trade Receivables	10,946.22	10,205.86	8,245.76
Cash and Cash Equivalents	220.68	594.50	321.03
Bank Balances other than Cash and Cash Equivalents	1,732.67	168.78	12.06
Loans	46.14	13.89	10.10
Other Financial Assets	1,040.47	521.02	290.36
Other Current Assets	1,375.31	616.22	893.05
<b>Total Current Assets</b>	<b>22,257.86</b>	<b>17,676.15</b>	<b>14,761.60</b>
<b>Total Assets</b>	<b>27,643.12</b>	<b>22,166.13</b>	<b>18,956.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	157.85	156.72	155.59
Other Equity	7,631.08	5,888.60	4,453.54
<b>Total Equity</b>	<b>7,788.93</b>	<b>6,045.32</b>	<b>4,609.13</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	1,193.37	1,456.62	763.51
Provisions	86.26	67.21	50.63
Deferred Tax Liability (Net)	441.77	398.44	353.18
<b>Total non-current Liabilities</b>	<b>1,721.40</b>	<b>1,922.27</b>	<b>1,167.32</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	3,865.25	6,041.69	6,159.51
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	914.41	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	9,288.59	6,272.00	4,805.22
Other Financial Liabilities	3,378.93	1,333.47	1,686.91
Other Current Liabilities	457.49	406.58	427.06
Provisions	134.98	111.29	86.86
Current Tax Liabilities (Net)	93.14	33.51	14.13
<b>Total Current Liabilities</b>	<b>18,132.79</b>	<b>14,198.54</b>	<b>13,179.69</b>

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Total Equity and Liabilities</b>	<b>27,643.12</b>	<b>22,166.13</b>	<b>18,956.14</b>

**SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018 AND THE FISCAL YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

(in ₹ million)

Particulars	For the nine months ended December 31, 2019	For the nine months ended December 31, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
Revenue from Operations	36,292.74	29,726.47	42,309.80	35,031.19	28,324.25
Other Income	142.80	35.07	71.94	92.99	100.67
<b>Total Income</b>	<b>36,435.54</b>	<b>29,761.54</b>	<b>42,381.74</b>	<b>35,124.18</b>	<b>28,424.92</b>

**EXPENSES**

Cost of Materials Consumed	26,906.33	21,912.56	30,366.89	24,422.77	18,686.70
Purchases of Stock in Trade	102.97	39.02	38.78	15.12	15.96
Changes in Inventories of Finished Goods and Work-in-Progress and stock in trade	(1,769.53)	(1,667.33)	(1,081.77)	(326.19)	(426.75)
Employee Benefit Expense	1,674.19	1,260.70	1,733.94	1,471.67	1,117.27
Finance Costs	1,014.88	940.27	1,356.08	1,118.69	1,244.25
Depreciation and Amortisation Expense	429.64	253.12	339.48	322.30	284.04
Sub Contractor expense for turnkey projects	1,054.04	995.19	1,121.17	1,085.54	579.29
Excise Duty	-	-	-	376.20	2,039.69
Other Expenses	4,572.41	4,138.69	5,725.30	4,593.15	3,622.12
<b>Total Expenses</b>	<b>33,984.93</b>	<b>27,872.22</b>	<b>39,599.87</b>	<b>33,079.25</b>	<b>27,162.57</b>
<b>Profit/ (loss) before share of profit /(loss) of Joint Venture and Associate Company and tax</b>	<b>2,450.61</b>	<b>1,889.32</b>	<b>2,781.87</b>	<b>2,044.93</b>	<b>1,262.35</b>
Share of profit/ (loss) of joint venture (net of tax)	(0.08)	(0.00)	(0.00)	(0.15)	(1.67)
Share of profit/ (loss) of Associate Company (net of tax)	0.26	(0.00)	(0.00)	-	-
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>2,450.79</b>	<b>1,889.32</b>	<b>2,781.87</b>	<b>2,044.78</b>	<b>1,260.68</b>
Exceptional Items	-	-	-	-	-
<b>Profit Before Tax</b>	<b>2,450.79</b>	<b>1,889.32</b>	<b>2,781.87</b>	<b>2,044.78</b>	<b>1,260.68</b>
<b>Tax Expense</b>					
Current Tax (Net)	656.79	642.56	928.81	547.76	286.44
Tax Expense Relating to Earlier Years (Net)	(12.06)	(4.06)	(4.06)	0.06	0.17
Deferred Tax (Credit) / Charge	(136.58)	32.00	49.65	49.14	37.62
<b>Total tax expenses</b>	<b>508.15</b>	<b>670.50</b>	<b>974.40</b>	<b>596.96</b>	<b>324.23</b>
<b>PROFIT FOR THE YEAR</b>	<b>1,942.64</b>	<b>1,218.82</b>	<b>1,807.47</b>	<b>1,447.82</b>	<b>936.45</b>
<b>Profit Attributable to:</b>					
Owners of the Company	1,942.65	1,218.88	1,808.59	1,447.58	936.45
Non-controlling Interest	(0.01)	(0.06)	(1.12)	0.24	-
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that will not be Reclassified to Profit or Loss	(16.78)	(15.80)	(25.37)	(9.85)	(4.61)

Particulars	For the nine months ended December 31, 2019	For the nine months ended December 31, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
Income Tax relating to Items that will not be Reclassified to Profit or Loss	(1.32)	2.91	6.32	3.88	3.94
Items that will be Reclassified to Profit or Loss	0.10	3.58	0.06	(3.53)	0.01
Income Tax relating to Items that will be Reclassified to Profit or Loss	0.32	(1.25)	(0.02)	1.23	(0.00)
	<b>(17.68)</b>	<b>(10.56)</b>	<b>(19.01)</b>	<b>(8.27)</b>	<b>(0.66)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit &amp; Other Comprehensive Income for the Year)</b>	<b>1,924.96</b>	<b>1,208.26</b>	<b>1,788.46</b>	<b>1,439.55</b>	<b>935.79</b>
<b>Other Comprehensive Income Attributable to:</b>					
Owners of the Company	(17.72)	(10.79)	(19.01)	(8.04)	(0.66)
Non Controlling Interest	0.04	0.23	0.00	(0.23)	-
	<b>(17.68)</b>	<b>(10.56)</b>	<b>(19.01)</b>	<b>(8.27)</b>	<b>(0.66)</b>
<b>Total Comprehensive Income Attributable to:</b>					
Owners of the Company	1,924.93	1,208.09	1,789.58	1,439.54	935.79
Non Controlling Interest	0.03	0.17	(1.12)	0.01	-
	<b>1,924.96</b>	<b>1,208.26</b>	<b>1,788.46</b>	<b>1,439.55</b>	<b>935.79</b>
<b>Earnings per Equity Share of ₹ 2 each (in ₹)</b>					
Basic	24.55	15.51	22.98	18.54	12.08
Diluted	24.21	15.33	22.74	18.21	11.78

**SUMMARY OF STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED DECEMBER 31, 2019 AND DECEMBER 30, 2018 AND THE FISCAL YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

(in ₹ million)

Particulars	For the nine months ended December 31, 2019	For the nine months ended December 31, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
Revenue from Operations	36,257.41	29,681.75	42,269.63	34,964.19	28,324.25
Other Income	140.94	35.04	71.91	92.99	100.67
<b>Total Income</b>	<b>36,398.35</b>	<b>29,716.79</b>	<b>42,341.54</b>	<b>35,057.18</b>	<b>28,424.92</b>
<b>EXPENSES</b>					
Cost of Materials Consumed	26,906.33	21,912.56	30,366.89	24,422.77	18,686.70
Purchases of Stock in Trade	102.97	26.71	25.96	14.34	15.96
Changes in Inventories of Finished Goods and Work-in-Progress and stock in trade	(1,805.25)	(1,667.33)	(1,046.05)	(326.19)	(426.75)
Employee Benefit Expense	1,674.19	1,260.70	1,733.94	1,471.67	1,117.27
Finance Costs	1,014.87	938.58	1,361.54	1,113.04	1,244.25
Depreciation and Amortisation Expense	429.65	253.12	339.48	322.30	284.04
Sub Contractor expense for turnkey projects	1,054.04	995.19	1,121.17	1,085.54	579.29
Excise Duty	-	-	-	376.20	2,039.69
Other Expenses	4,570.86	4,107.35	5,645.57	4,535.91	3,621.96
<b>Total Expenses</b>	<b>33,947.66</b>	<b>27,826.88</b>	<b>39,548.50</b>	<b>33,015.58</b>	<b>27,162.41</b>

Particulars	For the nine months ended December 31, 2019	For the nine months ended December 31, 2018	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>2,450.69</b>	<b>1,889.91</b>	<b>2,793.04</b>	<b>2,041.60</b>	<b>1,262.51</b>
Exceptional Items	-	-	-	-	-
<b>PROFIT BEFORE TAX</b>	<b>2,450.69</b>	<b>1,889.91</b>	<b>2,793.04</b>	<b>2,041.60</b>	<b>1,262.51</b>
<b>Tax Expense</b>					
Current Tax (Net)	656.79	642.57	928.74	546.84	286.44
Tax Expense Relating to Earlier Years (Net)	(12.06)	(4.06)	(4.06)	0.06	0.17
Deferred Tax (Credit) / Charge	(136.58)	32.00	49.65	49.14	37.62
Total tax expenses	<b>508.15</b>	<b>670.51</b>	<b>974.33</b>	<b>596.04</b>	<b>324.23</b>
<b>PROFIT FOR THE YEAR</b>	<b>1,942.54</b>	<b>1,219.40</b>	<b>1,818.71</b>	<b>1,445.56</b>	<b>938.28</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans	(16.78)	(15.80)	(25.37)	(9.85)	(4.61)
Income Tax relating to Items that will not be Reclassified to Profit or Loss	(1.32)	2.91	6.32	3.88	3.94
Items that will be Reclassified to Profit or Loss - Cash Flow Hedge	-	-	-	-	-
Income Tax relating to Items that will be Reclassified to Profit or Loss	-	-	-	-	-
	<b>(18.10)</b>	<b>(12.89)</b>	<b>(19.05)</b>	<b>(5.97)</b>	<b>(0.67)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (Comprising Profit &amp; Other Comprehensive Income for the Year)</b>	<b>1,924.44</b>	<b>1,206.51</b>	<b>1,799.66</b>	<b>1,439.59</b>	<b>937.61</b>
<b>Earnings per Equity Share of ₹ 2 each (in ₹)</b>					
Basic	24.55	15.52	23.12	18.51	12.10
Diluted	24.20	15.34	22.88	18.19	11.80

**SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT FOR THE FISCAL YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

(in ₹ million)

Particulars	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
<b>Profit Before Exceptional Items and Tax</b>	<b>2,781.87</b>	<b>2,044.93</b>	<b>1,262.35</b>
Depreciation and Amortisation Expense	339.48	322.30	284.04
Dividend received	(0.22)	(0.04)	(0.04)
Interest Income	(36.83)	(6.48)	(5.10)
Interest / Finance Charges	1,356.09	1,118.69	1,244.25
Share based payment expenses	18.68	33.04	62.56
Provision for compensated absence/ Gratuity	25.92	28.85	17.00
Provision for Expected Credit Loss (ECL)	5.26	4.09	43.94
Provision for warranty	4.07	1.05	5.41
Fair Value adjustment due to security deposit/Loan to staff	0.51	0.18	0.35
FCMITDA Written Off	-	-	8.59
Fixed Assets written off	2.83	3.58	1.71
Exchange Fluctuation	0.06	(3.53)	0.01
Loss on sale of Fixed Assets	1.21	1.36	0.36

Particulars	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
<b>Operating Profit Before Working Capital Changes</b>	<b>4,498.93</b>	<b>3,548.02</b>	<b>2,925.43</b>
Adjustments For:			
(Increase) / Decrease in Trade and Other Receivables	(2,017.89)	(1,953.42)	(2,390.71)
(Increase) / Decrease in Inventories	(1,376.20)	(566.64)	(764.57)
Increase / (Decrease) in Trade & Other Payables and Provisions	5,986.27	1,406.86	245.86
<b>Cash Generated From Operations</b>	<b>7,091.11</b>	<b>2,434.82</b>	<b>16.01</b>
Direct Taxes Paid (Net of Refunds)	(865.08)	(527.52)	(304.22)
<b>Net Cash From Operating Activities (A)</b>	<b>6,226.03</b>	<b>1,907.30</b>	<b>(288.21)</b>
Purchase of Property, Plant and Equipment's (Including Capital Work-in-Progress and Advances)	(1,223.11)	(655.82)	(625.06)
Proceeds from Sale of Property, Plant and Equipment	2.87	8.15	6.52
Sale of Investments	-	0.25	-
Investment in subsidiary	-	(0.00)	-
Investment in Associate Company	(0.00)	-	-
Interest Income	36.83	6.48	5.10
Dividend Received	0.22	0.04	0.04
Investments/proceed from deposits with banks	(1,567.34)	(122.49)	(13.98)
<b>Net Cash Used in Investing Activities (B)</b>	<b>(2,750.53)</b>	<b>(763.39)</b>	<b>(627.38)</b>
Proceeds from long term borrowings (Banks)	515.30	1,729.51	4.26
Proceeds from long term borrowings (others)	200.00	-	312.23
Repayment of long term borrowings (Banks)	(904.27)	(437.12)	(348.07)
Repayment of long term borrowings (Others)	(75.00)	(888.75)	(490.00)
Proceeds from finance lease	20.76	6.10	20.89
Repayment of finance lease	(13.11)	(13.54)	(15.02)
Interest expenses / Finance Charges	(1,356.09)	(1,118.69)	(1,244.25)
Inter corporate & other deposits (Net of repayments)	13.19	(31.85)	270.14
Working capital demand loan from banks	(400.00)	(1,050.00)	2,600.00
Working capital Loan from banks- Buyer's Credit	(1,377.63)	(23.57)	881.63
Working capital Loan from banks- Factoring Arrangements	(930.19)	1,174.76	321.61
Issue of Equity Share Capital ( including premium) upon exercise of ESOS	19.74	19.74	19.60
Contribution from non-controlling interest	-	0.00	-
Dividend paid to equity share holders	(78.36)	(46.68)	(38.62)
Dividend Distribution Tax	(16.11)	(9.50)	(7.86)
<b>Net Cash (Used in) / From Financing Activities (C)</b>	<b>(4,381.77)</b>	<b>(689.59)</b>	<b>2,286.54</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(906.27)</b>	<b>454.32</b>	<b>1,370.95</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>186.04</b>	<b>(268.28)</b>	<b>(1,639.23)</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>(720.23)</b>	<b>186.04</b>	<b>(268.28)</b>
Cash & Cash Equivalents for the purpose of Cash Flow			
Cash and Cash Equivalents	220.73	602.83	321.32
Less: Bank Overdraft	(940.96)	(416.79)	(589.60)
<b>Total</b>	<b>(720.23)</b>	<b>186.04</b>	<b>(268.28)</b>

**SUMMARY OF STANDALONE CASH FLOW STATEMENT FOR THE FISCAL YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017**

(in ₹ million)

Particulars	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
<b>Profit Before Exceptional Items and Tax</b>	<b>2,793.04</b>	<b>2,041.60</b>	<b>1,262.51</b>

Particulars	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
Depreciation and Amortisation Expense	339.48	322.30	284.04
Dividend received	(0.22)	(0.04)	(0.04)
Interest Income	(36.83)	(6.48)	(5.10)
Interest / Finance Charges	1,361.54	1,113.04	1,244.25
Share based payment expenses	18.68	33.04	62.56
Provision for compensated absence/ Gratuity	25.92	28.85	17.00
Provision for Expected Credit Loss (ECL)	5.26	4.09	43.94
Provision for warranty	4.07	1.05	5.41
Fair Value adjustment due to security deposit/Loan to staff	0.51	0.18	0.35
FCMITDA Written Off	-	-	8.59
Fixed Assets written off	2.83	3.58	1.71
Loss on sale of Fixed Assets	1.21	1.36	0.36
<b>Operating Profit Before Working Capital Changes</b>	<b>4,515.49</b>	<b>3,542.57</b>	<b>2,925.58</b>
Adjustments For:			
(Increase) / Decrease in Trade and Other Receivables	(2,084.66)	(1,930.23)	(2,390.98)
(Increase) / Decrease in Inventories	(1,340.49)	(566.64)	(764.57)
Increase / (Decrease) in Trade & Other Payables and Provisions	6,014.46	1,375.43	245.70
<b>Cash Generated From Operations</b>	<b>7,104.80</b>	<b>2,421.13</b>	<b>15.73</b>
Direct Taxes Paid	(865.04)	(527.52)	(304.22)
<b>Net Cash From Operating Activities (A)</b>	<b>6,239.76</b>	<b>1,893.61</b>	<b>(288.49)</b>
Purchase of Property, Plant and Equipment's (Including Capital Work-in-Progress and Advances)	(1,223.11)	(655.82)	(625.06)
Proceeds from Sale of Property, Plant and Equipment	2.87	8.15	6.52
Sale of Investments	-	0.25	-
Investment in subsidiary	-	(0.00)	-
Investment in Associate Company	(0.00)	-	-
Interest Income	36.83	6.48	5.10
Dividend Received	0.22	0.04	0.04
Investments/proceed from deposits with banks	(1,567.34)	(122.49)	(13.98)
<b>Net Cash Used in Investing Activities (B)</b>	<b>(2,750.53)</b>	<b>(763.39)</b>	<b>(627.38)</b>
Proceeds from long term borrowings (Banks)	515.30	1,729.51	4.26
Proceeds from long term borrowings (others)	200.00	-	312.23
Repayment of long term borrowings (Banks)	(904.27)	(437.12)	(348.07)
Repayment of long term borrowings (Others)	(75.00)	(888.75)	(490.00)
Proceeds from finance lease	20.76	6.10	20.89
Repayment of finance lease	(13.11)	(13.54)	(15.02)
Interest expenses / Finance Charges	(1,361.54)	(1,113.04)	(1,244.25)
Inter corporate & other deposits (Net of repayments)	13.19	(31.85)	270.14
Working capital demand loan from banks	(400.00)	(1,050.00)	2,600.00
Working capital Loan from banks- Buyer's Credit	(1,377.63)	(23.57)	881.63
Working capital Loan from banks- Factoring Arrangements	(930.19)	1,174.76	321.61
Issue of Equity Share Capital ( including premium) upon exercise of ESOS	19.74	19.74	19.60
Dividend paid to equity share holders	(78.36)	(46.68)	(38.62)
Dividend Distribution Tax	(16.11)	(9.50)	(7.86)
<b>Net Cash (Used in) / From Financing Activities (C)</b>	<b>(4,387.22)</b>	<b>(683.94)</b>	<b>2,286.54</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(897.99)</b>	<b>446.28</b>	<b>1,370.67</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>177.71</b>	<b>(268.57)</b>	<b>(1,639.24)</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>(720.28)</b>	<b>177.71</b>	<b>(268.57)</b>
Cash and Cash Equivalents for the purpose of Cash Flow			

Particulars	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2017
Cash and Cash Equivalents	220.68	594.50	321.03
Less: Bank Overdraft	(940.96)	(416.79)	(589.60)
<b>Total</b>	<b>(720.28)</b>	<b>177.71</b>	<b>(268.57)</b>

## RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us, or those that we currently believe to be immaterial, may also adversely affect our business, prospects, financial condition and results of operations and cash flow. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and “Financial Statements” on pages 108, 78, 130, and 239, respectively, as well as the other financial information included in this Placement Document. Any potential investor in the Equity Shares should pay attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In making an investment decision, prospective investors must read the risk factors described below carefully and rely on their own examination of our Company on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult with their respective tax, financial, and legal advisors about the particular consequences of an investment in this Issue.*

*This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For further information, see “Forward Looking Statements” on page 17.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2017, 2018 and 2019 included herein is based on the 2017 Audited Financial Statements and the Ind AS Audited Financial Statements, and the financial information included herein for the nine months ended December 31, 2019 (including the comparative financial information with respect to the nine months ended December 31, 2018) is based on the Interim Unaudited Financial Results included in this Placement Document. For further information, see “Summary Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and “Financial Statements”, on pages 38, 130, and 239, respectively.*

*In this section, unless otherwise indicated or the context requires, a reference to “our Company” is a reference to KEI Industries Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to KEI Industries Limited, its Subsidiary, Joint Venture, and Associate, on a consolidated basis.*

### INTERNAL RISK FACTORS

#### **1. Volatility in the availability and price of copper, aluminium, and other raw material could adversely affect our business.**

Our production is substantially reliant on obtaining adequate supplies of raw material at acceptable prices in a timely manner. Principal raw material required for our production processes consists of copper, aluminium, PVC, galvanized iron wire, lead, and XLPE. During Fiscals 2017, 2018, and 2019, and in the nine months ended December 31, 2019, the cost of materials consumed (which is calculated considering cost of material consumed, purchase of stock in trade, excise duty and changes in inventory of finished goods, work-in-progress, and stock-in-trade) accounted for 71.73%, 69.90%, 69.31%, and 69.54%, respectively, of our Company’s revenue from operations. We procure raw material for our production from both, domestic and overseas suppliers. For instance, we procure aluminium from Renukoot, Uttar Pradesh and Mahan, Madhya Pradesh, copper from the United Arab Emirates and aluminium from Malaysia. Further, we usually do not enter into long term supply contracts with our raw material suppliers and typically procure raw material from third parties on a purchase order basis.

Our Company’s revenues and profits significantly depend, therefore, on the prevailing prices of such raw material consumed. The prices of these materials are reliant on the global commodity markets which are, in turn, driven by global supply and demand. These global markets are frequently exposed to wide and fast fluctuations and the prices of commodities such as copper and aluminium have been subject to considerable volatility in recent years and may be subject to fluctuations in the future as well. Volatility may be caused by



supply conditions, weather and environmental conditions, political and economic variables, market demand, production and transportation cost, changes in government policies including duties and taxes and trade restrictions, as well as other unknown and unpredictable variables, which are all factors beyond our control. While these raw material prices are, in part, naturally hedged by the fact that we hold what we believe to be sufficient stocks of raw material and while we also ordinarily attempt to recover copper, aluminium, and other raw material price changes by passing it on to our customers, there is no assurance that we can do so successfully or at all in the future. Additionally, since we do not enter into long term agreements with raw material suppliers, this exposes us to further volatility in the prices of raw materials and we may be unable to pass these costs onto our customers.

Further, we do not ordinarily maintain large inventories of raw material and purchase raw material within shorter periods from raw material suppliers that meet our quality standards and volume requirements. We ordinarily hold inventories of raw material for a period of 23 days. Since we do not hold control over the schedules of our suppliers, we are exposed to the risk of delays, or discontinuation, in the supply of raw material. Any such delay or discontinuation in the receipt of raw material or any shortfall could result in delays or insufficiency in production.

Additionally, during Fiscal 2019, we imported raw materials amounting to ₹ 9,419.90 million, constituting 32.12% of our total expenses incurred on raw materials consumed and purchase of stock in trade, net of changes in inventory of finished goods, work-in-progress, and stock-in-trade during the period. Any restriction on import of raw materials or our inability to source raw material of identical quality from domestic suppliers could have an adverse effect on our ability to deliver products of adequate quality to our customers, which may lead to the loss of our reputation, business and results of operations.

As a result, volatility in raw material prices and shortages in their supply could adversely affect our operating results for a particular period due to the resulting shortfall in revenues and increased manufacturing or component costs.

**2. *We are substantially reliant on our network of authorized dealers and distributors for the non-exclusive sales of our products and our failure to consolidate and add authorized dealers and distributors could have an adverse effect on our business.***

Authorized dealers and distributors act as the primary conduit for our sales to retail customers. As on December 31, 2019, we had a network of 1,602 authorized dealers and distributors. We rely on this network of dealers and distributors for the sales of products across geographies. This distribution network also enables us to expand to newer geographies and to increase penetration within existing geographies. However, we have not entered into any long term agreements or exclusivity arrangements with our authorized dealers and distributors. As a result, they are not contractually obligated to carry our products exclusively or for any period of time. These authorized dealers and distributors may, therefore, purchase products that compete with ours or cease to distribute our products at any point in time. There could be a material adverse effect on our business and our results of operations if any of our large authorized dealers or distributors were to cease the distribution of our products.

Our business is, as a result, dependent on maintaining good relationships with our authorized dealers and distributors and ensuring that they find our products to be commercially remunerative. While we endeavour to continuously engage with these dealers and distributors through engagement programs and have established incentive schemes for their strong performance, there can be no assurance that they shall distribute our products exclusively or continue to carry our products at all. Further, as we endeavour to expand our business, we will be required add new authorized dealers and distributors to our distribution network. As a result, failure to add new authorized dealers and distributors or a downturn in the business of one or more large dealers or distributors could adversely affect our sales and results of operations.

**3. *Defaults on payment obligations for payment credit extended by us to our authorized dealers and distributors, and on channel financing arrangements entered into by them with us, could have a material adverse effect on our business, financial condition and results of operations.***

We have entered into channel financing arrangements with certain banks for loans taken by some of our distributors and dealers. Under this arrangement, we have issued first loss default guarantees in favour of certain banks against loans taken by certain identified dealers and distributors, which would enable them to pay the purchase price of the products sourced from us. Therefore, if our dealers and distributors default in

their payment obligations to these banks under such facilities, we would be liable for repayment to the banks as part of the guarantee obligations which could have a corresponding material adverse effect on our business, financial condition and results of operations. As on December 31, 2019, the outstanding amount under the channel financing arrangements (with recourse) was ₹ 1,220.81 million.

Further, sales to our authorized dealers and distributors are ordinarily on an open credit basis – we ordinarily offer them payment credit for 60 day cycles, without any security required to be furnished by them. To mitigate the risk of non-payments, as a practice, we monitor authorized dealers and distributors for their ability to repay amounts owed to us and set limits for lines of credit extended to them based on our evaluation of each of their repayment records and creditworthiness. Further, we have also taken trade credit insurance to mitigate the risk of non-payments. Despite this, we may still encounter instances of non-payment, leading to us suffering losses against such transactions. We account for such instances of non-payment by provisioning for expected credit losses and doubtful receivables against trade receivables. If the dealers and distributors fail to make payments of amounts owed to us or if the provisions for expected credit losses and doubtful receivables are inadequate, it could result in material adverse effect on our business, financial condition and results of operations.

**4. *Our Company has, in the past, been alleged to have made misrepresentations and inadequate disclosures in relation to the issuance of global depository receipts (“GDRs”), which may subject it to, among other things, further regulatory action.***

Our Company and certain of our Directors, which includes Anil Gupta, Archana Gupta, Pawan Bholusaria, Vijay Bhushan, Vikram Bhartia, and Rajeev Gupta, along with one of our former Directors, Sunil Gupta (“**Noticees**”), received a show cause notice from the SEBI dated June 9, 2017. The SEBI, pursuant to an investigation on the issuance of GDRs by our Company on September 16, 2005, alleged that our Company and our Board attempted to mislead investors in India by deliberately making false / misleading statements. It was alleged that our Company had misrepresented that the GDRs issued had been subscribed to by several investors, while they were actually subscribed to by one entity. It was alleged, further, that the security provided by our Company against the loan taken by the investor for subscribing to the GDRs, had not been adequately disclosed to the stock exchanges. As a result, it was alleged that the Noticees were in violation of the SEBI Act and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.

Our Company, through a letter dated January 30, 2019, proposed settlement terms to the SEBI to settle the alleged defaults and agreed pay a sum of ₹ 17.85 million. The SEBI passed an order on May 16, 2019 settling the adjudication proceedings as per the terms of the letter. Separately, through an order dated February 28, 2019, the SEBI settled the proceedings involving Anil Gupta, Archana Gupta, and Sunil Gupta, who each agreed to pay a sum of ₹ 13.60 million, and Pawan Bholusaria, Vijay Bhushan, Vikram Bhartia, Rajeev Gupta, who each agreed to pay ₹ 1.36 million as settlement amount. These sums have been paid by the respective Noticees. However, in its settlement orders, the SEBI reserved the right to recommence proceedings against the Noticees, in the event that any of the representations provided during the settlement proceedings are subsequently discovered to be untrue, or if any clause, condition, undertaking, or waiver filed as part of the settlement proceedings is breached. In such a case, any proceeding which may be initiated by the SEBI in the future could divert management time and attention and may subject us to further regulatory consequences, including penalties, sanctions, or other remedial measures, and could have a material adverse effect on our business, finances and results of operations, along with our reputation.

**5. *A significant portion of our revenue is derived from the manufacture and sale of wires and cables for power transmission and distribution which transactions, by their nature, are non-recurrent in nature and there is no guarantee that our customers will place new purchase orders with us.***

A significant portion of our Company’s revenues are derived from the manufacture and sale of wire and cable products for power transmission and distribution that are used in power industry and other industries, such as oil and gas, transportation, construction and others. Our customers generally include power transmission and distribution companies, construction companies, and contractors or sub-contractors. Our products are supplied to these companies and / or contractors on a project-by-project and non-recurring basis, and we have not entered into any long-term agreement with them. If our Company is unable to secure new purchase orders from these customers for new projects, our revenue and financial performances may be adversely affected. We cannot assure that our customers will continue to do business with us at the same level or at all. Hence, our future growth and expansion depends on our ability to continue securing purchase orders from our

potential customers and retain our current customers. If any of the major customers substantially reduces the volume of its orders or ceases to conduct business with us, our business operations and financial performance would be materially and adversely affected.

6. ***We face the risk of foreign exchange rate fluctuations, which could adversely affect our results of operations. Such exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.***

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, including largely, the United States Dollar. The revenue generated from our products sold outside India in Fiscals 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 3,793.19 million, ₹ 4,609.08 million, ₹ 5,365.16 million, and ₹ 6,505.02 million, respectively. Further, for Fiscals 2017, 2018, and 2019 and in the nine months ended December 31, 2019, our consolidated expenditure on consumption of imported raw material accounted for 24.09%, 27.10%, 32.58%, and 38.65%, respectively, of our raw material consumption (which is calculated considering cost of material consumed, purchase of stock in trade, excise duty and changes in inventory of finished goods work-in-progress and stock-in-trade). Currency exchange rates between the Rupee and other foreign currencies, including the United States Dollar, have fluctuated in the past and our cost of raw materials and results of operations may be impacted by such fluctuations. Additionally, with the growth of our export sales, operating expenses in connection with our operations outside India will be increasingly denominated in currencies other than Rupees. Any fluctuations in the foreign currency exchange rates may, therefore, have an adverse impact on our results of operations.

Further, a decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition. A future material decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy which in turn, could adversely affect our business and future financial performance.

7. ***We are subject to certain restrictive covenants under our financing arrangements, which may curtail our operational and financial flexibility. If we are not in compliance with the covenants contained in such financing agreements, including obtaining the relevant consents from our lenders for the Issue, our lenders could accelerate their respective repayment schedules, and enforce their respective security interests, which would lead to an adverse effect on our business, financial condition, cash flows and credit rating.***

Certain of our financing agreements impose limits on us or require us to obtain lender consents before, among other things, issuing new securities (including as part of the Issue), undertaking any merger or consolidation, undertaking any new project or scheme for expansion, and changing our business activities. For instance, as per some of our financing arrangements with our lenders, we are required to obtain their prior written consent before changing or altering our capital structure. In addition, these restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. In the event that we breach any of these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition. Such restrictive covenants may restrict our flexibility in managing our business and could, in turn, adversely affect our business and prospects.

We have entered into a working capital consortium agreement dated December 5, 2019 with certain lenders, pursuant to which, we have availed certain working capital facilities. As on the date of this Placement Document, we have made applications for obtaining consents from certain of our working capital lenders to permit the Issue. We are yet to receive this consent from two lenders who are part of this working capital consortium. While our Company intends to obtain the necessary consents in relation to the Issue from such lenders, undertaking the Issue without requisite lender consent would constitute a default by our Company under the relevant financing agreements and will entitle the relevant lenders to call a default against our Company and to enforce remedies under the terms of the financing documents, that include, amongst other things, acceleration of repayment of the amounts outstanding under the financing documents, enforcement of security interests created under the financing agreements, and taking possession of the assets given as security pursuant to the financing documents. An event of default would affect our Company's ability to raise new

funds or renew borrowings as needed to conduct our operations and pursue our growth initiatives. Further, such an event of default could also trigger a cross-default under certain other financing documents of our Company, or any other agreements or instruments of our Company containing a cross-default provision, which may have a material adverse effect on our Company's operations, financial position and credit rating. Consequently, our Company may have to dedicate a substantial portion of its cash flow from operations to make payments under the financing documents, thereby reducing the availability of our Company's cash flow to meet its working capital requirements and use for other general corporate purposes. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts as they fall due.

**8. *Under-utilisation of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

Our Company has five manufacturing facilities that are located in Rajasthan and Dadra and Nagar Haveli. Capacity utilisation at these manufacturing facilities is affected by the availability of raw materials and industry / market conditions as well as by the product requirements of, and procurement practice followed by, our customers. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization at our manufacturing facilities, which would result in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, we regularly undertake additional investments for the expansion of our manufacturing capacities. We have, for instance, in anticipation of increased demand, recently set-up a manufacturing facility at Chinchpada, Silvassa in Dadra and Nagar Haveli for the manufacturing of housing wires. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilise our expanded capacity efficiently.

In Fiscals 2017, 2018 and 2019, and in the nine months ended December 31, 2019, our Company's overall capacity utilization at its manufacturing facilities was as follows:

Particulars	Capacity utilization (as a % of installed capacity as on March 31, 2017)*	Capacity utilization (as a % of installed capacity as on March 31, 2018)*	Capacity utilization (as a % of installed capacity as on March 31, 2019)*	Capacity utilization (as a % of installed capacity as on December 31, 2019)*#
Cable	77.24	81.90	81.79	82.64
Wires	50.43	64.85	83.78	68.39
Stainless steel wires	84.48	90.39	91.95	90.30

\* The capacity utilization has been calculated based on the closing capacity for Fiscals 2017, 2018 and 2019, and in the nine months ended December 31, 2019.

# Annualization has been done in calculating capacity as on December 31, 2019.

For further information, see "Business – Manufacturing Facilities" on page 119. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, customer preferences, our ability to manage our inventory and implement our growth strategy of improving operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

**9. *We may, from time to time, look for opportunities to enter into strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.***

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. For instance, our Joint Venture is a joint controlled entity which is a joint venture between our Company and Brugg Kabel AG, Switzerland. Such alliances or acquisitions may not contribute to our profitability, and in the case of an acquisition, we may be required to incur or assume debt, or additional expenses beyond our forecasts or assume contingent liabilities, as part of any acquisition. Further, we may

not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy. Such alliances may also give rise to unforeseen contingent risks relating to these businesses that may only become apparent after commencement of operations under such alliances. In the event that the alliance does not perform as estimated, or the inability on the part of our joint venture partner to meet the customer requirements may lead to a failure of such an arrangement which may adversely affect our business.

**10. *Our business requires that we obtain and renew certain licenses and permits from government, regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.***

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. These include, among others, consents to establish and consents to operate from the state pollution control boards, environmental clearances from the Ministry of Environment, Forest and Climate Change, registration and licenses issued under the Factories Act, fire no objection certificates from municipal authorities, and registration under the BIS Act. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. For instance, our Company has made an application for a certificate for the use of a boiler at the Bhiwadi Facility, the approval for which has not been received as yet. If we do not receive such approval(s) or are not able to renew the approval(s) in a timely manner, our business and results of operations may be adversely affected. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations.

**11. *Our failure to be awarded EPC projects or our failure to satisfactorily execute projects for our customers under the EPC projects segment may negatively impact our results of operations and financial performance in the future and may result in material financial penalties.***

Our Company undertakes EPC under the EPC projects segment, under which, we provide turnkey solutions to our customers primarily for projects with significant cabling requirements. Our performance in this business segment is dependent on our ability to win bids for projects, for which, we are required to compete with other EPC solutions providers based on factors such as pricing and technical expertise. We may be unable to compete with those solutions providers that may have greater financial resources, a more established EPC business presence, or a longer track record of operations, among others.

Even where we are awarded projects, there may be delays in the completion of the projects in accordance with timelines due to factors such as increase in the cost of raw material or manpower; adverse weather conditions; or other factors outside our control. Contracts for such projects also generally include material financial penalties for non-performance on our part. While we have engaged consultants for systems and process / procedure updation to enable us to enhance our EPC capabilities, there can be no assurance that there will be no delays in the completion of our EPC projects or that they will be completed to our customers' satisfaction, which may affect our business, prospects, financial condition and results of operations.

**12. *Our Company's order book may not be an accurate representation of our future results. Our actual income may be lesser than the estimates reflected in our order book, which could adversely affect our results of operations.***

The details of our Company's order book included in this Placement Document are not audited and may not be an accurate representation of our future earnings. Therefore, our order book should not be considered in isolation or as a substitute for performance measures. As of December 31, 2019, our Company had an order book of ₹ 41,262.53 million, which comprises 76 EPC and EHV projects.

We may not be able to achieve our expected margins and may even suffer losses on one or more of the EPC contracts. We may also not be able to realise the revenues which we anticipate in these projects. There may also be instances where there is a change in project schedule, and so, it cannot be estimated with certainty as to when, or if, the projects in our order book will be performed. There may also be instances where, even where a project proceeds as scheduled, our customers may default in paying amounts due. Therefore, we cannot assure you that the income anticipated in terms of our order book will be realized on time, or at all. Factors beyond our control, or that of our clients, such as failure to obtain necessary environmental permits or authorizations may also cause delays in project timelines. In certain instances, projects may also be cancelled, which could reduce the amount of our order book and the income and profits that we ultimately earn. Any such delay, cancellation or payment default could have a material adverse effect on our business, results of operations and financial condition. If any or all of these risks materialize, our business, prospects, reputation, profitability, financial condition and results of operations may be materially and adversely affected.

**13. Our Company had negative cash flows in the past years. Sustained negative cash flow could impact our growth and business.**

Our Company has, in the past, experienced negative cash flows. The details of our cash flows for Fiscals 2017, 2018, and 2019, on a consolidated basis, have been set out below:

<i>(in ₹ million)</i>			
Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019
Net cash generated from / (used in) operating activities	(288.21)	1,907.30	6,226.03
Net cash generated from / (used in) investing activities	(627.38)	(763.39)	(2,750.53)
Net cash generated from / (used in) financing activities	2,286.54	(689.59)	(4,381.77)
<b>Net increase in cash and cash equivalents</b>	<b>1,370.95</b>	<b>454.32</b>	<b>(906.27)</b>

Cash flows of a company are a key metric in establishing the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, see the sections titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Statements*” on pages 130 and 239, respectively.

**14. We are subject to risks associated with our international operations, and our inability to handle these risks could negatively affect our sales to customers in foreign countries as well as our operations and assets in such countries.**

For the nine months ended December 31, 2019, we exported our products to over 45 countries and have established international operations through marketing / project offices in the United Arab Emirates, Nepal, and Gambia, our Subsidiary in Australia, and our Associate in South Africa. For Fiscals 2017, 2018, and 2019 and the nine months ended December 31, 2019, 13.39%, 13.16%, 12.68%, and 17.92%, respectively, of our total segment revenue, was from outside India.

Our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These include:

- Compliance with local law, including legal constraints on ownership and corporate structure, environmental, health, safety, labour, and accounting laws, may impose onerous and expensive obligations on our Subsidiary;
- Demand for our products by customers outside India; and
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate.

Any of these risks, and our inability to manage these risks, could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

**15. *Our advertising and brand promotion campaigns may not be effective in increasing our brand awareness.***

An important facet of our business strategy is to build brand awareness through advertising and other forms of brand promotion. We believe that increased spending on advertising and brand promotion through various communication channels is significant for our growth in the domestic retail market and for higher brand visibility. We intend to make sustained investments in social media and mass media channels, such as regular TV commercials to promote our products. In line with this strategy, we have also entered into an agreement with a sports franchise participating in a renowned cricket tournament in India to act as their principal sponsors and have engaged public relations agencies for media advertisements.

However, these marketing and promotional efforts may not necessarily be effective in the manner contemplated by us and may, as a result, fail to attract new customers or retain existing customers. We may also fail to broach new geographies and penetrate further within existing geographies if our advertising and promotional efforts are unsuccessful or are not appropriately customized to appeal to the target market. Such advertisements may also be subject to regulatory scrutiny and litigation. We have, for instance, in the past, been threatened with legal action through notices sent by certain advocates for an advertisement which was alleged to have caused disrepute to the legal community. As a result of these factors, our advertising may not achieve the intended effect, may not be as effective as that of our competitors, or expose us to legal or regulatory scrutiny, which would have a material adverse effect on our business, results of operations and financial condition.

**16. *We may be unable to adequately protect our intellectual property and may be subject to the risk of infringement claims.***

We rely on a combination of registered trademarks and other unregistered rights under the Trade Marks Act, 1999 to protect our rights over our brands and products. For further information, see “*Business – Intellectual Property Rights*” on page 127.

Further, we have also applied for registration for the device mark ‘*homecab*’ under class 9 and the device mark and word mark ‘*KEI*’ under classes 7, 11, and 35. Despite us having made applications for these trademarks, we cannot assure you that we will be able to successfully obtain registration for these in a timely manner, or at all. We may also not be able to prevent wrongful use of these trademarks and a passing off action under trademark law may not provide sufficient protection. Further, if any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. We monitor the use of our intellectual property and also take legal action for the protection of such intellectual property, and so, we may also incur significant costs in connection with legal actions relating to such rights.

Additionally, given the nature of products sold by us, our products are susceptible to counterfeiting or imitation. For instance, our Company filed a first information report against Shivkumar Tyagi for the sale of counterfeit ‘*KEI*’ branded electrical wires through his store, in violation of the provisions of the Trade Marks Act, 1999. For further details, see “*Legal Proceedings*” on page 234. Our failure to detect counterfeiting or imitation of our own brand products and trademarks and to mitigate the adverse impact from such counterfeiting and imitation could result in a decrease in our sales volume, market share, goodwill, or reputation. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management’s attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business, results of operations and financial condition.

**17. *If we fail to ensure the confidentiality of our technical knowledge and process know-how, we may suffer a loss of our competitive advantage.***

We possess extensive technical knowledge of our products and such technical knowledge has been developed through our own experience. This technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights, such as patent registration or design registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked (either inadvertently or wilfully), at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. The potential ill-effects from such disclosure are increased as our products are not patented, and thus, we may have no recourse against copies of our products that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the sector in which we operate could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

**18. *We are exposed to costs and expenses due to potential product liability claims.***

We may be subject to costs and liabilities owing to product liability claims made against us. Our business faces an inherent risk of product liability claims or for the recall of our products, in cases where our products fail to function in the manner expected, particularly where such failure to perform results in bodily harm or damage to property, or both. While our Company maintains product liability insurance coverage, which we believe to be of an adequate quantum, we may be unable to obtain such insurance coverage of an adequate quantum in future, or on terms acceptable to us, or at all.

Further, since our products are major components used in the power sector and other industries such as oil and gas, infrastructure, and construction, any defects or malfunction in our products or the failure of our products to meet our customers' specifications could lead to damage or losses to our customers. This may result in consequences such as large scale power outages or fire breakouts leading to potential loss of life and property. While we undertake inspection of these products prior to their dispatch, in such instances, if our products are found to be defective, we could be required to compensate our customers and victims for such losses, damages, and personal injuries. This may also lead to litigation against us which could result in management attention being diverted and our Company having to incur significant expenses. As such, any successful product liability claim against us could have an adverse effect on our business, prospects, financial condition and results of operations.

**19. *We may be unable to obtain sufficient compensation, or any compensation at all, from suppliers for any defective raw materials that may be supplied for our products.***

Our wires and cables come in various standard sizes, dimensions, and other specifications and we also tailor our products to the specifications of our institutional customers. Given this, the quality of our final product is heavily reliant on the raw materials we source from our various third party suppliers for to be able to manufacture. Although we have a well-defined procurement procedure, based on which we only source our raw material from a pre-approved list of suppliers and we communicate with them on a regular basis and inspect the raw material to ensure that these meet our quality specifications, in the event that we are subject to product liability claims arising out of the use of substandard or defective raw material we sourced from third party suppliers, we may not be able to assert any claim against the relevant supplier and we may, therefore, be solely responsible for compensation and bearing the damages for our defective final products. Our reputation, business and results of operations may, in such situations, be adversely affected.

**20. *Our Company operates in a highly competitive industry. Failure to compete effectively may have an adverse impact on our business, financial condition, results of operations and prospects.***

We face significant competition in our business from other manufacturers and suppliers. For details, see "Industry Overview" on page 78. The industry and markets in which we operate are affected by factors such as technological change, the development of new products and their obsolescence, and evolving industry standards. Some of our Company's competitors in the industry may also have greater design, manufacturing, financial capabilities, or superior resources. We primarily compete with such competitors based on:

- product functionality, quality and reliability;
- design, technical, research and production capabilities;
- ability to meet customers' order requirements and delivery schedules;
- distributor, dealer and customer relationships and services; and



- product price.

There can be no assurance that we will be able to maintain our competitiveness in any of these areas with respect to any of our products. Our Company's customers may opt to transact with our competitors instead of our Company or if our Company fails to develop and provide the technology and skills required by its customers at a rate comparable to its competitors. While we work continuously to mitigate pricing pressures, develop and manufacture new products, improve our technological capabilities, and enhance our services and production efficiency, such efforts may not be successful. Further, we may face strong competition from other players in the same markets, as we seek to expand our product and service portfolio. Many of our existing and potential competitors may seek to equal or exceed us in terms of their financial, production, sales, marketing and other resources. If we fail to compete effectively in the future, our business and prospects could be materially and adversely affected.

**21. *We rely on the demand for wires and cables from sectors such as power and infrastructure. Any downturn in these sectors could have an adverse impact on our business, growth and results of operations.***

A significant market for our products lies in the power and infrastructure sectors, wherein they are used for, among others, transmission and distribution of electricity and for installation at construction sites by customers such as infrastructure companies and general contractors. The demand from such customers is, therefore, substantially dependent on the demand and supply dynamics in these respective sectors. As a result, the demand for our products may fluctuate according to the cycles of power and infrastructure expansion and upgradation.

For instance, the demand for wires and cables is significantly influenced by infrastructure development, construction of new housing, schemes for power for all, and replacement demand for wires and cables. Increased focus on Government schemes for affordable housing such as the Pradhan Mantri Awas Yojana, healthcare, and education are also significant determinants for demand for wires and cables. Similarly, increased governmental thrust towards enhanced power availability and accessibility through schemes such as Deendayal Upadhyaya Gram Jyoti Yojana for achieving rural electrification, Integrated Power Development Scheme for strengthening sub-transmission and distribution networks, and Pradhan Mantri Sahaj Bijli Har Ghar Yojana for achieving universal household electrification are expected to be significant for demand (*Source: CRISIL Report*).

On the other hand, the demand for our products is also affected by the business performance of our customers and / or their ultimate employer in the power industry and the construction industry, which is beyond our control. Our customers' business could underperform due to a number of factors, such as changes in their business strategies, failure to develop successful marketing strategies, changes in the market demand for their services and adverse market or economic conditions in the markets in which our customers operate. If our customers experience underperformance or are under financial difficulties, they could reduce their purchases from our Company, which could have a material and adverse impact on our business, results of operations, financial conditions and prospects.

**22. *Our manufacturing facilities are critical to our business. Prolonged outage of operations, including due to breakdown of machinery at our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.***

The majority of our revenue is derived presently from products manufactured at our manufacturing facilities, due to which, any disruption in the functioning of our manufacturing facilities may result in production shutdowns. These facilities are subject to certain operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government and regulatory authorities. The occurrence of any of these risks and particularly, any significant malfunction or breakdown of our machinery, could significantly affect our operating results. Further, the electricity requirements at our manufacturing facilities are directly sourced from local utilities. While we maintain power back-up in the form of diesel generator sets, we cannot assure you that we will successfully be able to prevent disruptions in our manufacturing processes in case of non-availability of adequate supply of power. Long periods of disruption due events such as this could result in a loss of customers.

Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects. While we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to adverse events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities which, in turn, may have an adverse effect on our business, results of operations and financial condition.

**23. *The land and premises for our Registered and Corporate Office and certain of our manufacturing facilities are taken on lease by us. If we are unable to renew existing leases or relocate operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition, result of operations and cash flows.***

Some of the premises on which we operate are not currently owned by us. Our Registered and Corporate Office, located at D-90, Okhla Industrial Area, New Delhi is situated on premises that have been leased out to us pursuant to a lease agreement dated July 1, 2018 entered into by us for a period of nine years. Our Bhiwadi Facility is situated on premises occupied on a long term lease basis, for a period of 99 years, pursuant to three separate lease agreements entered into between our Company with the Rajasthan State Industrial Development & Investment Corporate Limited (“RIICO”), under which the leases commence effective August 24, 1991, March 28, 1995, and 2001, respectively. Similarly, our Chopanki Facility is situated on premises occupied by us on a long term lease basis, for a period of 99 years, pursuant to five separate lease agreement entered into between our Company and RIICO, in terms of which, the lease commences from September 26, 2005. Additionally, our Pathredi Facility is situated on land leased by us on a long term lease basis for a period of 99 years from RIICO, in terms of which the lease period commences from May 24, 2010. For details, see “Business – Property” on page 128.

Upon expiration of the relevant agreement for each such premise, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. Further, some of our lease deeds for our properties may not be registered and some of our lease deeds may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. In the event that these existing leases are terminated or they are not renewed on commercially acceptable terms or at all, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

**24. *We operate in a labour intensive industry and are subject to labour law and may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.***

Our industry is labour intensive. The success of our operations depends on availability of labour and maintaining a good relationship with our workers. Our success also depends on our ability to attract, hire, train and retain skilled workers who are experienced in wire and cable manufacturing processes. As of December 31, 2019, we employed 626 full time personnel and 3,395 contractual workers across our various manufacturing facilities. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. Further, if we or our contractors are unable to negotiate with our labour force or their sub-contractors, it could result in work stoppages or increased operating costs due to higher than anticipated wages or benefits. We may also have to incur additional expense to train and retain skilled labour. Any labour unrest experienced by us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay, disruption, or shortage of labour, our business, results of operations and financial condition could be materially and adversely affected.

We are also subject to stringent labour law that attempts to protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. The Government of India is also seeking to enact the Code on Wages, 2019 which, once in force, will repeal the Payment of Wages Act, 1936, the

Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 and prescribe universal minimum wages and timely payment of wages to all employees irrespective of the sector and wage ceiling. If labour laws become more stringent, it may become more difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

**25. *Our Company's production capacity may not correspond precisely to its production demand which may affect our results of operations.***

For Fiscal 2019, we maintained an inventory of finished goods of 6.95% of our revenue from operations. While we manufacture a significant portion of our products based on confirmed orders received, our customers may require that we have a certain percentage of excess capacity that would allow our Company to meet unexpected increases in purchase orders. On occasion, however, customers may require rapid increases in production beyond our Company's production capacity and we may not have sufficient capacity at any given time to meet sharp increases in these requirements. On the other hand, at times there is also the risk of the underutilization of the production line, which may result in lower profit margins. To soften the impact of this, our Company closely coordinates with customers to have in place regular capacity reports and action plans for common reference and future capacity utilizations. Our Company also closely collaborates with its customers to understand the required technology roadmaps, anticipate changes in technological requirements, and discuss possible future solutions. Further, we estimate quantities to be manufactured for customers through the retail channel based on historic trends and demand data and forecasts provided to us by our authorized distributors and dealers, which is used to extrapolate the expected future sales pattern. However, any mismatch in production demand and our production capacity can adversely affect our profitability or results of operations, including in the excess inventory of our products or the unavailability of our products during increased demand.

**26. *We have substantial requirements for power and fuel for our manufacturing facilities and any disruption in the supply or increase in tariff may adversely affect our business, results of operations, and financial condition.***

We have significant power and fuel requirements for our manufacturing facilities. Our power and fuel costs represent a significant portion of our revenue and for Fiscals 2017, 2018 and 2019, and in the nine months ended December 31, 2019, represented 1.37%, 1.26%, 1.28%, and 1.31%, respectively, of our revenue from operations. In a situation where our costs towards power and fuel were to increase or if there were any disruption in their supply to our manufacturing facilities, it could have an adverse effect on our business, results of operations, and financial condition.

We depend on third parties for our power and fuel requirements and source most of the electricity from state electricity boards. Any disruptions in the supply of such electricity, increase in tariffs, or decline in the quality of electricity supplied to us could significantly affect our cost of production and profitability.

Further, due to the occurrence of any natural disasters or adverse conditions that may occur in the geographical areas in which our manufacturing facilities are located, if there were to be a disruption in supply of fuel or electricity, we may need to shut down our manufacturing facilities till such time that adequate supply of electricity is not restored. For further details, see "*Risk Factors – The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*" on page 64.

**27. *We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have a material adverse effect on our results of operations and financial condition***

Our business is capital intensive and we constantly endeavour to expand and upgrade our existing production facilities. For Fiscals 2017, 2018 and 2019, and in the nine months ended December 31, 2019, our capital expenditure, expressed in our financial statements as additions to property, plant and equipment and intangible assets (net of rebates, where applicable) was ₹ 609.69 million, ₹ 640.57 million, ₹ 1,211.48 million, and ₹ 854.27 million, respectively. The actual quantum and the time at which our capital requirements arise may differ from estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays,

technological upgradation, and additional market developments. Towards meeting our capital expenditure plans, our sources of finance may include incurring debt or issuing equity or debt securities, or a combination of both. If we decide to raise additional funds through debt, our interest and debt repayment obligations shall increase, which could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Equity issuances would result in a dilution of shareholding. In certain cases, a significant amount of our working capital is required to finance the purchase of materials and the undertaking designing, manufacturing and other work before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment cycles. These factors may result in increases in the amount of our receivables and short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

Additionally, our ability to obtain additional financing on favourable commercial terms shall depend on various factors, including, amongst others, our results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions in the markets where we operate, our credit rating, and the general condition of the debt and equity markets.

***28. Our business is exposed to counterparty risks in our contracts and the ability of such counterparties to perform is dependent on, among other things, economic conditions that are beyond our control.***

Our Company has executed various contracts including, contracts with dealers, distributors, vendors, suppliers, and customers. As a result, we are dependent on, among other things, whether such contracts will be performed by the relevant counterparties. We cannot assure you that these will be fully performed by the counterparties. If they do not perform their obligations under the relevant contracts, our business, financial condition and results of operations could be adversely affected.

***29. Failure or disruption of our information technology ("IT") systems may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various IT solutions and / or enterprise resource planning solutions to cover key areas of our operations. We intensively use technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase. For details of the information technology related initiatives of our Company, see "*Business – Information Technology*" on page 127.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) of our business or lead to disclosure of, and unauthorized access to, sensitive Company information which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects. Any failure of our IT systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

***30. This Placement Document contains information from an industry report which we have commissioned from a third party. There can be no assurance that such third-party statistical, financial and other industry data is either complete or accurate.***

This Placement Document includes information that is derived from the CRISIL Report prepared by CRISIL Research, a division of CRISIL Limited, pursuant to an engagement with our Company. We commissioned this report for the purpose of confirming our understanding of the wires and cables industry in India. None of our Company, the BRLMs or any other person connected with the Issue has independently verified such information. The CRISIL Report also includes certain industry and market data, which may be subject to limitations and assumptions that are subjective in nature. Further, such limitations and assumptions may change based on various factors. We cannot assure you that limitations and assumptions set out in the CRISIL Report are correct or will not change and, accordingly, our position in the market may differ from the manner presented in this Placement Document.

**31. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have declared and paid dividend in the past. Our Board approved and adopted a formal dividend policy on May 17, 2018, in accordance with the SEBI Listing Regulations. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and further subject to approval by our Shareholders and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. As a result, we cannot assure you that we will be able to pay dividends in the future. For further information on the dividend paid by the Company during the last three years, see “Dividend” on page 77.

**32. *Our Promoters have significant control over us and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

As on December 31, 2019, our Promoters, together with the members of the Promoter Group, beneficially own 45.59% of our issued and paid up Equity Share capital. The Promoters have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and directors and change of control transactions. The Promoters’ control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in the Company’s best interest. The Promoters and members of the Promoter Group may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

**33. *The manufacturing, distribution and widespread acceptability of our products is substantially dependent upon our receipt of certain certifications and quality accreditations that are valid for a limited time period and in our ability to maintain an effective quality control system.***

In terms of the Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003, the manufacture, storage for sale, sale and distribution of electrical wires, cables, appliances, protection devices (including low voltage switchgear and fuses) that do not conform to the standards specified in such order and that do not bear the standard mark issued by the BIS is prohibited. Further, an important facet of our business involves acquiring and maintaining quality certifications and accreditations from independent certification entities. Our Company received the ISO 9001:2015 accreditation for the certification and approval of the quality management system and the ISO 14001:2015 accreditation for environment management system. Further, in addition to our R&D facility being accredited with the NABL to be in compliance with ISO/IEC 17025:2005 in respect of general requirements for the competence of testing and calibration laboratories for electrical testing, certain of our manufacturing facilities also have the ISO 14001:2015 certification for environment management system, the OHSAS 18001: 2007 certification for occupational health and safety management and the ISO 9001:2015 certification for the certification and approval of the quality management system.

While our ability to manufacture and sell our products is entirely reliant on receipt of BIS registrations for each of our products, receipt of certifications and accreditations under the standards of quality is important for the success and wide acceptability of our products. If we fail to comply with the requirements for the BIS registrations and applicable quality standards, or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

**34. *We regularly work with hazardous material and the activities in our operations can be dangerous, which may result in injuries or damage to property.***

As part of our operations, both at our manufacturing facilities and the sites for our EPC operations, individuals are exposed to working under potentially dangerous circumstances, including with flammable material. Due to this, if sufficient care and caution is not exercised, if products malfunction, or owing to *force majeure* circumstances, it may result in harm to individuals or property. Despite compliance with safety norms, our

operations remain subject to significant hazards, including explosions; fires; discharges or releases of hazardous substances, chemicals, or gases; and other environmental risks. Any loss or shutting down of our facilities, manufacturing or delivery delays, environmental damage, imposition of liabilities, or negative publicity to us due to such incidents could adversely affect our results of operations, financial condition and reputation. We could also face other claims and litigation filed on behalf of persons alleging injury predominantly due to occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, financial condition, results of operations and cash flows could be adversely affected. Further, while we have obtained insurance which we believe to be in line with industry practice, there can be no assurance that such insurance policies will provide adequate coverage in the event of a claim. An accident may result in personal injury to our employees or the labour deployed at our facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities and bring negative publicity to us. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations and financial condition could be adversely affected.

**35. Our continued success is dependent on our senior management and skilled manpower. Our inability to attract and retain key personnel or the loss of the services of our Promoter, Anil Gupta, or our Executive Directors may have an adverse effect on our business.**

Our Promoter and Chairman-cum-Managing Director, Anil Gupta, Executive Directors, and other senior management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be unable to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel, including engineers and corporate management professionals who have the required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the requisite expertise and we may not be able to satisfy the demand from customers for our services because of our inability to successfully hire and retain qualified personnel. For every new product we expand into, we require suitably skilled personnel.

Such skilled personnel may also not be easily available in the market. In addition, as some of our key personnel approach retirement age, we need to have appropriate succession plans in place and to successfully implement such plans. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

**36. Our Company has certain contingent liabilities that have not been provided for in our financial statements which, if they materialize, may adversely affect our financial condition.**

As of March 31, 2019, our contingent liabilities and commitments were as follows:

		(in ₹ million)
Particulars	Amount	
<b>Claims against the Company, its Subsidiary, Associate and Joint Venture not acknowledged as debt</b>		
Sales Tax/Entry Tax demands under appeal		9.49
Income Tax Matters:		
Demand due to Additions/disallowances during Assessments, which are under Appeal		13.67
Excise/Service tax demands under appeal		81.53
Misc. claims against the Company, its Subsidiary, Associate and Joint Venture in labour court		1.07

Particulars	Amount
<b>Guarantees against Performance/Security Deposit/EMD:</b>	13,569.71
<b>Other money for which Company is contingently liable:</b>	
Unutilized Letter of Credits	275.44
Outstanding LC Discounted	577.87
<b>Commitments:</b>	
Estimated amount of contracts remaining to be executed on Capital Account	302.93
<b>Total</b>	<b>14,831.71</b>

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

**37. Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.**

Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS and Indian GAAP financial statements, which are included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

**38. Failure to identify and address changing industry trends and preferences and to innovate to meet changing customers' demands may materially adversely affect our business.**

Our products may be rendered obsolete or less attractive due to changes in consumer preferences, such as the increased use of renewable sources or energy, regulatory or industry requirements, or due to development of enhanced technologies by our competitors. Our ability to anticipate such changes and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological know-how that will enable the development of our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business, results of operations and cash flows may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly. Further, the development of new or improved products or technologies by our competitors may render our products obsolete or less competitive.

To keep abreast of the most updated technology and respond effectively to changing customer preferences and requirements, we must be able to develop and produce new products to meet our customers' demand in a timely manner. While we continuously seek to launch new products, there can be no assurance, that these new products will be successful with our customers or that we will be able to install and commission the equipment needed to produce products for our customers in time for the start of production. As a result, we may incur and have in the past incurred capital expenditures to develop products to meet customer demands and those demands may be delayed at the customers end due to delays in product launches. Our failure to successfully develop and produce new products could materially adversely affect our results of operations and cash flows.

**39. We have entered into certain transactions with related parties in the past and may continue to do so in the future. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.**

We have entered into certain transactions with related parties, including our Promoters, Subsidiary, Joint Venture, Associate, key management personnel (in terms of the Companies Act, 2013), and relatives of our Promoters, Directors, and key management personnel, and may continue to do so in the future. For further information, see "Financial Statements" on page 239. While we believe that all such transactions have been

conducted on an arms' length basis, there can be no assurance that we would not have achieved more favourable commercial terms with other parties. Furthermore, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

**40. *We are unable to trace a copy of the Form 32 which had been filed with the RoC in relation to the appointment of Anil Gupta.***

We are unable to trace a copy of the Form 32, the form for filing particulars of the appointment of directors, in relation to the appointment of Anil Gupta as a first director of the Company. While information in relation to such appointment, has been disclosed under “*Board of Directors and Senior Management*” in this Placement Document, based on the memorandum and articles of association currently available with us, we may not be able to furnish any further document evidencing such appointment. Therefore, we cannot assure you that we have adequately reflected all such requisite disclosures, or that we have not inadvertently omitted any clarification or additional information that we may have been in a position to disclose, had we been able to trace the complete set of documentation in relation thereto. While we believe that this Form 32 had been filed with the RoC in a timely manner, we cannot assure you that we will not undergo any regulatory scrutiny in the future, with respect to our compliance with the applicable form filing and related requirements, in connection with the foregoing.

**RISKS RELATING TO INDIA**

**41. *Most of our revenue is derived from business in India and a slowdown in economic growth in India could cause our business to suffer.***

We derive most of our revenue from our operations in India, accordingly, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

India's gross domestic product is estimated to have grown at a compounded annual growth rate of 7.1% between Fiscals 2012 and 2019, to ₹ 140.80 trillion. In Fiscal 2019, however, GDP growth reduced to 6.8% from 7.2% in Fiscal 2018. This was attributable to slower increase in government consumption and rate of change in stocks on the demand side, and broad-based slowdown in growth across sectors such as agriculture, mining, electricity and other utilities, trade, hotels, transport and communication services, and public administration, defence, and other services, on the supply side (*Source: CRISIL Report*). A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

**42. *Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of the Equity Shares.



Developments in the Eurozone have aggravated the ongoing global economic crisis. Large budget deficits and rising public debts in Europe have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and / or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

**43. *Investors may have difficulty enforcing foreign judgements against us or our management.***

Our Company is a company incorporated under the laws of India. All our Directors and Senior Management Personnel are residents of India. Majority of our assets are located in India. As a result, it may be difficult for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained in courts outside India against them.

Recognition and enforcement of foreign judgements is provided for under Section 13 of the Code of Civil Procedure, 1908 (“**Civil Code**”) on a statutory basis. Section 13 of the Civil Code provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, between the same parties or between parties under whom they or any of them claim litigating under the same title except (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) where the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; or (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the Civil Code, such presumption may be displaced by proving that the court did not have jurisdiction.

Section 44A of the Civil Code provides that where a foreign judgement has been rendered by a superior court, within the meaning of that section, in any country or territory outside India which the Government of India has by notification declared to be in a reciprocating territory, it may be enforced in India as if the judgement had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees or judgements which are not of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalty and does not include arbitral awards.

The United Kingdom, Republic of Singapore and Hong Kong are amongst those countries which have been declared by the Government of India to be reciprocating countries for the purposes of Section 44A of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Further, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under FEMA to execute such a judgement or to repatriate any amount recovered. For further information, see “*Enforcement of Civil Liabilities*” on page 18.

**44. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

In the recent past, India has experienced fluctuating wholesale price inflation as compared to historical levels due to the global economic downturn. The Consumer Price Index declined from 4.5% (average) in Fiscal 2017, to 3.6% (average) in Fiscal 2018, and to 3.4% (average) in Fiscal 2019. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, prices of raw materials or any other expenses that we incur. We cannot assure you that we will be able to pass on any additional expenses to our patients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

**45. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**46. *Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.***

Any adverse revision to the rating of India's domestic or international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

## **RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES**

**47. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in accordance with Regulation 176 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). This price will be determined on the basis of applicable law and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to resell the Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

**48. *The price of the Equity Shares may be volatile.***

The trading price of the Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in

our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

**49. *Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.***

Our Company may be required to finance its future growth and business requirements through additional securities offerings. Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares, including sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares. In addition, any perception by investor that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**50. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

**51. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of our Equity Shares between non-residents and residents and issuances of shares to non-residents by our Company are freely permitted (subject to certain exceptions), subject to compliance with certain applicable pricing and reporting requirements. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

**52. *Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date.***

In terms of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investor's demat account with the depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that

material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of *force majeure*, material adverse changes in the business, results of operation or financial condition of the Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. The Company may complete the Allotment of the Equity Shares even if such events may limit the investors' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

**53. *The Equity Shares are subject to transfer restrictions.***

The Equity Shares that are being offered are not required to be registered under the U.S. Securities Act. Therefore, the Equity Shares may be transferred or resold only in a transaction registered under or exempted from the registration requirements of the U.S. Securities Act and in compliance with any other applicable securities laws. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of Allotment of the Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on a recognized stock exchange and may not enter into any off-market trading in respect of these Equity Shares. There is no assurance that the restriction will not have an impact on the price and liquidity of the Equity Shares.

**54. *There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including, our financial results and the financial results of the companies in the businesses we operate in; the history of, and the prospects for, our business and the sectors in which we compete; the valuation of publicly traded companies that are engaged in business activities similar to us; and significant developments in India's economic liberalization and deregulation policies. The Indian securities markets are smaller and more volatile than securities markets in more developed economies. In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. The governing bodies of Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

**55. *Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can commence trading in the Equity Shares Allotted to them only after they have been credited to the demat account and are listed and permitted to trade. Investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

**56. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.***

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity

Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

**57. *There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, which may affect a shareholder's ability to sell any of the Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares shall not be granted until after those Equity Shares have been issued and allotted. While we have received in-principle approval from recognized the stock exchanges with nationwide trading terminals, the NSE and BSE, on January 23, 2020, the final listing and trading approval require all relevant documents authorizing the issue of Equity Shares to be submitted in a timely manner to the Stock Exchanges. There could be a failure or delay in the submission of required documents to the Stock Exchanges or processing of the application for approval and the subsequent listing of the Equity Shares, which would restrict your ability to dispose of your Equity Shares.

**58. *We may not be able to utilise the proceeds from this Issue in the manner set out in this Placement Document in a timely manner or at all.***

Our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy. For further information in relation to the objects of the Issue, see "Use of Proceeds" on page 71. Further, the objects of the Issue have not been appraised by any bank or financial institution. While as required under the SEBI Listing Regulations, we will continue to disclose annually our utilization of the proceeds from the Issue in our annual report, we cannot assure you that the utilisation of proceeds shall be in the manner set out in this Placement Document. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Placement Document in a timely manner or at all.

**59. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the proceeds received by Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years, in particular has significantly depreciated in the year 2018, and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

## MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE, the NSE, and CSE.

On January 22, 2020, the closing price of Equity Shares on the BSE and the NSE was ₹ 517.90 and ₹ 521.90 per Equity Share, respectively, and there has been no trading on CSE on such date. Since the Equity Shares are available for trading on the BSE and the NSE, the market price and other information for the BSE and the NSE has been given separately.

- (i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE, the NSE, and CSE, on the dates on which such high and low prices were recorded for Financial Years ended March 31, 2017, March 31, 2018 and March 31, 2019:

### BSE

Financial Year ended	High (₹)	Date of high <sup>(1)</sup>	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ in million)	Low (₹)	Date of low <sup>(2)</sup>	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ in million)	Average price for the year (₹) <sup>(3)</sup>
2017	186.80	February 14, 2017	452,741	81.06	94.50	June 24, 2016	292,658	29.99	125.76
2018	423.45	December 12, 2017	442,511	180.39	184.00	April 3, 2017	172,256	32.95	299.64
2019	494.80	May 30, 2018	39,966	19.30	248.40	October 23, 2018	15,001	3.78	388.23

(Source: [www.bseindia.com](http://www.bseindia.com))

#### Notes:

(1) High of intraday high.

(2) Low of intraday low.

(3) Average price for the year represents the average of daily closing prices.

### NSE

Financial Year ended	High (₹)	Date of high <sup>(1)</sup>	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ in million)	Low (₹)	Date of low <sup>(2)</sup>	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ in million)	Average price for the year (₹) <sup>(3)</sup>
2017	186.80	February 14, 2017	2,205,997	394.54	93.80	June 24, 2016	182,169	18.55	125.79
2018	423.50	December 12, 2017	1,019,832	413.46	185.05	April 1, 2017	996,190	190.25	299.78
2019	496.00	May 30, 2018	301,126	145.67	248.00	October 23, 2018	144,269	36.24	388.53

(Source: [www.nseindia.com](http://www.nseindia.com))

#### Notes:

(1) High of intraday high.

(2) Low of intraday low.

(3) Average price for the year represents the average of daily closing prices.

### CSE

No Equity Shares have been traded on CSE during the above periods.

- (ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE, the NSE, and CSE on the dates on which such high and low prices were recorded during each of the last six months:

## BSE

Month Ended	High (₹)	Date of high <sup>(1)</sup>	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ in million)	Low (₹)	Date of low <sup>(2)</sup>	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ in million)	Average price for the month (₹) <sup>(3)</sup>
July 31, 2019	491.90	July 1, 2019	15,014	7.29	434.60	July 31, 2019	7,005	3.09	465.16
August 31, 2019	495.80	August 14, 2019	5,954	2.82	391.75	August 22, 2019	9,548	4.10	457.98
September 30, 2019	558.90	September 30, 2019	16,068	8.79	451.25	September 19, 2019	4,249	1.94	490.35
October 31, 2019	614.70	October 30, 2019	37,380	22.38	497.00	October 3, 2019	11,618	6.03	543.50
November 30, 2019	590.80	November 1, 2019	2,918	1.71	505.00	November 25, 2019	13,198	6.95	538.64
December 31, 2019	528.40	December 2, 2019	13,952	7.22	431.00	December 20, 2019	411,106	177.30	467.86

(Source: www.bseindia.com)

### Notes:

(1) High of intraday high.

(2) Low of intraday low.

(3) Average price for the month represents the average of daily closing prices.

## NSE

Month Ended	High (₹)	Date of high <sup>(1)</sup>	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ in million)	Low (₹)	Date of low <sup>(2)</sup>	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ in million)	Average price for the month (₹) <sup>(3)</sup>
July 31, 2019	492.50	July 1, 2019	113,450	55.23	434.00	July 31, 2019	133,258	58.66	465.08
August 31, 2019	492.00	August 13, 2019	74,195	35.60	390.30	August 22, 2019	154,792	66.37	457.97
September 30, 2019	562.00	September 30, 2019	213,877	117.53	451.00	September 19, 2019	45,364	20.83	490.51
October 31, 2019	614.65	October 30, 2019	660,436	395.12	497.35	October 3, 2019	130,170	67.71	543.54
November 30, 2019	595.80	November 1, 2019	125,324	73.53	507.00	November 22, 2019	111,237	57.29	538.47
December 31, 2019	528.00	December 2, 2019	75,189	38.84	430.30	December 19, 2019	149,850	65.23	468.06

(Source: www.nseindia.com)

### Notes:

(1) High of intraday high.

(2) Low of intraday low.

(3) Average price for the month represents the average of daily closing prices.

## CSE

No Equity Shares have been traded on CSE during the above periods.

(iii) The following tables set forth the market price on the BSE, the NSE, and CSE on November 13, 2019, i.e., the first working day following the approval of the Board of Directors for the Issue:

**BSE**

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ million)
564.00	564.00	536.40	542.05	32,007	17.38

(Source: [www.bseindia.com](http://www.bseindia.com))

**NSE**

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ million)
550.00	551.35	535.30	540.65	297,200	161.26

(Source: [www.nseindia.com](http://www.nseindia.com))

**CSE**

No Equity Shares have been traded on CSE on the above date.



## USE OF PROCEEDS

The gross proceeds from the Issue will be ₹ 5,000.00 million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 4,854.88 million (the “**Net Proceeds**”).

### **Purpose of the Issue**

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds for the purposes of pre-payment and / or repayment of our outstanding indebtedness (whether in whole or in part), funding the long term growth of our existing businesses and capital expenditure of our Company, financing other long term capital, working capital, and general corporate requirements, and / or any other purposes, as may be permissible under applicable law and approved by the Board / its duly constituted committee.

### **Interim use of funds**

Subject to compliance with applicable laws and government policies, our management will have the flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable law. Pending utilisation for the purposes mentioned above, our Company intends to temporarily invest funds in creditworthy instruments, including mutual funds, money market instruments, bonds and other securities issued by governments, PSUs, and corporate bodies (both tax free as well as taxable), and deposits with banks, among others, as deemed appropriate by the Board.

### **Other confirmations**

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the use of the proceeds.

Our Company shall not utilise monies raised through the Issue until the Allotment is made and the return of Allotment in Form PAS – 3 is filed with the RoC and receipt of final listing and trading approvals from the BSE and the NSE.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific purposes. Accordingly, the requirement to disclose (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

## CAPITALISATION

The following table sets forth our capitalisation statement, on a consolidated basis, as at March 31, 2019 which has been derived from our 2019 Ind AS Audited Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with “Summary Financial Statements”, “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 38, 46, 130, and 239, respectively.

	(in ₹ million)	
	As at March 31, 2019	As adjusted for the Issue <sup>(1)</sup>
<b>Current borrowings (A-1):</b>		
Total secured current borrowings	3,646.75	3,646.75
- Working capital loan from banks	2,390.96	2,390.96
- Factoring arrangements	1,255.79	1,255.79
Total unsecured current borrowings	218.50	218.50
- Loan from related parties	208.00	208.00
- Inter corporate deposit	10.50	10.50
Total current maturities of term loan	920.09	920.09
Total current maturities of finance lease obligations on hire purchase of vehicles	15.69	15.69
<b>Non-Current borrowings (A-2):</b>		
Total secured non-current borrowings	1,109.22	1,109.22
- Term loans from banks	294.04	294.04
- Foreign currency term loans from banks	97.37	97.37
- External commercial borrowings	385.70	385.70
- Term loans from non-banking financial company	310.00	310.00
- Finance lease obligations on hire purchase of vehicles	22.11	22.11
Total unsecured non-current borrowings	84.15	84.15
- Public deposit	84.15	84.15
<b>Total borrowings – A (A1+A2)</b>	<b>5,994.40</b>	<b>5,994.40</b>
<b>Equity attributable to owners</b>		
Equity share capital	157.85	177.85
Other equity	7,622.62	12,602.62 <sup>(2)</sup>
Total equity attributable to owners of the Company	7,780.47	12,780.47
Non controlling interest	(1.11)	(1.11)
<b>Total equity attributable to owners – B</b>	<b>7,779.36</b>	<b>12,779.36</b>
<b>Total capitalisation A+B</b>	<b>13,773.76</b>	<b>18,773.76</b>
<b>Non-current borrowings / Total equity attributable to owners (A-2/B)</b>	<b>0.15</b>	<b>0.09</b>
<b>Debt / equity ratio (A/B)</b>	<b>0.77</b>	<b>0.47</b>

(1) As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses, or the impact of exercise of employee stock options granted under ESOS 2015, post March 31, 2019, if any.

(2) Only addition on account of securities premium amount received on the issue of Equity Shares in the Issue. The gross proceeds of the Issue have been considered to arrive at the post-Issue value of share capital and reserves and surplus.

## CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

*(in ₹ except Equity Share data)*

	<b>Aggregate at face value</b>
<b>Authorized Share Capital</b>	
- 110,000,000 Equity Shares of ₹ 2 each	220,000,000
- 300,000 preference shares of ₹ 100 each	30,000,000
<b>Issued, subscribed and paid-up share capital prior to the Issue</b>	
- 79,504,438 Equity Shares of ₹ 2 each	159,008,876
<b>Present Issue in terms of this Placement Document<sup>(1)</sup></b>	
- Up to 10,000,000 Equity Shares at a premium of ₹ 498.00, i.e. at a price per Equity Share of ₹ 500.00, aggregating to ₹ 5,000.00 million <sup>(1)</sup>	20,000,000
<b>Issued, subscribed and paid-up share capital after the Issue</b>	
- 89,504,438 Equity Shares	179,008,876
<b>Securities premium account</b>	
- Prior to the Issue	965,546,326
- After the Issue <sup>(2)</sup>	5, 945,546,326

<sup>(1)</sup> The Issue has been authorised by our Board pursuant to a resolution passed on November 12, 2019 and by our Shareholders pursuant to their resolution passed by way of postal ballot dated January 15, 2020.

<sup>(2)</sup> The securities premium account after the Issue is calculated on the basis of gross proceeds from the Issue. Adjustments do not include Issue related expenses.

### Equity Share Capital History of our Company

The history of the Equity Share capital of our Company since incorporation is provided hereunder:

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment
December 31, 1992	100,000	10.00	10.00	Cash	Subscription to the Memorandum of Association
March 30, 1993	900,000	10.00	10.00	Cash	Rights issue
November 30, 1993	900,000	10.00	10.00	Cash	Rights issue
March 16, 1995	1,200,800	10.00	25.00	Cash	Initial public offering of equity shares by our Company
January 9, 1997	1,743,243	10.00	-	Other than cash	Equity shares allotted pursuant to the scheme of amalgamation among our Company and Matchless Engineers Limited and their respective shareholders and creditors
October 1, 2001	3,076,000	10.00	13.00	Cash	Preferential allotment
September 16, 2005	2,173,900	10.00	201.53	Cash	GDR issue
Pursuant to our Shareholders' resolution dated November 23, 2006, each equity share of our Company of face value of ₹ 10 each fully paid-up was sub-divided into five equity shares of our Company of face value of ₹ 2 each.					
January 10, 2007	8,500,000	2.00	27.60	Cash	Issuance of equity shares upon conversion of warrants issued on a preferential basis
June 11, 2007	129,796	2.00	86.00	Cash	Issuance of equity shares upon conversion of foreign currency convertible bonds
January 18, 2008	1,102,469	2.00	81.00	Cash	Issuance of equity shares upon conversion of foreign currency convertible bonds
January 31, 2008	606,358	2.00	81.00	Cash	Issuance of equity shares upon conversion of foreign currency convertible bonds
September 22, 2008	129,100	2.00	25.25	Cash	Allotment pursuant to Employees Stock Option Scheme 2006
March 30, 2010	3,000,000	2.00	28.00	Cash	Issuance of equity shares upon conversion of warrants issued on a preferential basis

Date of Allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment
February 25, 2011	3,000,000	2.00	28.00	Cash	Issuance of equity shares upon conversion of warrants issued on a preferential basis
September 21, 2012	3,300,000	2.00	18.00	Cash	Preferential allotment
July 11, 2013	3,500,000	2.00	14.00	Cash	Preferential allotment
May 15, 2014	3,500,000	2.00	14.00	Cash	Issuance of equity shares upon conversion of warrants issued on a preferential basis
September 24, 2016	560,000	2.00	35.00	Cash	Allotment pursuant to ESOS 2015
September 25, 2017	564,000	2.00	35.00	Cash	Allotment pursuant to ESOS 2015
September 25, 2018	564,000	2.00	35.00	Cash	Allotment pursuant to ESOS 2015
September 27, 2019	579,000	2.00	35.00	Cash	Allotment pursuant to ESOS 2015

Except as stated in “- *Equity Share Capital History of our Company*” above, our Company has not made any allotment of Equity Shares (either on preferential basis, or private placements or rights issue) including for consideration other than cash, in the one year immediately preceding the date of this Placement Document.

### Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis. For details of the names of the proposed Allottees and the percentage of post-Issue Equity Share capital that may be held by them, see “*Proposed Allottees*” on page 240.

### Pre-Issue and post-Issue shareholding pattern of our Company

The pre-Issue shareholding pattern of our Company as on December 31, 2019 and the post-Issue shareholding pattern of our Company is set forth below:

S. No.	Category	Pre-Issue, as of December 31, 2019		Post-Issue*	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
<b>A</b>	<b>Promoters' holding<sup>#</sup></b>				
1	Indian				
	<i>Individual</i>	19,168,466	24.11	19,168,466	21.42
	<i>Bodies corporate</i>	17,080,000	21.48	17,080,000	19.08
	<i>Others</i>	Nil	0.00	Nil	0.00
	<b>Sub-total</b>	36,248,466	45.59	36,248,466	40.50
2	Foreign promoters	Nil	0.00	Nil	0.00
	<b>Sub-total (A)</b>	36,248,466	45.59	36,248,466	40.50
<b>B</b>	<b>Non-promoters' holding</b>				
1	Institutional investors	24,642,131	30.99	34,642,131	38.70
2	Non-institutional Investors				
	<i>Private corporate bodies</i>	1,802,614	2.27	1,802,614	2.01
	<i>Directors and relatives</i>	402,491	0.51	402,491	0.45
	<i>Indian public</i>	15,390,425	19.36	15,390,425	17.20
	<i>Others (including Non-resident Indians (NRIs))</i>	1,018,311	1.28	1,018,311	1.14
	<b>Sub-total (B)</b>	43,255,972	54.41	53,255,972	59.50
	<b>Total (A+B)</b>	<b>79,504,438</b>	<b>100.00</b>	<b>89,504,438</b>	<b>100.00</b>

<sup>#</sup> This includes the shareholding of the members of our Promoter Group.

\* The table for the post-Issue shareholding pattern of our Company reflects the shareholding of the 'institutional investors' category as of December 31, 2019 adjusted for Allocation made in the Issue and reflects the shareholding of all other categories of shareholders as of December 31, 2019.

### Employee Stock Option Schemes

As on the date of this Placement Document, our Company has instituted an employee stock option scheme, KEI Employee Stock Option Scheme 2015 (“**ESOS 2015**”), pursuant to a resolution passed by our Board of Directors

dated August 6, 2015, and a resolution passed by our Shareholders dated September 16, 2015.

The purpose of ESOS 2015 was to attract, retain, reward and motivate our employees to contribute further to our growth and profitability. Set out below are the details of ESOS 2015.

S. No.	Particulars	Number of employee stock options
		ESOS 2015
1.	Total number of employee stock options granted	3,662,000
2.	Employee Stock options vested	2,267,000
3.	Employee Stock options exercised	2,267,000
4.	Employee Stock options lapsed or forfeited	Nil
5.	Total number of employee stock options outstanding	1,395,000

For details of the employee stock options held by our Directors and Senior Management Personnel, see “*Board of Directors and Senior Management*” on page 176.

#### **Other Confirmations**

There will be no change of control pursuant to the Issue.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions as per the requirements under Ind AS 24, as notified under section 133 of the Companies Act, 2013 read with Ind AS rules as amended for (i) fiscal year ended March 31, 2019, (ii) fiscal year ended March 31, 2018, and (iii) fiscal year ended March 31, 2017, see “*Financial Statements*” on page 239.

## DIVIDEND

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. Our Board may also, from time to time, declare interim dividends.

Our Company has approved and adopted a formal dividend distribution policy on May 17, 2018 in accordance with Regulation 43A of the SEBI Listing Regulations. In terms of this policy, the declaration of dividend is dependent on various financial / interim parameters which include, among others, profits of the Company, past dividend pattern / trends, operating cash flow of the Company, and present and future capital requirements of the existing business and external factors which include the economic environment, capital markets, global conditions, any political, tax and regulatory changes in the geography in which the Company operates, and any other relevant factors as deemed fit by the Board.

The details of the dividend for the nine months ended December 31, 2019 and in the Fiscals 2019, 2018 and 2017 are set out below:

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Nine months ended December 31, 2019
Face value of Equity Shares (₹ per Equity Share)	2.00	2.00	2.00	2.00
Dividend per Equity Share (in ₹)	0.60	1.00	1.20	-
Dividend on Equity Shares (₹ in millions)	46.68	78.36	94.71	-
Dividend distribution tax (₹ in millions)	9.50	16.11	19.47	-
Dividend rate (%)	30.00	50.00	60.00	-

Our past practices with respect to the declaration of dividend are not necessarily indicative of the dividend distribution policy of our Company or of our future dividend declaration. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future. The form, frequency and amount of future dividends depend on a number of internal and external factors in addition to those contemplated under our dividend distribution policy, including, but not limited to, our Company's earnings, financial condition, liquidity position, working capital and other financing requirements considering expansion and acquisition opportunities, lender approvals, contractual obligations, stipulations / covenants of loan agreements, macroeconomic and business conditions in general, applicable legal restrictions and other factors, and shall be at the discretion of our Board and subject to the approval of our shareholders. Investors are cautioned not to rely on past dividends as an indication of our future performance or for an investment in the equity shares. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 59.

## INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from “Assessment of cables and wires industry in India” dated January 2020 (the “CRISIL Report”) prepared and issued by CRISIL Research, a division of CRISIL Limited, on our request. None of our Company, the BRLMs, or any other person connected with the Issue has independently verified such information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

Industry information included in this Placement Document, including this section, from the CRISIL Report is subject to the following disclaimer from CRISIL:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. KEI Industries Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

## MACRO-ECONOMIC OVERVIEW OF INDIA

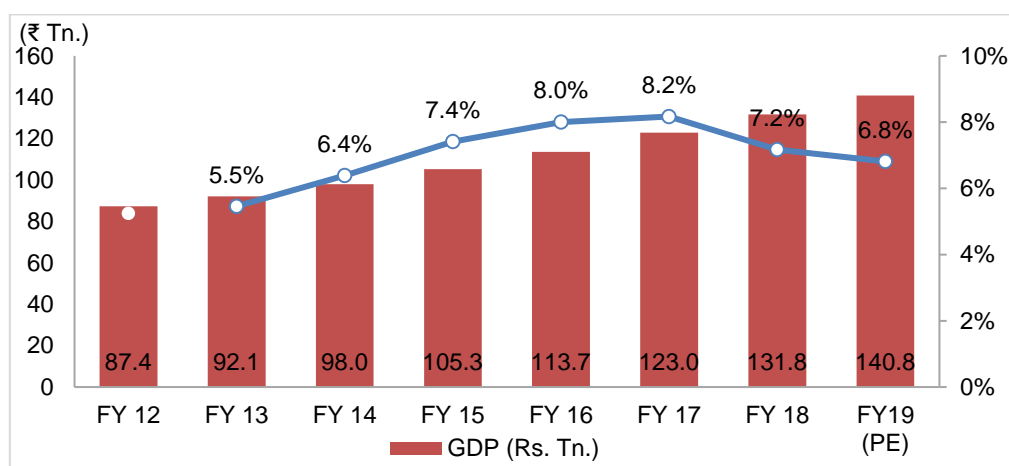
### Review of India’s Gross Domestic Product (“GDP”) growth

In 2015, the Union Ministry of Statistics and Programme Implementation (“**MoSPI**”) changed the base year for calculating India’s GDP to Fiscal 2012 from Fiscal 2005. Based on this, the country’s GDP is estimated to have grown at a compounded annual growth rate (“**CAGR**”) of 7.1% between Fiscals 2012 and 2019, to ₹ 140.8 trillion.

In Fiscal 2019, though, GDP growth slipped to 6.8% from 7.2% in Fiscal 2018. This was attributable to slower increase in government consumption and rate of change in stocks on the demand side, and broad-based slowdown in growth across sectors such as agriculture, mining, electricity and other utilities, trade, hotels, transport and communication services, and public administration, defence, and other services, on the supply side.



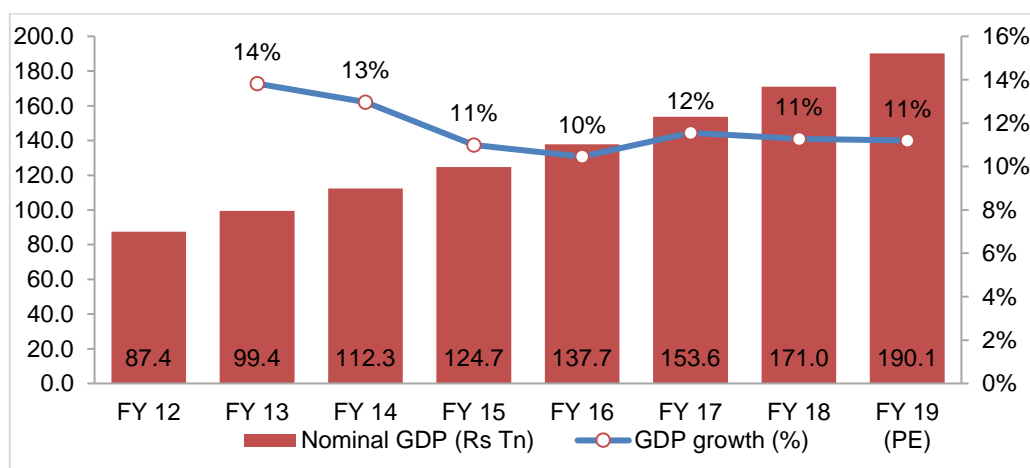
### Real GDP growth in India (2011-12 series)



PE: Provisional estimates

Source: Provisional Estimates of Annual National Income, 2018-19, Central Statistics Office (CSO), MoSPI, CRISIL Research

### Nominal GDP clocked 11.7% CAGR over the past seven years (2011-12 series)



PE: Provisional estimates

Source: Provisional Estimates of Annual National Income, 2018-19, CSO, MoSPI, CRISIL Research

### Review of per capita income growth

#### Per capita income grew 5.5% CAGR between Fiscals 2012 and 2019

India's per capita income, a broad indicator of living standards, clocked a healthy 5-6% CAGR over the past six years. The growth in per capita income has been led by better job opportunities, propping up overall GDP growth. Moreover, population growth has remained fairly stable.

The CSO, in its provisional estimates for Fiscal 2019, reckons that per capita income in Fiscal 2019 grew approximately 5.6% on-year.

#### Trend in per capita net national income (NNI) at constant prices

	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019 (PE)
Per capita NNI (₹)	63,462	65,538	68,572	72,805	77,659	82,931	87,623	92,565

On-year growth (%)	2.1	3.3	4.6	6.2	6.7	6.8	5.7	5.6
Per capita NNI (\$)	1,325	1,205	1133	1192	1186	1236	1358	1323
₹/\$	47.9	54.4	60.5	61.1	65.5	67.1	64.5	69.9

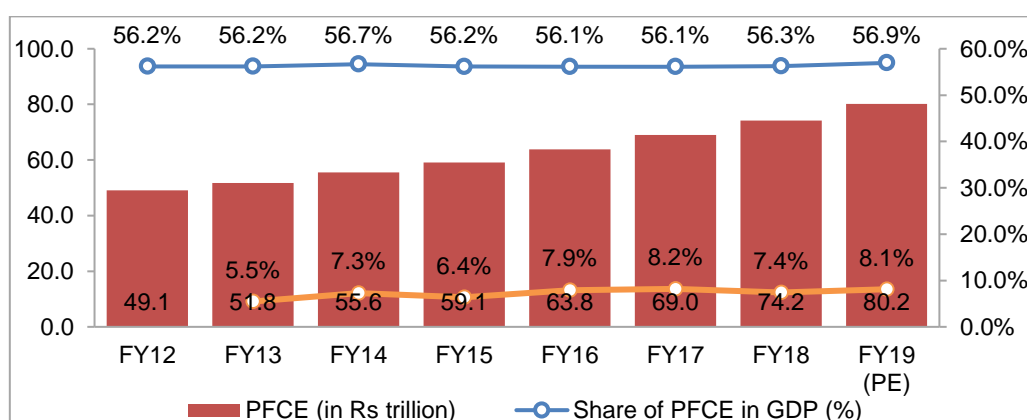
Note: PE: Provisional estimates

Source: Provisional estimates of national income (Fiscal 2019), CSO, MoSPI, RBI, CRISIL Research

## Review of private consumption growth

Private final consumption expenditure (PFCE) at constant prices clocked 7.3% CAGR between Fiscals 2012 and 2019, maintaining its dominant share of approximately 57% in GDP. In the provisional estimates for Fiscal 2019, the CSO estimated the PFCE at ₹ 80.2 trillion.

Trend in PFCE expenditure (at constant prices)



PE: Provisional estimates

Source: Provisional Estimates of Annual National Income, 2018-19, CSO, MoSPI, CRISIL Research

Factors that aided this growth include good monsoons, wage revisions due to implementation of the Pay Commission recommendations, benign interest rates, and low inflation levels.

## REVIEW AND OUTLOOK OF INDIAN CABLES AND WIRES INDUSTRY

### Introduction to cables and wires

Wires comprise single conductor wires and cables (an assembly of conductors) for the transmission of electricity, data or signals. Applications of wires and cables include:

- **Power cables** – used for the transmission and distribution of electricity from power generators (thermal, solar and wind plants) to sub-stations and thereon to end-user segments, such as residential, commercial (airports, metro, hospitals, etc.) and industrial units;
- **Building wires** – used for electrical wiring of residential and commercial buildings such as metro, hospitals, offices, etc;
- **Telecom cables** - used for transmission of voice and data;
- **Control and instrumentation cables** – used for process control applications; and
- **Other types of cables** - flexible cables used for industrial sectors like consumer appliances, automotive, railways, and mining, as well as specialty cables for marine, oil and gas offshore/ onshore, anti-theft cables, etc.

There are various types of cables, each designed to perform a specific function. Classification is based on the core structure of the conductor metal (majorly copper and aluminium), number of cores, type of insulation material and arrangement, etc.

Power and electrical cables are segmented into the following, based on voltage capacity:

- Low tension / Voltage (1.1 kV and below)
- High tension / Voltage (above 1.1 kV to 33 kV)
- Extra high voltage (66 kV and above) cables

Major users of power cables are the power sector (central, state and private electricity utilities) and sectors like petrochemicals, mining, steel, non-ferrous, shipbuilding, cement, railways and defence. The performance and durability of cables depend on the quality of raw materials. Specialised applications require superior chemical, mechanical, thermal and electrical performance from cables, resulting in usage of high-performance materials in cable construction.

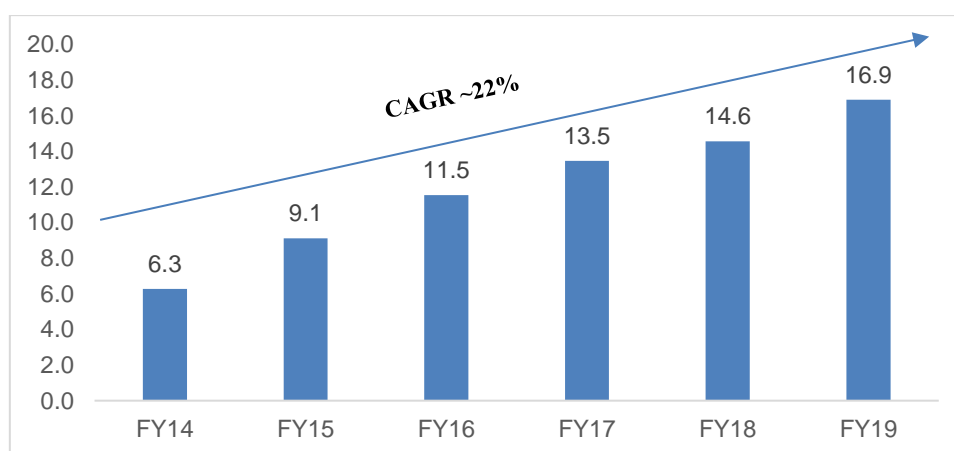
#### ***Cables and wires industry size***

Domestic cables and wires industry clocked approximately 22% CAGR in volume terms during Fiscal 2014 to 2019. CRISIL Research has defined the cables and wires industry in India to include power cables, building wires, instrumentation and control cables, telecom cables (excluding OFC), elastomeric cables, and other flexible and special application cables used in various industrial sectors. The cables and wires industry in India has seen significant improvements over the last decade. It has grown from a small industry to a substantially large one during this period. The increasing demand for power, light and communication (voice as well as data) has kept demand for wires and cables high.

CRISIL Research has estimated the domestic cables and wires industry in volume terms, based on production data, as reported by members of Indian Electrical and Electronics Manufacturers Association (“**IEEMA**”). Accordingly, the total domestic cables and wires industry is estimated to have clocked approximately 22% CAGR from 6.3 million km to approximately 17 million km between Fiscals 2014 and 2019. The domestic industry size consists of total production for domestic consumption and exports. Growth in volume terms was on account of factors like electrification of rural villages and households (Power for All); investments in transmission and distribution systems for modernisation and to increase efficiencies; increased demand from renewable (solar and wind energy) power generation; infrastructure development initiative taken by the Indian government such as Smart Cities Mission and mass transit systems; and improved lifestyle and consumer spending.

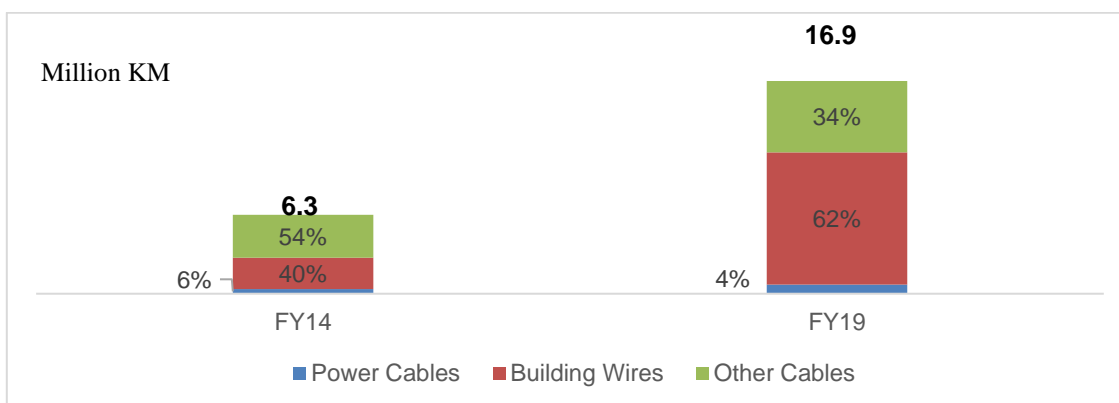
Investments in power transmission projects, execution of wind and solar energy projects, metro rail and railway projects, and increased household spending led to an increase in demand for power and building wires and cables. Further, growth in the industrial sector resulted in increased demand for flexible cables and wires, control and instrumentation cables.

#### ***Domestic industry size of cables and wires industry (million km)***



*Note: Optical fibre cables are not included. Flexible cables and other cables include home appliance cables, automotive cables, audio cables, CATV, LAN cables, etc. Power transmission cables include low-voltage, high-voltage and extra high voltage cables. The domestic industry size consists of total production for domestic consumption and exports.*

*Source: IEEMA, CRISIL Research*



*Note: Power cable includes LV, HV & EHV cables, other cables include PVC control cables & instrumentation, elastomeric cables, jelly filled cables, switchboard cables flexible and other wires etc.*

*Source: IEEMA, CRISIL Research*

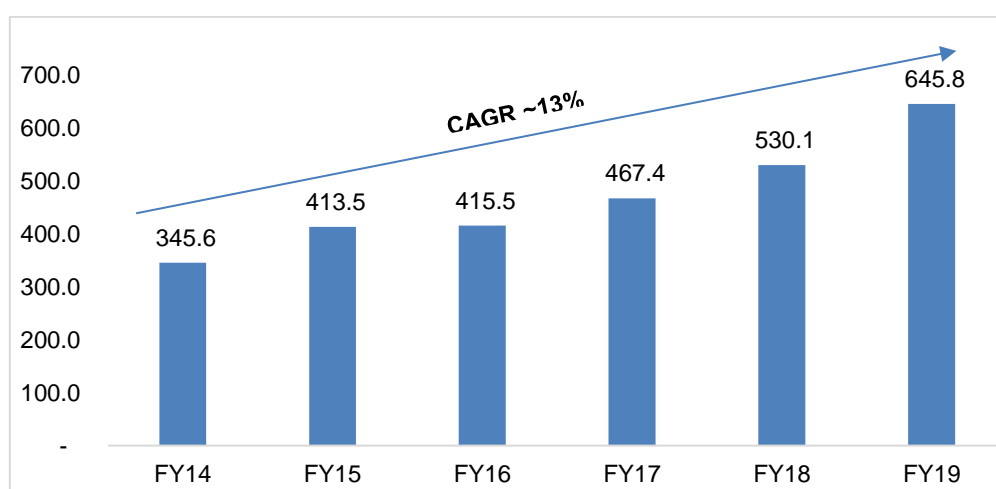
Over the past five year period (Fiscal 2014 to Fiscal 2019), share of building wires has increased substantially from approximately 40% to approximately 62% by Fiscal 2019. This increase is largely attributed to significant rise in demand from the housing segment, given the government's focus on both, affordable housing in urban and rural India as well as rising electrification.

***Domestic cables and wires industry clocked approximately 13% CAGR in value terms during Fiscal 2014 to 2019***

In order to estimate the domestic cables and wires industry in value terms, CRISIL Research has considered the average realisations across product categories at the manufacturer's level. Industry interactions indicate that given the nature of products and their end-use applications, institutional or business to business (B2B) sales (including those to governments) in the cables and wires industry constitute a major share. These institutional or B2B sales typically take place at realisations at the manufacturer's level. Considering these factors, the average realisations of manufacturers is considered to estimate the domestic cables and wires industry.

Accordingly, the Indian cables and wires industry in value terms has clocked a CAGR of approximately 13% in the last five years (Fiscal 2014 to 2019) to reach ₹ 646 billion by the end of Fiscal 2019. In general, realisation of the cables and wires industry follows the trend of key raw materials prices, mainly copper, aluminium as well as polymer. The growth in market size has lagged that of volumes growth, largely on account of change in product mix (with growth in low-value segments outpacing that in other segments).

*Domestic industry size of cables and wires industry (₹ billion)*



*Note: The domestic industry size consists of total revenues from domestic consumption and exports.*

*Source: IEEMA, CRISIL Research*

**Power cables** –A power cable is an assembly of two or more conductors with insulation and a protective jacket. The power cables industry is classified into low voltage (1.1 kV and below), high voltage (1.1-33 kV), and extra high voltage (66 kV and above) cables. These cables are used for the transmission and distribution of electricity from power generators (thermal, solar and wind solar plants) to sub-stations and thereon for power supply to end-user segments, such as residential, commercial (airports, metro, hospitals, etc.) and industrial units.

- **Low tension (PVC & XLPE cables):** Low tension cables accounted for approximately 4% of the overall production volume in Fiscal 2019. Production for low tension cables is estimated to have clocked approximately 15% CAGR between Fiscals 2014 and 2019. The segment grew at a faster pace compared with other segments within power & cables on account of the government's focus on rural electrification/ power for all, significant progress in rural housing as well as reasonable progress in urban affordable housing.
- **High tension (1.1 to 33 kV):** High tension cables accounted for 0.3% of the overall production volume in Fiscal 2019. Production for HV (1.1 kV to 33 kV) clocked approximately 15% CAGR between Fiscals 2014 and 2019. Increased investments in transmission and distribution (T&D), owing to the government's focus on improvement of transmission networks has driven demand for power cables, especially in the high voltage segment.
- **EHV (Above 66 kV):** EHV (above 66 kV) cables accounted for a negligible share of overall cables production during Fiscal 2019. Production for EHV (above 66 kV) clocked approximately 9% CAGR between Fiscals 2014 and 2019, primarily owing to increased demand for power, increased preference for underground cables (esp. in urban areas), etc.

**Instrumentation & control cables:** Production for PCV and instrumentation cables is estimated to have clocked approximately 17% CAGR between Fiscals 2014 and 2019. Robust growth in infrastructure capital investments, particularly roads & railways, led to healthy growth from the segment. However, moderate capex growth in industrial segment partially offset the incremental volumes.

**Other special purpose:** Production for other special purpose (all except for power and instrumentation) clocked 23% CAGR between Fiscals 2014 and 2019. A major part of the growth was driven by the building wire segment, which grew by a sharp 33%. The growth in building wire (accounting for approximately 62% of the overall volume) was largely propelled by construction of houses under affordable housing programme, as well as electrification (both urban and rural). As of March 2019, the government had completed construction of over 10 million houses in rural areas (under PMAY Gramin), while construction in urban areas remained modest. Other segments viz. elastomeric cables, switchboard cables, etc., fared moderately on account of moderately rising industrial as well as infrastructure capital expenditure.

#### ***Growing government initiatives in infrastructure and housing bode well for the future***

Government schemes like Pradhan Mantri Sahaj Bijli Har Ghar Yojana ('Saubhagya' scheme) and Power for All, focusing on electrification of rural households and T&D efficiencies are expected to spur demand for power cables. Rising rural affluence should boost power requirements, and thus, power cable demand. The demand shall also be driven by the government's focus on providing houses for all through the affordable housing programme. Further, growth in commercial establishments and public utilities is expected to spur demand for building wires and power cables. Demand for power cables shall also be driven by growth in renewable energy capacities for solar cables and elastomeric cables used in windmill applications. 51-53 GW of solar capacity addition is expected to boost demand for HFFR grade solar power cables. Emphasis on underground cables network for power distribution and focus on containing power losses will increase demand for LV power cables (XLPE).

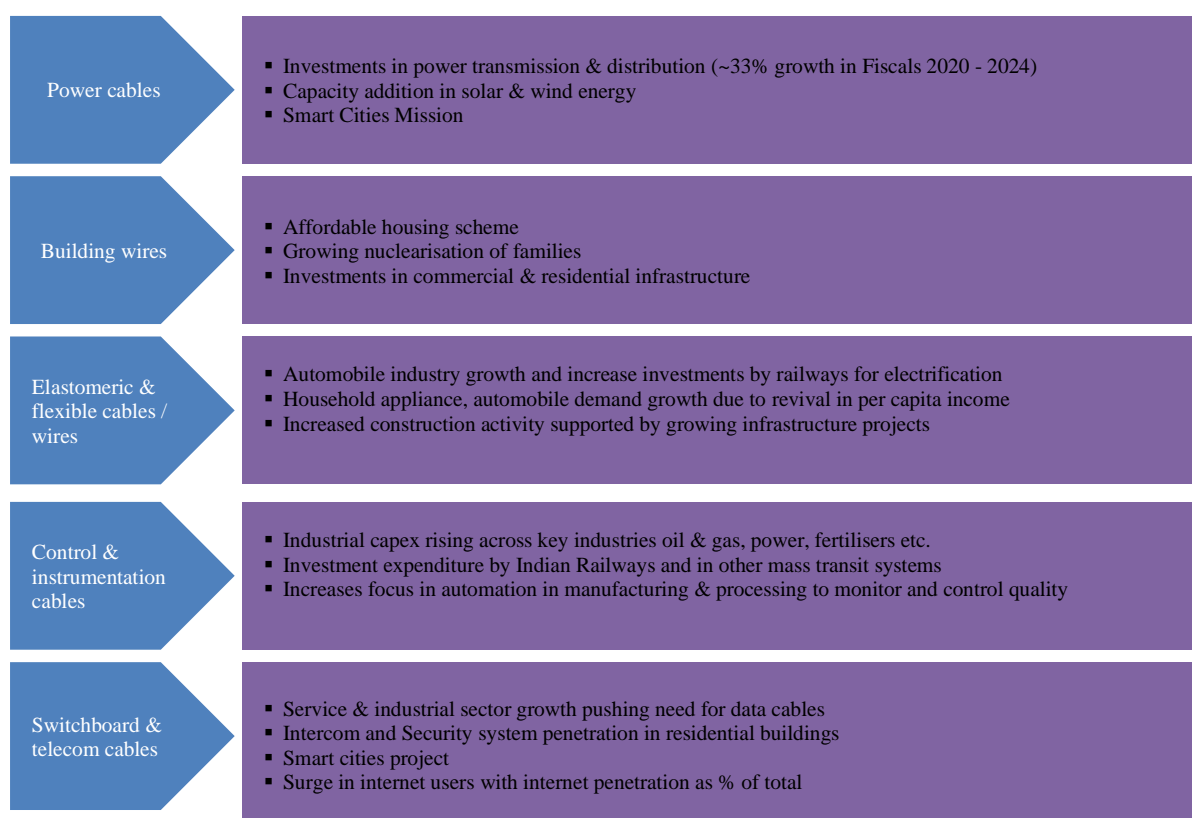
Increased infrastructure spend by the government will boost demand as new construction activities drive growth for elastomeric and flexible cables, and infrastructure development drives growth for commercial and industrial buildings, increasing demand for building wires and LV cables. Growth in fire survival cables will be supported by metro, airport and commercial real estate projects. Within the infrastructure segment, investments in railways is expected to rise by 2.3 times between Fiscals 2020 and 2024 (approximately ₹ 4.8 trillion), thereby boosting overall cables and wires demand. Electrification investment by railways will further push growth for elastomeric control cables and railway signalling cables.

Smart Cities Mission proposes investments in underground cables at approximately 5.2%, power supply digitalisation in commercial and public spaces at approximately 1.5%, housing development at approximately 11%, as per the MoUD investment estimates for 90 smart cities. This is expected to have a positive impact on demand for building wires, power and telecom cables (including OFC).

CRISIL Research estimates construction investment in the industrial segment to remain moderate between Fiscals 2019 and 2024. While investments in oil and gas, fertilisers, and power sectors are expected to increase, this is likely to be negated by a fall in investments in automobiles, textiles, petrochemicals, and paper, etc.

Healthier growth from the residential real estate sector (especially in tier II and III cities as compared with metros and tier I cities) will drive demand for building wires and data cables. Additionally, changing trends with regard to home improvements and rising disposable incomes are also expected to boost demand for retail building wires. Rising disposable incomes will further drive demand for household appliances and automobiles, which is expected to have a positive impact on demand for flexible cables. Further growing demand for improved products such as HFFR cables, solar cables and introduction of innovative products such as Power over Ethernet (PoE), shall lead to increase in realisations from premium products.

#### *Factors driving growth across various categories of cables and wires industry in India*



*Source: CRISIL Research*

Going forward, the industry is expected to clock approximately 10% CAGR in volume terms between Fiscal 2019 and 2024. While the growth in the past was largely driven by low base (due to low electrification), with electrification of houses (both urban and rural) near completion by Fiscal 2019, incremental demand shall emanate from new residential construction and replacement of cables/ wires.

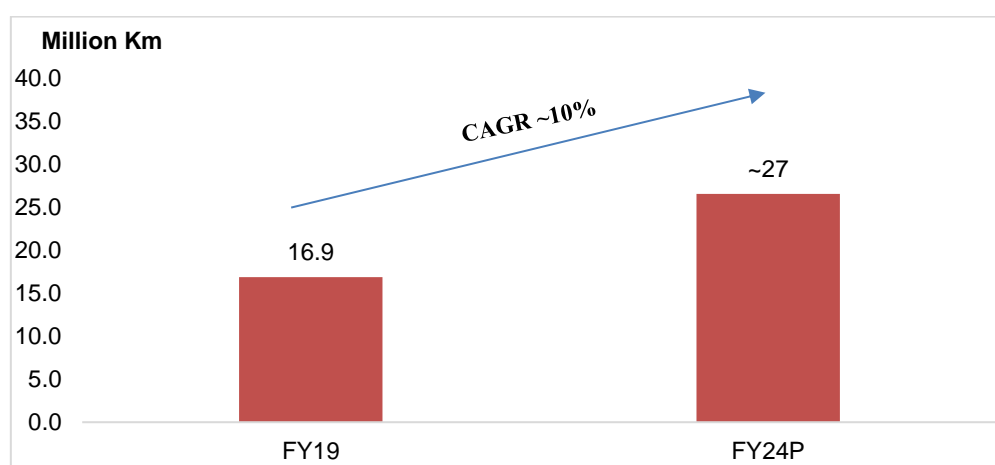
- **Low tension (PVC & XLPE Cables):** We expect that the segment shall post a healthy CAGR of 6-7% CAGR through Fiscal 2024 in volume terms, albeit on a high base of the past few years when the government's drive on electrification of urban and rural houses aided volume growth.
- **High tension (1.1 to 33 kV):** Expected rise in investments in transmission and distribution (T&D), owing to the government's focus on improvement of transmission networks, especially in the high voltage

segment shall lead to the segment posting 12-14% CAGR through Fiscal 2024 in volume terms, almost similar to CAGR witnessed in the past five year period (Fiscal 2014 to Fiscal 2019).

- **EHV (Above 66 kV):** Expected increase in demand for power, increased preference for underground cables (esp. in urban areas), etc., shall lead to the segment witnessing a sharp CAGR of 15-17% through Fiscal 2024, albeit on a low base. Increased capacity additions (executed as well as planned) in the segment owing to relatively better profitability (as per industry publications), by a few organised players, to further aid volume growth for the industry.

In terms of value, CRISIL Research expects the cables and wires industry to clock a healthy approximately 11% CAGR and reach ₹ 1,000-1,100 billion by Fiscal 2024, in line with the volume growth. The growth in revenue shall also be supported by expected passing on in rise of raw material, particularly of metals and polymer (being the two key raw materials used while manufacturing cable/ wire). However, with low value segments (such as building & wire) continuing to drive overall volumes, value growth shall be partially offset.

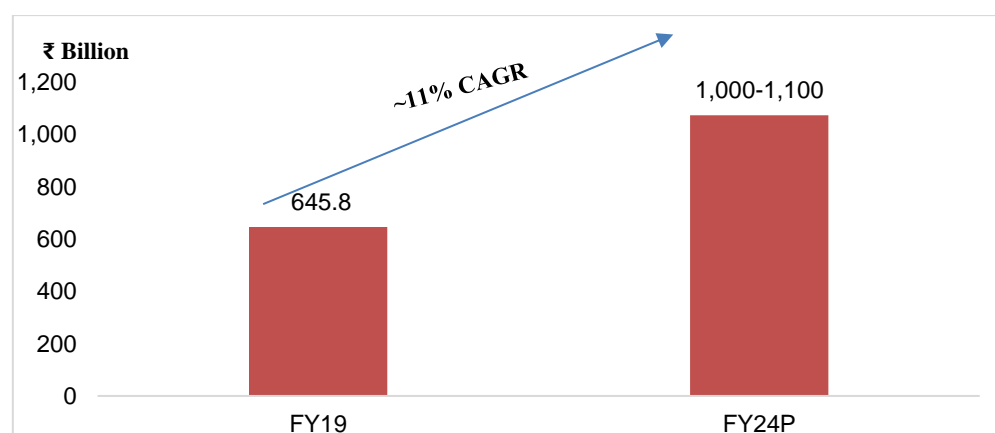
*Projected size of domestic cables & wires industry in volume terms - Till Fiscal 2024*



*P: Projected*

*Source: CRISIL Research*

*Projected size of domestic cables & wires industry in value terms – Till Fiscal 2024*



*P: Projected*

*Source: CRISIL Research*

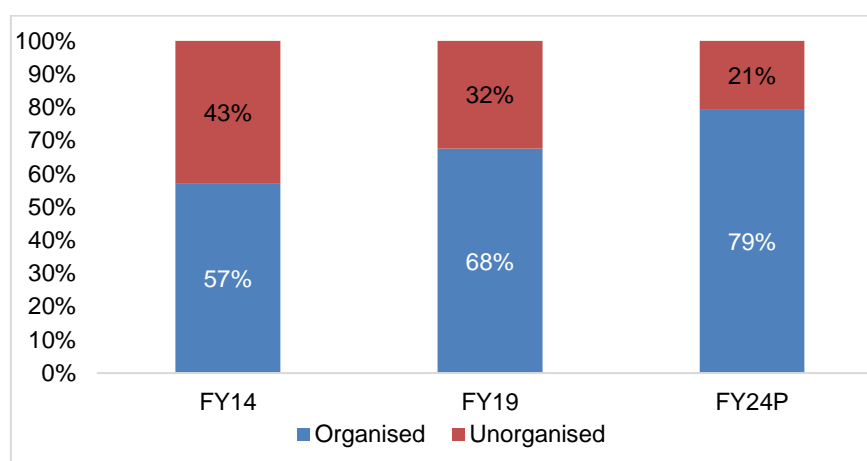
**Organised sector to continue to gain share**

According to industry estimates, the Indian cables and wires industry is gradually moving from a largely unorganised segment comprising smaller regional players to an organised sector comprising pan-India branded players across categories. Increase in technological and product complexities, coupled with increase in marketing and branding activities by leading cable manufacturers, as well as the entry of newer players has also led to a rise

in the share of the organised segment in the industry's revenue. The shift from unorganised to organised is more significant in specific categories such as power cables and building wires. In segments like HV and EHV power cables, where the manufacturing process is technology and capital-intensive, and regulations in terms of quality of products are very high, there are negligible unorganised players. At an overall level, the organised players are estimated to have accounted for 68% share of the cables and wires industry's production in Fiscal 2019. Going forward, the share of organised players is expected to increase to approximately 79% by Fiscal 2024 on account of GST implementation, and improvement in efficiency and cost structure, thereby reducing the price gap between the organised and unorganised sectors and economies of pan-India distribution network. Moreover, recent capacity additions and upcoming expansion plans of key organised players in the power cable & building wire segments shall result in increasing supply from the organised segment, thereby increasing share.

The Indian cables and wires industry is fragmented and competitive with the presence of large, medium and small players across categories. Low entry barriers and significant growth potential have resulted in several players entering certain segments such as LV power cables, house wires and flexible cables. On the other hand, HV and EHV power cables have high entry barriers, on account of manufacturing being technologically-intensive, higher capital expenditure requisite, established relationships between B2B customers and incumbents, and greater requirements for compliance with standards and approvals for products.

#### *Trend in estimated share of organised vs. unorganised players*



*P: Projected*

*Source: CRISIL Research*

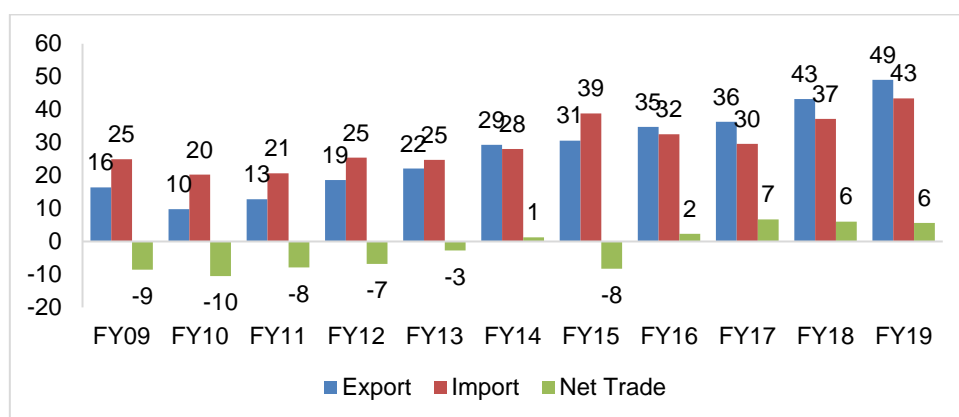
#### ***Exports have seen a rise in the last decade***

India became a net exporter of cables and wires (excluding OFC) from Fiscal 2016 to 2019, propelled by double-digit annual growth in exports. Imports of Indian cables and wires increased annually by approximately 6% from Fiscal 2009 to 2019, while exports increased by approximately 12%.

The last five years (Fiscals 2014 - 2019) have seen growing demand for power cables, led by the government's thrust on rural electrification, preference for EHV power cables across infrastructure, and revival of stalled projects. However, the demand was not met via domestic production, leading to a rise in the import of power cables in Fiscal 2015. During the period, Indian players initiated an upgrade in technology and capacity for HV and EHV power cables via collaborations with global players. This led to improved quality, standards and process technology upgradation, which decreased the reliance on imports, especially in the high-voltage power cables segment. Also, the improved product quality and increased manufacturing capacity led to rise in exports of cables & wires.



### Export – Import in value terms (₹ billion)



Note: For details on Harmonized System (HS) Codes used, please refer to the annexure

Source: Directorate General of Foreign trade, Ministry of Commerce and Industry, CRISIL Research

### Trade outlook

With improvement in process technology as well as capacities, Indian players in the cables and wires industry have diversified their product offerings and consequently widened their export base. This is reflected in approximately 11% CAGR growth in exports from Fiscal 2014 to 2019. Moreover, India's key export destinations for cables and wires have witnessed a shift of sorts during the corresponding period. Thus, while exports to countries like the US, the UK, the UAE, Japan, Hungary and Germany have clocked 7.6% CAGR from Fiscal 2014 to 2019, their share in percentage terms had dipped moderately to 36% by Fiscal 2019. Some of the key end-user segments for exports of Indian cables and wires include power transmission, oil and gas, cement and steel and infrastructure sectors.

### Trend in exports of cables and wires from India

Particulars	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	CAGR Fiscals 2014 - 2019
<b>Total exports (₹ billion)</b>	29	31	35	36	43	49	11.1%
<b>Export to: (₹ billion)</b>							
UK	4.3	4.8	5.4	5.3	5.4	6.2	7.6%
UAE	3.1	3.1	3.6	3.6	4.7	4.6	8.2%
USA	0.9	1.3	1.3	1.8	2.4	3.5	31.2%
Japan	2.0	1.6	1.6	1.2	0.6	0.6	-21.4%
Hungary	1.0	1.1	1.4	1.5	1.5	1.5	8.4%
Germany	1.2	1.4	1.0	1.1	1.0	1.4	3.1%
<b>Total export to key countries</b>	12.4	13.3	14.4	14.5	15.6	17.9	7.6%
<b>Share of key countries in India's cables and wires exports</b>	42%	43%	41%	40%	36%	36%	

Source: Directorate General of Foreign trade, Ministry of Commerce and Industry, CRISIL Research

### Key market trends

Technology advancements and innovations have led to an increase in the launch of new products or increased demand for certain products. Some of the key market trends in the cables and wires segment are:

#### Power transmission cables

Higher investments in transmission and distribution drove the demand for power transmission cables (1.1 kV onwards). Demand for extra high voltage (EHV) cables (66V onwards) increased because of higher power density, lower transmission losses, and efficient bulk-power delivery by higher voltage cables. Metro rail, high-end hospitals, hotels and shopping malls use 1.1 kV HFFR cables to ensure public safety. To corner opportunities in

EHV cables, Indian manufactures, such as our Company, Finolex and Ravin Cables, have entered into joint ventures with Swiss, Japanese and Italian multinationals.

Additionally, with the increased emphasis on underground cable networks, the overhead transmission segment is seeing a slowdown. Underground power supply grid is more secure and reliable than overhead network. Therefore, the government has focused on converting the overhead electric grid network infrastructure to underground infrastructure in certain cities and has planned the smart city infrastructure accordingly. This brings opportunities and growth in the insulated underground cables segment. The cross-linked polyethylene (XLPE) cable has been declared as the national standard for underground electric transmission lines less than 200 kV.

### ***Building wires***

Growing penetration of mobile phones and appliances in Indian households has led to an increase in the number of electrical points, thereby driving installation of building wires per households. FR cables account for the major share of the building wire segment's demand, followed by FRLS cables and HFFR cables. High-rise and luxury housing projects have been installing HFFR cables. Also, the share of FRLS cables increased at a rapid pace, due to the narrowing price differential between FRLS and FR cables, and also because of increasing focus of builders in metro and tier 2 cities to provide better quality fitments to customers.

With the recent fire incidents resulting in deaths of victims, the Bureau of Indian Standards is considering HFFR regulations for cables up to 1.1 kV. Commercial establishments such as hotels, hospitals and malls are expected to actively install HFFR cables, considering safety concerns. Luxury housing developers are also expected to highlight safety compliance of their projects by installing HFFR wires and cables.

Even after the enforcement of the regulation, CRISIL Research estimates that the shift from PVC FR/FRLS wires to HFFR wires will be gradual until Fiscal 2022, as the implementation of the regulation is entrusted with local bodies. The proposed regulation, however, can potentially drive the entire PVC building wire market to shift to HFFR wires, if all local bodies were to implement it. Local bodies across fire accident-hit areas in the past are likely to be among the first ones to implement the regulation. Adoption of the regulation is expected to be slower for other local bodies.

Additionally, high current price differential between HFFR wires and FR/ FRLS wires and lack of awareness among buyers/customers regarding the benefits of HFFR wires will defer early adoption of HFFR wires. Over longer term, lowering of the price differential between FRLS/ FR and HFFR wires is expected as volume rises. Leading manufacturers are also expected to increase branding and promotion to create awareness about the safety aspects of HFFR cables. This is expected to lead to faster adoption beyond Fiscal 2022. Further, factors like early rollout of the HFFR regulation, push from cable manufacturers and reduction in the price gap between HFFR and FRLS/FR wires can positively influence the shift to HFFR wires.

### ***Solar cables***

An increase in solar capacity additions has increased the demand for solar cables used for connecting photovoltaic arrays with junction modules. Solar cables used in India are required to be HFFR insulated and also required to be certified by international agency such as TUV.

Developers are expected to rapidly shift to the double-string solar plant design from the widely used single-string design. The double-string design is preferred globally, as it offers convenience in monitoring and also reduces cost as lesser length of solar cable is required. The shift in solar plant design is, therefore, expected to reduce the per-megawatt solar cable requirement by 20-30%.

### ***Flexible cables***

Increase in data consumption translated into demand for LAN cable, leading to growth in flexible cable demand over the past five years (Fiscal 2014 to Fiscal 2019). Consumer durable and automotive industries also supported the growth rate. Increased usage of electronics, such as entertainment systems, power windows, central locking, and power steering in passenger vehicles, has increased the usage intensity of wires and cables.

### ***Control cables***

Growth in industrial automation across a wide range of industries, including automotive plants, steel, cement, oil and gas, power, pharmaceuticals, has driven the usage of control cables. Investments by railways in signalling, rolling stocks, and investments in metro projects have also led to robust growth in demand for control cables.

### ***Switchboard cables***

Growth in the services sector, modernisation of commercial setups such as offices, hotels, and airports, investments into railway telecommunication, and increasing usage of intercom facilities in residential buildings have been driving demand for switchboard cables.

### ***Fire survival cables***

Stringent safety regulations in public places led to exponential growth in fire survival cables. Airport modernisation and metro projects executed over the past five years (Fiscal 2014 to Fiscal 2019) have been using HFFR cables. Fire survival cables usage in other places of public safety importance such as hospitals, hotels and malls also rose.

Fire survival cables are installed for feeding essential emergency services. These cables are used in escape route lighting, fire or sprinkler pumps, ventilation systems, pressurisation systems, smoke extraction systems and fire alarm emergency systems, which are required to be in operation for reasonable time period even after the area has been exposed to fire.

### ***Other specialised cables***

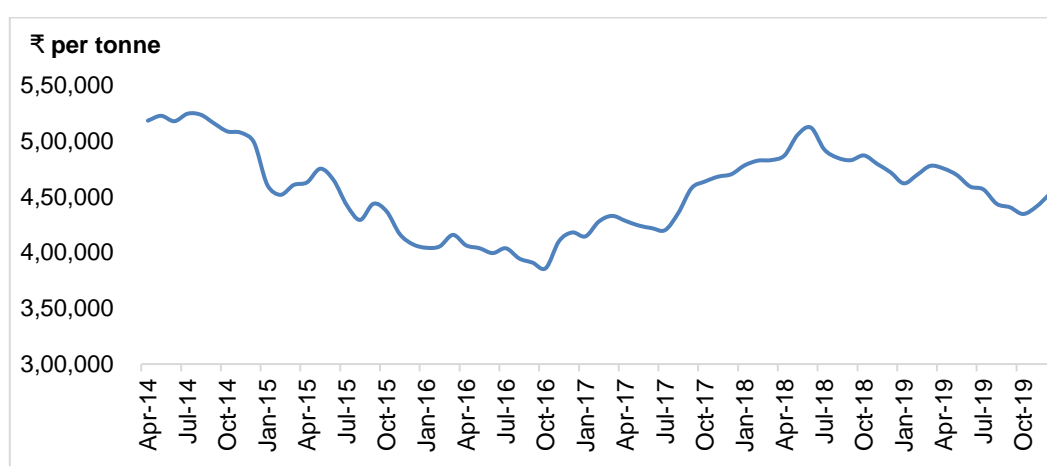
Rapid increase in installations of elevators, sidewalks in residential building and commercial establishments, such as malls, airports and offices, have increased demand for specialised cables. Demand for construction equipment, such as cranes, excavators, conveyor belts for material movement at mining sites, cement plants and ports, has also increased specialised cable requirement.

## **Key risks/challenges**

### ***Fluctuating raw material prices***

Raw material such as copper, aluminium, steel and polymers (used for insulations) account for major proportion of input costs. Since key raw materials used in the industry are globally traded commodities, their prices are subject to high volatility.

#### ***Copper domestic price trends***



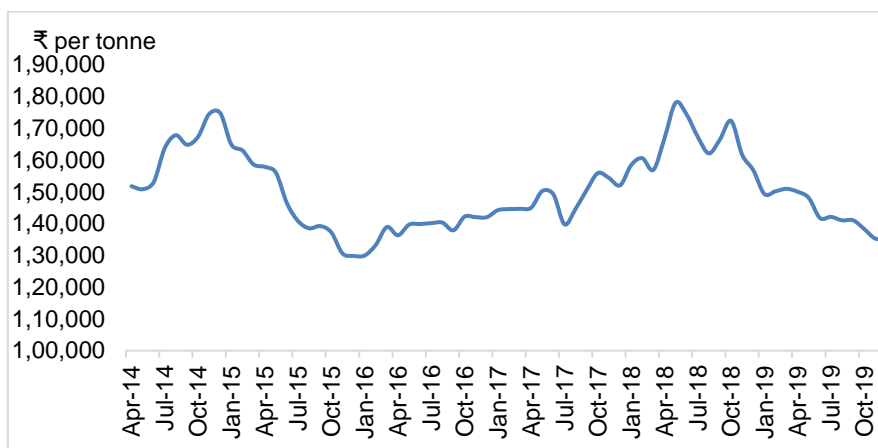
*Note: Prices are of Mumbai market*

*Source: Industry, CRISIL Research*

Excess supply, deceleration in demand from China, and concerns over the recovery of Eurozone economies had lowered aluminium prices in 2015 and 2016. However, in 2017, prices rose a sharp 20%, because of supply disruptions in China. Slowdown in global growth, particularly China, led to a steep fall in Fiscal 2016. However,

since October 2016, the global economy has gathered momentum and tensions between the US and North Korea have increased, which led to a spike in copper landed prices. Since mid-2018, prices softened gradually, largely in line with global trend, primarily due to anticipated world economic slowdown as well as rising global supply. Companies may mitigate the risk of copper price volatility by entering into price variation agreement, wherein the manufacturer passes on the rise in prices.

#### *Aluminium - Domestic price trend*



*Note: Prices are of ingots and at Mumbai market*

*Source: London Metal Exchange (LME), Industry, CRISIL Research*

Aluminium prices have remained mostly range-bound, registering a tepid growth of 0.9% in Fiscal 2017. Prices, which plummeted by 14% in Fiscal 2016, rose in Fiscal 2017, because of the speculations of environment impact-driven production cuts in China, coupled with expectations of possible barriers to export on Chinese aluminium. The rising trend continued until mid-Fiscal 2019, due to capacity cuts in aluminium refineries of China. However, global economic slowdown weighed over prices after mid-Fiscal 2019.

Polymers used for insulations for cables and wires, such as polyethylene (PE) and polyvinyl chloride (PVC), loosely mirror prices of crude oil; hence, steady demand for polymers ensures low-to-moderate fluctuations in prices. Typically changes in prices of raw materials, mainly copper, aluminium and steel, to a certain extent are passed on to consumers. This affects volume sales, because volumes may decline amid price increases. Depending on the overall end-industry and economy outlook, revenue (prices \* volume) may increase or decrease.

To mitigate the risk of price fluctuation further, companies adopt strategies such as opting for long-term contracts with suppliers for procurement, maintaining inventory of raw material, inculcating price escalation clause for large orders, selling at prevailing market prices that reflect change in commodity prices and hedging the risk using forwards and options. Apart for this in order to maintain the profitability level, companies focus on improvement in efficiency to reduce manufacturing costs and on optimisation of cost structure.

#### *Fluctuations in rupee-dollar rates*

Imported raw materials used by the industry are exposed to exchange-rate fluctuations and can adversely affect the cost, thereby impacting margins adversely. Raw materials such as copper, aluminium, steel, and insulation materials may be imported by players due to economies of cost and quality of raw materials required. With the fluctuation in dollar rate, the cost structure changes and affects profitability. Also exports contribute to 10-15% of the industry size in terms of value / volume. Thus, volatility in foreign currency rates can have a significant impact on price realisation and affect profitability. Risks pertaining to currency fluctuation are minimised by opting for long-term contracts, managing forex reserve and hedging the risks through forwards and options. Though, to some extent, players are naturally hedged against currency fluctuations, given their exposure to import (of raw materials) as well as exports (of finished products).

#### *Rising interest rate*

Cable and wire industry is working capital-intensive and high interest rates have a negative impact on margins. Having an effective working capital monitoring system, optimisation of working capital resources and constant

monitoring are crucial, given the long gestation period of projects and the long receivables cycle. Interest costs, being a volatile component, have to be managed effectively to control the cost of funds.

## Key growth drivers

### *Increasing power demand in India*

Demand for power cables relies heavily on power distribution companies and major industries, such as cement, steel, large realty projects, and railways. Revival in investments in power infrastructure by state discoms and significant push to rural electrification through centrally funded schemes, such as Deen Dayal Upadhyaya Gram Jyoti Yojana (“DDUGJY”) and Integrated Power Development Scheme (“IPDS”) resulted in demand growth of approximately 6% in Fiscal 2019.

CRISIL Research expects demand for energy to increase approximately 5.2% CAGR over the next five years (Fiscal 2019 to Fiscal 2024). As a result, the T&D segment is also poised to experience robust growth.

CRISIL Research forecasts this energy requirement growth based on the following factors:

### *Factors influencing power demand*

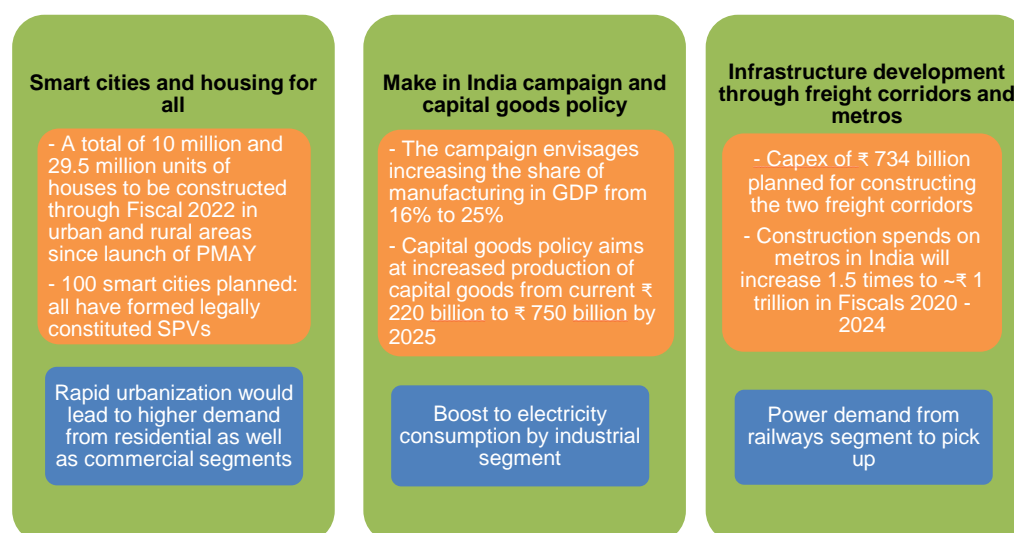
Drivers	Restraints
GDP growth	Energy efficiency
Transformation capacity expansion	T&D loss reduction
Improvement in discom financials	Captive and off-grid RES generation
Intensive rural electrification	Reduced electricity intensity
Government push to manufacturing (Make in India) and large scale infrastructure (smart cities and DFCs)	

Source: CRISIL Research

### *GDP growth and infrastructure development to support power demand*

India’s economy is expected to grow gradually over the next five years (Fiscal 2019 to Fiscal 2024) with higher industrial growth post-GST implementation, Make in India campaign, dedicated freight corridor infrastructure, service industry expansion, rapid urbanisation, and higher increased farm incomes.

### *How future economic growth will influence demand*



Source: CRISIL Research

Various government initiatives, such as Make in India and Smart Cities Mission, are expected to boost infrastructure development in the country, albeit towards the end of our forecast period.

### *Transmission and Distribution network augmentation to support demand growth*

Transmission and Distribution (“**T&D**”) accounts for a major share in demand for power cables. India’s inter-regional power transmission capacity increased from 17 GW in Fiscal 2007 to 99 GW in Fiscal 2019, and it is further expected to increase to 145 GW by Fiscal 2024 as per the government’s target. The government’s focus on providing electricity to rural areas has led to the power T&D system being extended to remote villages. The total length of transmission lines in the country has increased from 257,481 circuit kilometres (“**ckm**”) in Fiscal 2012 to 367,851 ckm in Fiscal 2017.

With the government’s focus on alleviating congestion, transmission capacities are expected to witness moderate growth. About 250-260 GVA transformation capacity (above 220 kV level) is expected to be added between Fiscals 2020 and 2024 to reach cumulative transformation capacity of 1,160-1,180 GVA by March 2024. In particular, we expect robust growth in high-voltage lines of 400kV and 765kV, due to its importance in inter-state transmission lines, given the following government targets (Ministry of Power):

- Inter-regional transmission capacity expansion to 145 GW by Fiscal 2024 from 99 GW in Fiscal 2019
- Ultra-high capacity green energy corridors with expected investment worth ₹ 430 billion

Thus, higher investments are expected over the next five years (Fiscal 2019 to Fiscal 2024) at ₹ 3.5-3.7 trillion, compared with ₹ 3.0-3.2 trillion over the past five years (Fiscal 2019 to Fiscal 2024). This would result in widening of the transmission network, higher grid availability and improved power supply to all regions. Thus, the expected improvement in T&D infrastructure, coupled with agricultural feeder separation and extensive rural electrification, will drive power demand upwards.

#### *Saubhagya scheme to improve household electrification*

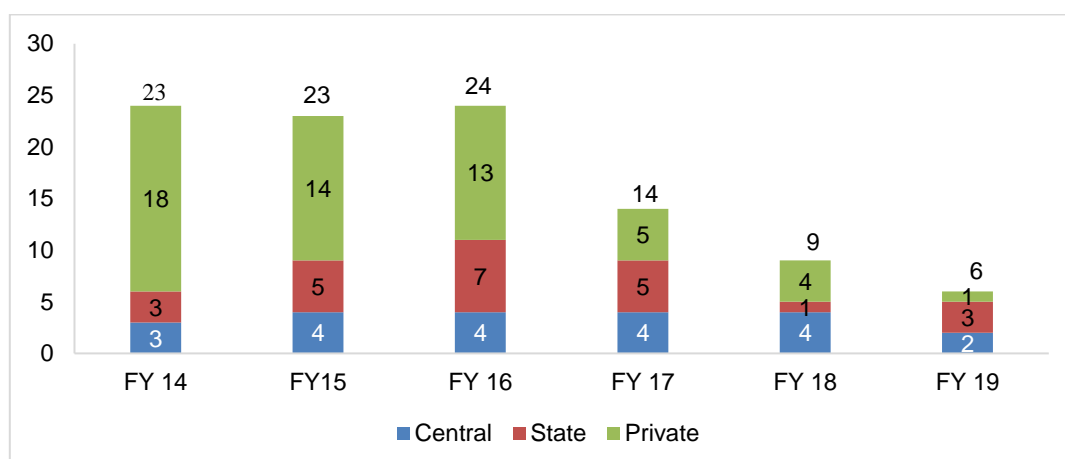
The government is aiming to boost residential power demand through the Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya scheme. Assuming a monthly consumption of such households at 100 kWh/month, the scheme, if implemented successfully, has potential to increase power demand by 45-50 billion units (approximately 3.6% of the power demand in Fiscal 2019). Nevertheless, such increase would be gradual and subject to discoms’ ability to provide reliable and uninterrupted supply to such households, which are subsidised consumers. Thus, even after achieving the last-mile connectivity under the Saubhagya scheme, discoms would still be reluctant for providing continuous supply to these households to restrict AT&C losses. As of December 2019, around 26.3 million households are electrified, while only around 18,000 are yet to be electrified as per the online portal of the scheme.

#### *Conventional power capacity additions*

About 100 GW of conventional capacities were added over the past five years (Fiscal 2014 to Fiscal 2019), led by the private sector.

From Fiscals 2014 to 2019, approximately 100 GW of conventional source-based power generation capacities were added, led by the private sector, which accounted for approximately 55% of the total additions. This was primarily due to the introduction of competitive bidding after 2006, which opened the sector to private players who drew up aggressive expansion plans. Subsequently, significant capacities have been added by large conglomerates, such as Tata Power, Adani Power, JSW Energy and Reliance Power.

### Year-wise sector-wise capacity addition (conventional energy) (GW)

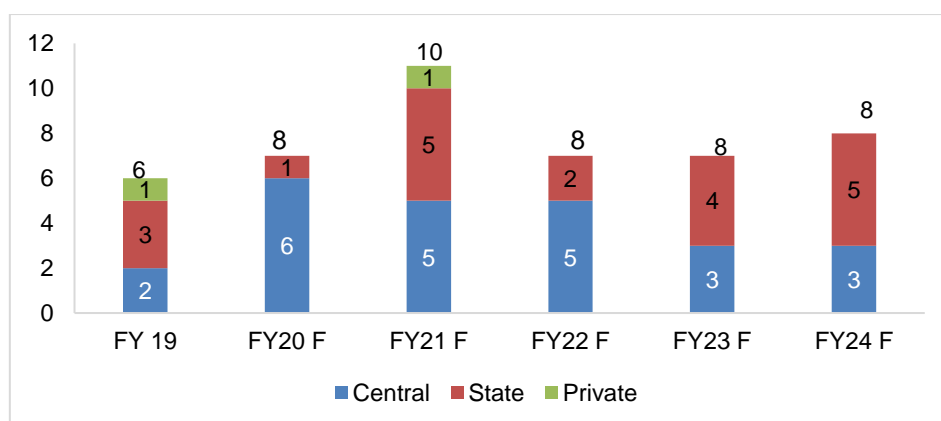


Source: CEA, CRISIL Research

However, capacity additions slowed down significantly post-Fiscal 2016, due to completion of most of the large announced projects, deterioration of financial health of the promoters and lack of demand for long term power purchase agreements by discoms.

As per CRISIL Research project-level analysis, we expect approximately 42 GW of capacities to be commissioned from Fiscals 2020 to 2024. Beyond Fiscal 2019, yearly conventional capacity additions are expected to moderate as against 23-24 GW witnessed between Fiscals 2014 and 2016. Our view is driven by declining power deficit, completion of large announced projects, as well as delays in a few projects due to fund constraints. Moreover, bankers are also adopting a cautious approach given their high power sector exposure.

### Conventional power capacity addition (GW)



E: Estimated F: Forecasted

Source: CEA, CRISIL Research

The key factors that are expected to delay the pace of capacity additions are:

- Power oversupply scenario
- Lack of fresh power purchase agreements
- Private sector power generation segment is under financial stress
- Delay in clearance, slow progress on civil works
- In all, CRISIL Research expects approximately 42 GW to be commissioned during Fiscal 2020 to Fiscal 2024 period. The Central government (including joint ventures) is expected to contribute to approximately 54% of the estimated capacity additions, followed by state governments (43%) and private players (3%). Conventional capacity additions are expected to slow down gradually post Fiscal 2019. This is largely because of declining power deficit, completion of large announced projects, as well as delays in a few projects due to fund constraints.

## ***Demand from renewable energy rising***

### ***Solar power capacity additions***

Focus on renewable energy generation with increased investments in solar power has raised demand for solar cables. CRISIL Research expects solar power capacity addition to ramp up to 51-53 GW between Fiscals 2020 and 2024, compared with approximately 26 GW between Fiscals 2015 and 2019. The strong growth in capacity addition will be driven by favourable government policies, such as initiatives to facilitate land acquisition, improve transmission infrastructure and discoms financials, in addition to external factors such as improvement in technology (module efficiency), stabilisation of capital costs, and availability of low cost funds.

In Fiscal 2019, approximately 7.1 GW of solar power projects were commissioned, which was lower by approximately 24% over Fiscal 2018, which had seen an increase of 69%. This was mainly due to additional taxation in the form of imposition of a safeguard duty, higher GST rate and other policy issues, such as cancellations / renegotiation affecting developer sentiment.

Further, the National Tariff Policy (2016) has revised upwards the Renewable Purchase Obligation (RPO) target to 8% by 2022, prompting other states to revise their own future RPO trajectory. The southern states of Andhra Pradesh, Karnataka, Telangana, and Tamil Nadu together added 3.6 GW (approximately 65% of the total solar capacity additions in Fiscal 2017) under various schemes – state/central/other projects, with Andhra Pradesh leading the additions at approximately 1.2 GW.

The further rise in capacity addition in the next few years (through Fiscal 2024) will be driven by commissioning of projects allotted under different state policies: National Solar Mission (“NSM”) phase II, III, IV, V, and VI, state solar policies, and expansion plans by central public sector undertakings. Moreover, government initiatives, such as facilitating land acquisition, improving transmission infrastructure and making funding available, will remain critical to support capacity additions.

The Government of India had revised the National Solar Mission’s target of grid-connected solar power projects from 20,000 MW by 2022 to 100,000 MW (60,000 MW by means of ground mounted solar projects and 40,000 MW by roof top solar projects). The government needs to ensure policy coherence for the sector to provide impetus to it and achieve its goal of 100 GW by Fiscal 2022. The thrust on solar power capacity addition has increased the demand for generation and transmission related technologies, photovoltaic equipment systems, and also special kind of wires and cables suitable to solar energy. Solar cables are required to be UV resistant and weather resistant; they are used for inter-connections in the photovoltaic system. All solar applications require high-quality cabling that provides excellent mechanical properties and superior sunlight resistance for outdoor installations, flame-resistance for added safety, and flexibility for easy handling.

We expect approximately 7-8 GW of projects to be commissioned under the solar rooftop segment over the next few years (2020-2024), mainly led by commissioning of capacities by SECI (up to 2000 MW); capacities allocated by state governments (up to 1500 MW), commissioning of 1,000-1,500 MW of capacities by government institutions such as metro, railways and airports; and 2,500-3,000 MW of capacities to be added by industrial and commercial consumers under net/gross metering schemes of various states. MNRE provides central financial assistance for all rooftop projects constructed by the residential category of consumers: 70% for special category states and 30% for other states.

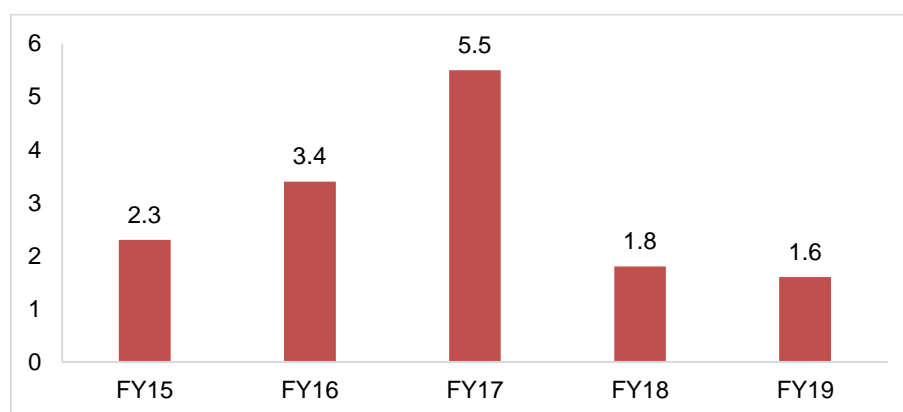
### ***Wind power capacity additions***

Capacity additions fell 11% in Fiscal 2019, with additions at 1.6 GW versus 1.8 GW in Fiscal 2018. This is the case, as the sector continues to adjust to the significantly lower tariffs under competitive bidding as well as land availability and grid connectivity concerns, which developers face due to delayed/congested infrastructure.

Fiscal 2018 also witnessed fewer capacity addition of approximately 1.8 GW on-year, due to delays in signing of PPAs by states, cancellation of bid capacities, and significant payment delays in the wind energy sector. Most of the projects commissioned that Fiscal were those which were already sanctioned (licences provided/PPA signed) by discoms, or under construction prior to March 2017.



### Capacity additions for wind energy (GW)



Source: CRISIL Research

CRISIL Research expects wind power capacity addition to remain subdued at 12-14 GW over Fiscals 2020 to 2024, which is close to the approximately 15 GW commissioned between Fiscals 2015 and 2019.

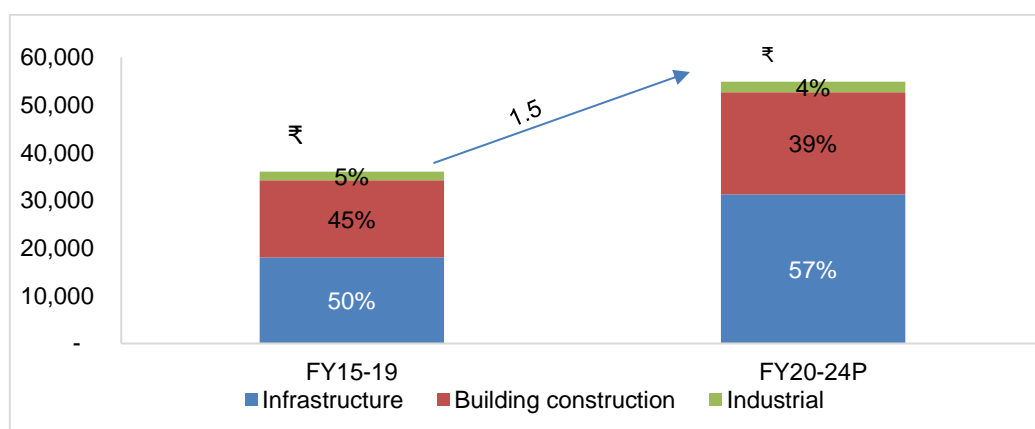
### Infrastructure investments growth as a demand driver

Construction sector, led by investment in infrastructure segment, will boost growth in cables and wires industry.

CRISIL Research estimates overall construction spending in key infrastructure sectors to rise over the next few years (Fiscal 2019 to Fiscal 2024), aided by a slew of recent policy reforms. Roads are expected to drive majority of construction spending; investments in urban infrastructure, irrigation, and railways are expected to grow at a fast pace.

CRISIL Research estimates investments in construction sector to register at a 7-8% CAGR with cumulative investments of ₹ 54,900 billion between Fiscals 2020 and 2024, compared with a 5% CAGR with cumulative investments of ₹ 36,050 billion between Fiscals 2015 and 2019, driven by robust growth in the infrastructure segment.

### Overall construction investments (₹ billion)



P: Projected

Source: CRISIL Research

Infrastructure construction activities would step up demand of elastomeric cables from construction equipment. Investment in the industrial segment, especially sectors such as oil and gas, and mining would increase demand for power, control, and instrumentation cables. More residential and commercial construction would mean greater demand for power cables and building wires.

The share of infrastructure projects is expected to increase to 55-60% during Fiscals 2020 – 2024 period, as against 50% during Fiscals 2015 – 2019, as investments in building construction and industrial segments are expected to

remain flat. The Central government's focus on roads, urban infrastructure, and railways will boost infrastructure investments. Conversely, spending on industrial projects is expected to be low as companies in the metals, petrochemicals, and cement sectors delay their expansion plans amid low utilisation and muted demand. Investments in building construction are expected to remain stagnant because of stagnancy in residential investments.

**Roads:** Road projects augur well for construction players, as nearly all funds (save those used for land acquisition) are channelised into construction. In fact, spending on road construction, which is estimated to have risen 20-25% on year in Fiscal 2019, is forecast to increase 1.8 times over Fiscals 2019-24, due to the government's focus on roads, and state and national highways.

**Railways:** The Central government announced a planned outlay of ₹ 1.59 trillion for Indian Railways in the Union Budget 2020, 15% higher than the preceding year's revised estimate of ₹ 1.39 trillion, thus driving investment in the sector. About 41% of the planned outlay is expected to be financed through budgetary support, and the remaining through internal sources and market borrowings/institutional finance.

**Urban infrastructure:** CRISIL Research expects investment in India's urban infrastructure to grow at a robust pace, driven by government schemes such as AMRUT, Swachh Bharat, and Clean Ganga. Water supply and sanitation (WSS) projects and metro construction in major Indian cities are expected to boost urban infrastructure investment in the next five years (Fiscal 2019 to Fiscal 2024). Commencement of work on 100 smart cities announced so far will also be a key monitorable.

**Other infrastructure:** CRISIL Research forecasts construction investments in power to decline but that in renewable generation capacity to rise. Further investment in ports will slow down but airports and warehouses are expected to witness stronger growth.

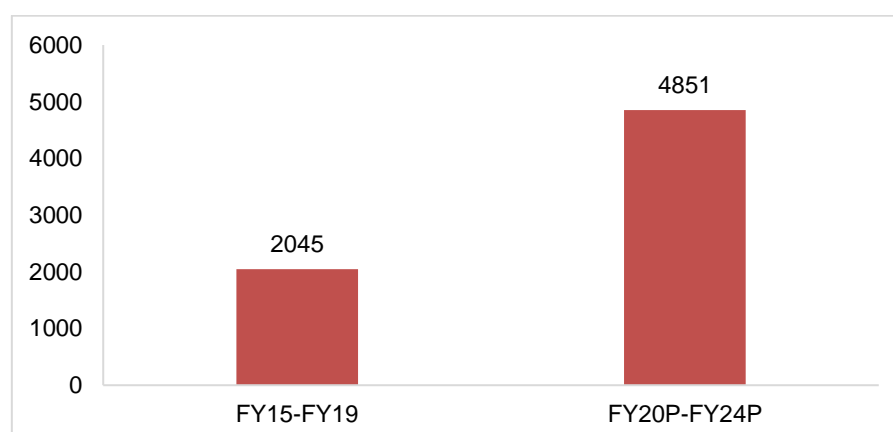
**Building construction:** The three segments that will drive growth in building construction are affordable housing (Pradhan Mantri Awas Yojana), healthcare, and education. Heightened building construction activity will lead to a rise in demand for cables and wires, especially in the house wires segment.

The real estate industry had been in focus in the past two years, with various developments such as demonetisation, enactment of the Real Estate (Regulation and Development) Act ("**RERA**") and the GST impacting the sector deeply. Though these developments gave rise to short-term woes, the industry is expected to benefit in the long term, helping to raise demand for house wires. CRISIL Research expects residential and commercial construction combined to rise at a 6-7% CAGR between Fiscals 2020 and 2024, compared with -2% in the past five years (Fiscal 2014 to Fiscal 2019). This will translate to a significant increase in demand for house wires and LV power cables.

*Construction spend on railways to increase at 15% CAGR during Fiscal 2020 to Fiscal 2024*

CRISIL Research expects construction expenditure in railway projects to increase 2.3 times (15% CAGR) between Fiscals 2020 and 2024 compared with the previous five years.

*Investment in the railway sector (₹ billion)*



*Note: P projected*

*Source: CRISIL Research*

The DFC project is estimated to cost ₹ 814 billion for the eastern (1,856 km) and western (1,504 km) sectors, which includes the cost of land acquisition (₹ 81 billion) and construction (₹ 734 billion). In actuality, the project cost is higher, since it excludes the 538 km stretch of the Eastern DFC (EDFC), which the government proposes to implement through public-private partnership (PPP). The length of the project is 3,360 km.

### ***Rise in power consumption in residential segment to lead the growth in house wires***

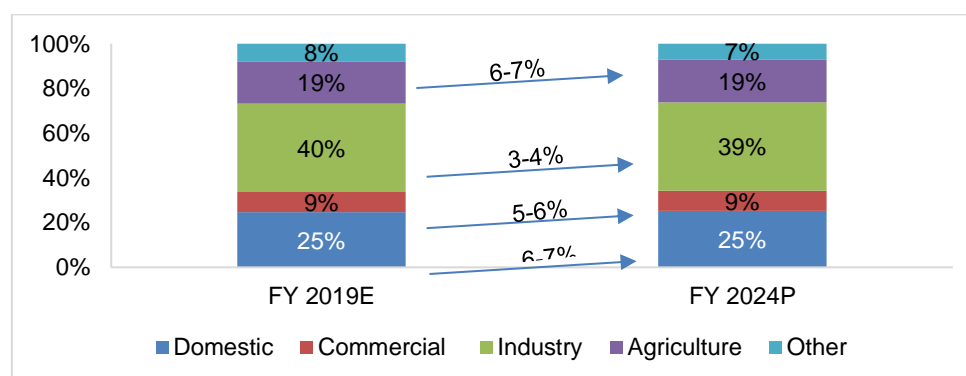
We estimate electricity consumption in the domestic segment to increase at a rapid 7-8% over Fiscals 2020 to 2024 led by high latent demand, rapid urbanisation, and government initiatives such as rural electrification and 24x7 Power for All. Power offtake by the residential segment would also be supported by rising disposable income. The demand would be met through higher power availability coupled with improved access to electricity. However, higher use of energy-efficient equipment and rise in domestic tariffs would limit substantial rise in domestic consumption.

As compared with the residential segment, growth in industrial demand is expected to be lower, at 3-4% of total power demand. Although the government's push to the manufacturing sector under the 'Make in India' campaign would assist industrial demand, implementation of the policies are expected to take longer, thereby slowing growth from this segment. Consumption by commercial and agriculture segments is expected to grow at 5-6% and 6-7%, respectively, owing to development of cities and higher availability of electricity in rural areas.

Measures under the DDUGJY are also expected to boost demand from rural households. While the government claims 100% rural electrification has been completed by April 2018, there still exist approximately 32 million un-electrified households. About 41% of the villages are yet to be intensively electrified. Thus, there exists strong potential for growth in electricity consumption in rural areas, which would be achieved under DDUGJY in the next few years (through Fiscal 2024).

We expect demand from the commercial segment also to improve sharply on account of rising urbanisation, which, in turn, will lead to a growth in commercial spaces such as hospitals, educational institutions, malls, and offices. The industrial segment will continue to hold the largest share in overall power consumption.

### ***Projected shares of different segments in power consumption (%)***



*E: Estimated; P: Projected*

*Source: CRISIL Research*

Increasing reliance on the services industry for GDP growth would also increase the share of the commercial segment in overall power consumption. However, penetration of energy-efficient applications in this segment will restrict growth to some extent.

### ***Telecom sector growth***

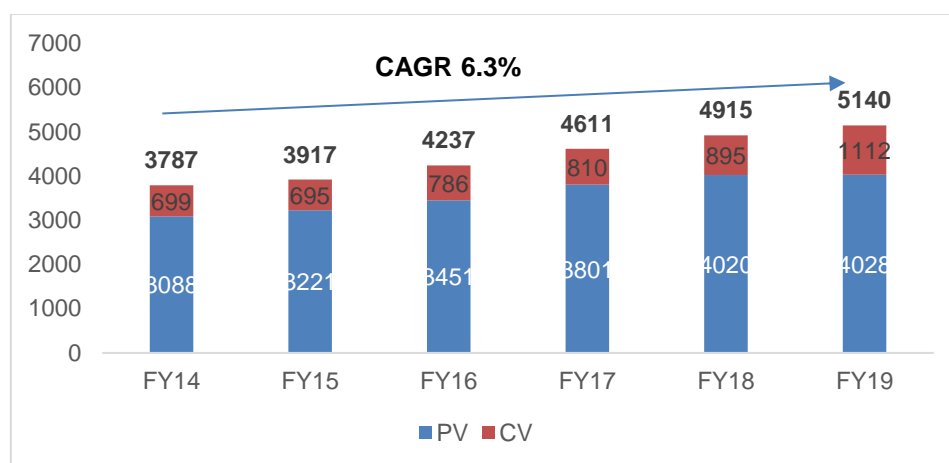
India is the world's second largest telecommunications market, with 1,147.71 million subscribers as of April 2018. With 70% of the population residing in rural areas, the rural market is expected to be a key growth driver in the coming years. Over the past few years, India has witnessed a drastic surge in internet users with internet penetration as a percentage of total households crossing 45% as of Fiscal 2019. CRISIL Research expects the total number of internet subscribers in the country to reach 900 million by Fiscal 2024, resulting in 60% internet penetration.

With the disruptive launch of 4G services by Reliance Jio and falling prices of data and 4G-enabled handsets, we believe the number of internet subscribers in India will grow to approximately 900 million by Fiscal 2024 from an estimated 635 million in Fiscal 2019-end. Fast growth in wireless broadband services will be the key driver, supporting rapid offtake in broadband. Growth will be driven by wireless broadband (4G), which is forecast to accelerate at 10-12% CAGR from Fiscals 2019-24. The aggressive growth in 4G subscribers (40% CAGR) is expected to offset the negative growth in 3G and 2G subscribers in this period.

### ***Automobile sector growth***

Despite higher affordability, India's car market is highly under-penetrated vis-à-vis most developed economies and some developing countries, and holds tremendous potential for automobile manufacturers. India has approximately 23 passenger vehicles per thousand people in Fiscal 2019. The number is significantly lower than both developed as well as other BRIC (Brazil, Russia, India and China) nations. The projected healthy rise in addressable households is expected to increase passenger vehicle penetration to 26-28 cars per thousand people by Fiscal 2024.

#### *Production of passenger and commercial vehicles (in 000' units)*



Source: CRISIL Research

#### *Long-term demand outlook for passenger vehicles*

The domestic passenger vehicle industry is expected to decline by approximately 14-16% on-year in Fiscal 2020 on account of a fall in retail demand. We forecast the expected pre-buying of BS IV (Bharat Stage IV) vehicles owing to their lower cost as compared with BS VI-compliant vehicles, before the mandatory new emission norms kick in on April 1, 2020, would marginally aid demand. However, the current gloomy retail sentiment has led to a huge inventory build-up, significant liquidation of which will more than offset the benefit of pre-buying.

The steep decline in sales in Fiscal 2020 will significantly squeeze the long-term five-year (Fiscal 2019 to Fiscal 2024) sales demand to approximately 2-4% CAGR compared with approximately 6% CAGR during Fiscal 2014 to Fiscal 2019. Over the next five years (Fiscal 2019 to Fiscal 2024), income growth and affordability with respect to ownership will rev up passenger vehicle demand. Cost of ownership is expected to be stable, with no sharp rise in fuel prices expected till Fiscal 2024.

#### *Long-term demand outlook for commercial vehicles*

CRISIL Research expects sales growth of medium and heavy commercial vehicles (“MHCV”), light commercial vehicles (“LCVs”), and buses -- the three major automobile segments -- to remain buoyant over the long term. We forecast overall domestic sales of CVs would fall approximately 20% in Fiscal 2020, on account of 32-30% decline in MHCVs, 16-14% in LCVs, and 8-6% in buses.

MHCV sales are likely to grow at a moderate 2-4% CAGR, over a high base, from Fiscal 2019 to 2024 (five-year CAGR), lower than the previous five-year CAGR of approximately 17% (Fiscal 2014 to Fiscal 2019). Moreover, tonnage addition is expected to also grow at a marginally lower 1-3% CAGR. Long-term growth would appear

weaker after a approximately 30% drop in sales in Fiscal 2020, post which demand would rise at a healthy pace. However, a full recovery will be limited as better road infrastructure, efficiency achieved after the GST implementation, shift to higher tonnage trucks, and the commissioning of dedicated freight corridors could provide some downside to the volume growth. The Ministry of Road Transport and Highways has notified new axle load norms for commercial vehicles in July 2018, which allow for an increase in the load-bearing capacity of trucks.

Improved consumption and rising replacement volume will drive long-term LCV demand. However, a shift towards higher tonnage pick-ups from sub-1-tonne vehicles will curb higher sales growth. The replacement demand of the sub-1-tonne segment is likely to taper off by Fiscal 2022 leading to weaker sales in the terminal year. All in all, LCV sales are expected to rise at 2-4% CAGR between Fiscals 2019 and 2024 over a high base of Fiscal 2018 owing to higher consumption expenditure and improved finance availability post this Fiscal. Long-term growth would be weaker after a approximately 15% drop in sales in Fiscal 2020, post which demand would rise at a healthy pace.

CRISIL Research projects domestic bus sales to expand at 6-8% CAGR between Fiscals 2019 and 2024 owing to increasing demand for inter-city/state travel, aided by better road infrastructure, and higher personal disposable incomes. The unregulated segment, which primarily caters to demand from schools, companies and inter-city travel by private operators, will remain the largest end user. However, further expansion in bus sales would be impacted by the implementation of metro-rail and monorail in several cities.

#### *Electric vehicles to support demand growth; however, only over the longer term*

The Government of India is focusing on building charging infrastructure and creating a conducive policy environment for faster adoption of electric vehicles and lowering dependence on fossil fuels for transportation. India aims to increase the share of electric vehicles to 30% by 2030. Under the National Electric Mobility Mission on Plan, the government envisages to promote electric vehicle adoption through demand-side incentives in terms of subsidies, promote charging infrastructure and encouraging research and development in battery technology, power electronics, battery management and system integration, etc.

CRISIL Research estimates that under the base case scenario, adoption of electric vehicles will boost power demand by 2 to 3 billion units by Fiscal 2024. This is to be supported by expansion of charging infrastructure across major cities as well as requisite growth in distribution infrastructure and appropriate tariff structure for charging the electric vehicles. In fact, the government has announced ₹ 10 billion in subsidies for building a nationwide electric vehicle-charging infrastructure. Charging stations will be installed on major highways such as Delhi-Mumbai, Delhi-Chandigarh, Mumbai-Surat-Pune, etc. with plans to have a charging station every 25 km on these highways.

#### *Investment revival in industrial segments*

CRISIL Research estimates construction investment in the industrial segment to remain stagnant at ₹ 2.2 trillion between Fiscals 2020 and 2024, similar to ₹ 1.9 trillion between Fiscals 2015 and 2019. This is, on account of underutilisation of current capacities and low-to-moderate growth prospects. While investments in oil and gas and automobiles sectors are expected to increase, this is likely to be negated by a fall in investments in metals, petrochemicals, and textiles.

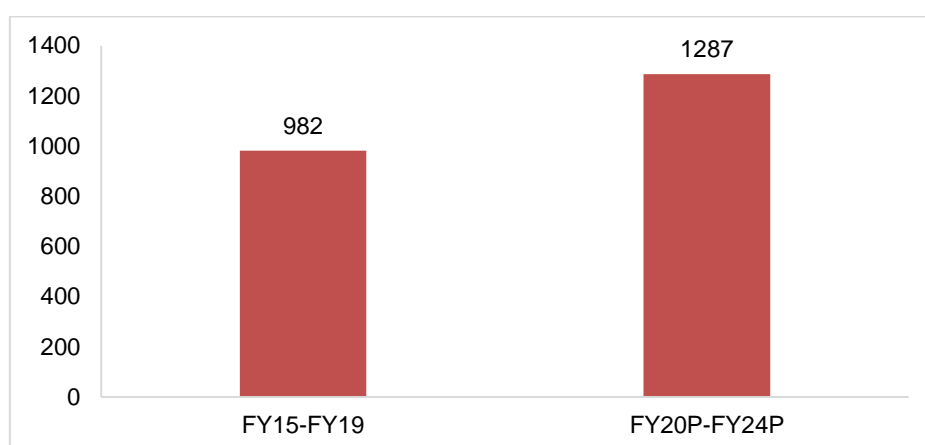
#### *Construction spending in the oil and gas sector*

The oil and gas sector is estimated to provide approximately ₹ 1.2 trillion in construction opportunities (upstream and downstream) over Fiscals 2020-24, thereby comprising approximately 55% of total industrial construction expenditure of ₹ 2,271 billion.

A large part of the rise in the sector's construction expenditure will come from rising investment in refining for upgrading to BS VI norms and marketing. We forecast the proportion of refining and marketing in oil and gas spend to increase to 54% in Fiscal 2019-23 from 47% in Fiscals 2014-18. However, a further rise in construction spend will be crimped by lower investment in exploration and production, which will see its share in the sector's spending basket shrink to 32% from 46% during the period.

Construction revival will help boost demand for the cables and wires power segment, instrumentation and control cables and flexible cables along with cabling EPC projects.

### *Investment in the oil and gas segment (₹ billion)*



*Source: CRISIL Research*

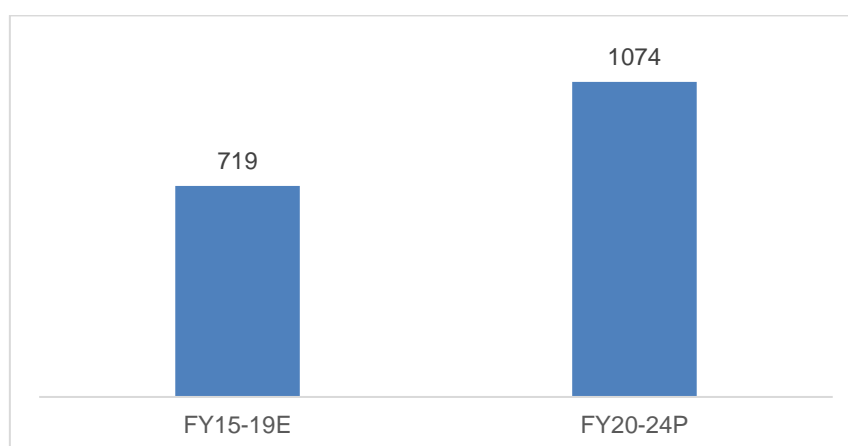
### **Metro projects implementation**

The government's thrust on urban infrastructure development is expected to drive investment in the sector over the next five years.

#### *Metro projects to be second-largest urban infra investment contributor during Fiscal 2020 to Fiscal 2024*

CRISIL Research estimates construction spends on metro projects in India will increase 1.5 times to approximately ₹ 1,074 billion during Fiscal 2020 to Fiscal 2024, making it the second-largest contributor to urban infrastructure investments. In the Union Budget for Fiscal 2020, allocation to metro projects rose 18-20% over revised budget estimates for Fiscal 2019. Also, a new metro rail policy was announced in the 2018 Union Budget, which targeted developing private interest in the segment.

### *Construction spends in metro projects (₹ billion)*



*E: Estimated, P: Projected*

*Source: CRISIL Research*

We believe approximately 70% of total investment in mass rapid transit systems (“**MRTS**”) between Fiscals 2020 and 2024 will be in these key projects: Delhi Metro Rail Project - Phase III and IV, Bangalore Metro - Phase II, Colaba-Bandra-Seepz Project, Dahisar-Charkop-Bandra Metro Line 2, Wadala-Ghatkopar-Teen Hath Naka Metro Line 4, Dahisar-Andheri Metro, Nagpur Metro, Greater Noida Metro Project, and Kolkata Metro Project Phase II.

Approximately 400 km of the metro rail network is already operational, while another 480 km is under execution in cities such as Delhi, Mumbai, Kolkata, Hyderabad, Ahmedabad, Jaipur, Kochi, Nagpur, Gurgaon, Lucknow,

and Noida. Also, metro projects in other cities such as Pune, Indore, Meerut, Patna, Kanpur, Guwahati, Ludhiana, Visakhapatnam, Kozhikode, and Varanasi, etc. are still in the planning stage.

Several projects in cities such as Mumbai, Pune, Ahmedabad, Chennai, Kanpur, and Guwahati have together planned for 120 km of underground metro projects.

*Some of the metro projects in progress*

Metro projects	Status
Mumbai	Work for 3 lines in advanced stages, 3 new lines announced, totaling 14 lines
Pune	First 2 phases on track, 3rd phase awarded on PPP
Delhi	Phase 3 almost complete, phase 4 – 3 out of 6 corridors approval received
Chennai	Phase 1 ext. line to begin soon, phase 2 yet under planning
Hyderabad	Partial COD on 2 out of 3 corridors under phase 1
Bangalore	Still some time for phase 2 to end, cost revised upwards by ~20%

*Source: CRISIL Research*

### ***Housing for All by 2022***

In the bid to provide ‘Housing for All’ by 2022, the government launched the Pradhan Mantri Awas Yojana (“PMAY”) in June 2015. It is to be implemented through four components – slum redevelopment affordable housing in partnership, credit-linked subsidy, and subsidy for beneficiary-led housing.

Although the scheme’s progress was slow initially, it will gather pace over the next few years and result in significant increase in the number of houses. Wider access to affordable housing through successful implementation of this mission will increase purchase of cables and wires (esp. building wires).

### ***Impetus on low-cost housing***

In addition to principal repayments of up to ₹ 150,000 on home loans allowed as a deduction as per Section 80 C, a deduction of interest of ₹ 50,000 per annum until repayment has been provided exclusively for first-time home buyers. This is as per Section 80 EE, given the property value is up to ₹ 5 million, the loan is up to ₹ 3.5 million and the loan has been sanctioned between April 1, 2016, and March 31, 2017. This indicates a clear focus on pushing low-cost housing, which can lead to higher purchase of cables and wires products.

The Cabinet Committee on Economic Affairs approved a proposal to increase the interest subsidy to 6.5% for loans of up to ₹ 0.6 million for the economically weaker section (“EWS”) and lower income group (“LIG”) beneficiaries. This is under the Affordable Housing through Credit-Linked Subsidy Scheme (“CLSS”) component of the Housing for All by 2020 mission. In February 2017, benefits of the CLSS were extended to include middle-income group (“MIG”) households, whose incomes range between ₹ 6 lakh and ₹ 18 lakh per annum. Their inclusion will lead to a surge in loan disbursements, leading to faster outstanding growth. Higher government support for the affordable-housing segment (in terms of interest rate subsidies) as well as a low interest rate scenario will boost overall housing loan demand over next two Fiscals, i.e., Fiscals 2021 and 2022.

### ***Government initiatives***

**DELP/UJALA:** The Domestic Efficient Lighting Programme (“DELP”) scheme, inaugurated in January 2015, aims to replace 770 million incandescent bulbs with energy-efficient LEDs in the residential sector across 100 cities by March 2019. This scheme was later renamed to Unnat Jyoti by Affordable LEDs for All (“UJALA scheme”) on May 1, 2015. Residential consumers were to be provided with high quality LED bulbs at a concessional rate of ₹ 100-105. As of January 8, 2019, the government has distributed approximately 361 million LEDs across India, having saved about 47 billion kWh of energy and ₹ 187 billion in costs. Falling LED bulb prices along with growing low-cost housing can boost mass adoption of LED bulbs at affordable prices.



**DDUGJY:** Because of the Deendayal Upadhyaya Gram Jyoti Yojana (“**DDUGJY**”), several factors are expected to boost power demand in the agriculture sector in the next five years (Fiscal 2019 to Fiscal 2024). These factors include rural electrification, segregation of agricultural and non-agricultural feeders, strengthening and augmentation of T&D infrastructure in rural areas, and metering of transformers/feeders/consumers.

The erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (“**RGVY**”) scheme for village electrification and providing electricity distribution infrastructure in the rural areas has been subsumed in the DDUGJY scheme. Under the Rural Electrification component of the DDUGJY, the Ministry of Power has sanctioned 921 projects to electrify 1,22,334 un-electrified villages, undertake intensive electrification of 5,94,581 villages, and provide free electricity connections to 39.9 million below poverty line (BPL) rural households. As per the information available on the DDUGJY portal on January 15, 2020, 394,207 villages are reported to have been electrified under plans X and XI, while, under phase 2 plan XI, 4,134 are reported to have been electrified.

**SLNP:** Launched on January 5, 2015, the Street Lighting National Programme (“**SLNP**”) targets replacement of 14 million conventional street lights in India with smart LED variants by 2019. As of December 2019, the government has completed LED conversion of more than 10 million street lights. LED bulb usage is set to rise as rural and urban infrastructure development speeds up.

**UDAY:** The Ujjwal Discom Assurance Yojana (“**UDAY**”) scheme was launched on November 20, 2015, to revive state discoms out of huge accumulated losses and piling debt, and supplement efforts for rural electrification and overall infrastructure development. With almost all major states (except West Bengal) joining UDAY scheme and ₹ 2.3 trillion worth bonds being issued (86.3% of target) as of March 2019, debt and interest burden on discoms has been reduced, resulting in higher liquidity. The operational parameters of states participating in UDAY have also shown signs of improvement, with reduction in the ACS-ARR gap (i.e. gap between average cost of supply and average revenue realised) and aggregate technical and commercial (AT&C) losses to ₹ 0.17 kWh and approximately 19%, respectively, in Fiscal 2018, from ₹ 0.59 per kWh and approximately 23% in Fiscal 2016.

However, the debt levels of discoms are increasing, albeit at slower pace, than pre-UDAY owing to rising working capital requirements and additional capital investments in distribution network. Also, lower than targeted tariff hikes and rising power purchase costs have started to strain the ACS-ARR gap. Provisional numbers reported by discoms suggests an increase in the ACS-ARR gap to ₹ 0.22 per kWh at Fiscal 2019-end. This is expected to ease the financial stress of discoms and improve their power off-take ability, thereby increasing power demand.

**SAUBHAGYA:** The government is aiming to boost residential power demand through the Pradhan Mantri Sahaj Bijli Har Ghar Yojana -Saubhagya scheme. Assuming monthly consumption of such households at 100 kWh/month, the scheme, if implemented successfully, has potential to increase power demand by 45-50 billion units (approximately 3.6% of the power demand in Fiscal 2019). Nevertheless, such an increase would be gradual and subject to the discoms’ ability to provide reliable and uninterrupted supply to such households, which are subsidised consumers. Thus, even after achieving the last-mile connectivity under the Saubhagya scheme, discoms would still be reluctant to provide continuous supply to these households to restrict AT&C losses.

### ***Government’s focus on improving electrification***

The government has introduced various schemes with specific objectives targeted at different sections of the country. Schemes such as DELP, UJALA, and SLNP are expected to drive demand for LED bulbs in the lightings segment, helping cost reduction and energy savings. Initiatives such as Saubhagya and DDUGJY could spur growth for cables and wires products for household purposes as well as for rural infrastructure. The revival of discoms through UDAY can support the implementation of government’s electrification initiatives.

### ***Impact of GST***

The initial GST rates were higher than the cumulative tax levied (includes VAT of 5-14.5% and excise approximately 10%) on home electricals. The revised rates are lower than pre-GST rates.

Segment	Pre-GST effective tax rates	Initial GST rates	Revised rates
Fans	24.5%	28%	18%
Switches	15%	28%	18%
Electrical wires	15%	28%	18%



<b>Water heaters</b>	24.5%	28%	18%
<b>Lightings</b>	24.5%	28%	18%
<b>LED lights and fixtures</b>	15%	12%	12%
<b>Switchgears</b>	22%	18%	18%

Source: Industry, CBEC

Effective implementation under GST with emphasis on value addition, amalgamation of a large number of central and state taxes into a single tax; and set-off allowance of prior-stage taxes has largely mitigated the ill effects of cascading. As expected, industry stabilisation, under the new tax regime, took a couple of quarters. Input tax credit, being the crux of GST mechanism, has ensured wider coverage of tax payers in the supply chain. As only supply from registered taxpayers is allowed for input tax credit, businesses and stakeholders have been insisting on registration of their suppliers and traders, leading to an increase in the share of organised participants across industries.

### ***Make in India***

The Make in India initiative was launched in September 2014. The programme was devised to transform India into a global design and manufacturing hub. The campaign envisages increasing the share of manufacturing in GDP from 16% to 25%. The capital goods policy aims at increased production of capital goods from the current ₹ 220 billion to ₹ 750 billion by 2025. Increased electricity consumption owing to a focus on manufacturing (given setting up of a few manufacturing plants in India by global manufacturers) will increase demand for cables and wires products for industrial and commercial applications.

### ***DFC infrastructure***

DFCs are intended to help the Indian Railways regain its lost freight share. By cutting the turnaround time between the importing and consuming destinations, DFCs are expected to compel several industries to realign their logistics strategies. DFCs and associated logistics parks can help lower plant-level inventory to a great extent, ensuring huge savings in working capital. DFCs will not only ensure faster freight movement, but also help the overall economy through decongestion of major highways due to the partial shifting of some freight to rail. It will also allow for faster evacuation of cargo from ports, thus improving efficiency.

The DFC project is estimated to cost ₹ 814 billion for the eastern (1,856 km) and western (1,504 km) sectors, which includes the cost of land acquisition (₹ 81 billion) and construction (₹ 734 billion). The total project cost is high, considering it excludes the 538 km stretch of the Eastern DFC (EDFC), which the government proposes to implement through PPP. The length of the project is 3,360 km.

DFCs will offer significant scope for construction as approximately 98% of the 10,589 hectares required (except for the PPP stretch) has been acquired across both corridors as of January 2018. In the case of EDFC (except the PPP stretch), 97.1% of the land required has been acquired, whereas 98.8% of the land required has been acquired for the Western DFC (WDFC). For the PPP stretch, 67.8% of the land required has been acquired.

As of July 2019, contracts worth ₹ 32,000 crore have been awarded under WDFC and worth ₹ 22,000 crore under EDFC. Physical and financial progress of 66% and 63%, respectively, has been recorded cumulatively for both the corridors. Target completion for both corridors is December 2021.

The DFC project is well funded. EDFC (estimated cost of ₹ 195 billion, excluding the PPP stretch) is being funded by the World Bank through a loan of \$2.36 billion (approximately ₹ 158 billion), whereas WDFC (estimated cost of ₹ 394 billion) is funded by Japan International Cooperation Agency (“JICA”) through a ₹ 387.2 billion loan.

### ***National Infrastructure Pipeline to bode well for the sector***

National Infrastructure Pipeline (“NIP”) is the investment plan unveiled by the Central Government for enhancing infrastructure spend in identified sectors for a period of five years from 2019-20 to 2020-25. The finance minister announced ₹ 102 lakh crore (\$1.4 trillion) National Infrastructure Pipeline to spend in the infrastructure sector over a five-year period. This is a plan to make India a 5 trillion USD economy by 2020-25.

During the tenure of the project, sectors such as energy, roads, urban and railways shall receive majority of the investment, amounting to approximately 70% of the projected capital expenditure in infrastructure in India. The detailed sector wise break of the pipeline is as follows:

Ministry/ Department	₹ Crore	% of total
Energy	2,454,249	24%
Roads	1,963,943	19%
Urban	1,629,012	16%
Railways	1,368,523	13%
Rural Infrastructure	772,765	8%
Irrigation	772,678	8%
Social Infrastructure	356,701	3%
Telecommunications	320,498	3%
Industrial Infrastructure	307,462	3%
Airports	143,398	1%
Ports	100,923	1%
Agriculture and Food Processing Infrastructure	60,553	1%
<b>Total</b>	<b>10,250,705</b>	<b>100%</b>

Source: Industry, PIB, CRISIL Research

We understand that, if implemented in timely manner, the NIP shall drive overall demand for the cables and wires industry, especially sectors such as energy and railways, which together account of approximately 37% of the overall project investment.

#### ***Growth in retail segment to drive demand for cables and wire***

Demand for cables and wires in the retail segment is highly co-related with infrastructure development, housing construction and power distribution and transmission demand. Impetus of the government on affordable housing (through PMAY), healthcare (through Ayushman Bharat) and education is expected to gain momentum, leading to an increased demand for cables and wires in the retail market. Rising electrification in both urban as well as rural markets is also expected to lead to an increase in demand for housing wires.

### **QUALITATIVE OVERVIEW OF EPC OPPORTUNITIES IN INDIA**

Infrastructure investment remains a key area for sustainable growth for emerging and developing economies, providing opportunities for the engineering, procurement and construction (EPC) industry. The Government of India's initiatives dealing with rural electrification, power transmission and distribution (T&D), solar and wind energy installation, and infrastructure development in urban and rural areas, have, in the past and will, in the future, help create growth for EPC companies in India.

Cables and wires form a major proportion of the cost of power EPC projects. Of the total material consumed in executing a T&D project, wires and cables is estimated to account for 8-10%. Manufacturers of cables and wires can provide EPC consulting for the power and allied industries and increase their scope. The scope of EPC in the cable and wire industry includes (but is not limited to):

#### ***Transmission***

- Conversion of existing overhead lines to underground cabling network
- Trenching, cable laying, termination, testing and commissioning
- Switchgears, control and relay panel and metering

#### ***Distribution***

- Infrastructure for substations
- Trenching, cable laying, termination, testing and commissioning
- HT/LT switchboards
- Control, protection and metering systems
- Earthing, lighting and lightening protection

### Total cable solutions

- Providing a complete package for underground power distribution involving system design, supply of cables, joining and termination of cables, and laying and commissioning
- Providing cable monitoring system

Metro rail, solar and wind projects, infrastructure development in areas such as power T&D and rural electrification offer new opportunities in the cables EPC business.

### KEY PLAYERS IN CABLES AND WIRES INDUSTRY IN INDIA

CRISIL Research has compiled profiles of key players in the cables and wires industry in India. Information in this section is sourced from company websites, annual reports, investor presentations, regulatory filings, rating rationales and / or product brochures.

*Key players in the cables and wires industry (as of March 2019)*

Players	Year of commencement of business	Key product segments	Distributors network*	Export market	No of plant locations
Apar Industries Ltd	1958	Cables, Conductors & lubricants	-	100 countries; focusses on the Middle East, Africa, South America and South East Asia	2
Finolex Cables Ltd	1945	Cables & ECD	5000+ channel partners 30,000+ Retail	-	5
Havells India Ltd	1983	Cables, ECD & Others	1300 / 1,00,000+	Focusses on the Middle East, ASEAN and Africa	13
KEC International Ltd	1945	Cables & EPC	-	100 countries; focusses on Saudi Arabia, SAARC, MENA	7
KEI Industries Ltd	1968	Cables & EPC	approximately 1450 / -	45 countries; focusses on SAARC, the Middle East and Africa	4
Polycab India Ltd	1972	Cables, ECD and EPC	3100+ authorised dealer / 1,00,000+ retail	Focusses on the European Union, the UK, Africa	24
Universal Cables	1962	Cables & Others	n.a.	n.a.	1
V-Guard Industries Ltd	1977	Cables, ECD & others	564 / 40,000+	-	9

*N.A: Not available; EPC: Engineering, procurement and construction; ECD: Electric consumer durables*

*\* Distributor network follows format of No. of distributor dealers / No. of retail outlets*

*Note: Financials in the key players section have been reclassified as per CRISIL standards*

*Source: Company annual reports and investor presentations, CRISIL Research*

### Financials in Fiscals 2015 and Fiscal 2019

Players	Revenue from operations in Fiscal 2015 (₹ billion)	Revenue from operations in Fiscal 2019 (₹ billion)	CAGR of operating revenue (Fiscals 2015-2019)	Operating margin in Fiscal 2015 (%)	Operating margin in Fiscal 2019 (%)	CAGR of OPBDIT Fiscals 2015-2019 (%)	Net profit margin in Fiscal 2019 (%)
Apar Industries Ltd	51.1	79.6	11.7%	5.2	6.2	16.8	1.7
Finolex Cables Ltd	24.5	30.9	12.7%	6.1	14.9	5.9	13.2
Havells India Ltd	90.9	100.7	2.6%	8.5	12.2	12	7.8
KEC International	84.6	110.0	6.8%	6.8	10.1	6.8	4.5
KEI Industries Ltd	20.1	42.3	20.5%	9.9	10.4	22.1	4.3
Polycab India Ltd	43.0	79.4	16.6%	9.1	12.7	26.8	6.1
V-Guard Industries Ltd	17.4	25.9	10.5%	7.6	8.7	14	6.5
Universal Cables Ltd	6.9	14.2	19.5%	3.8	12.4	61	4.9

*Source: Company annual reports, CRISIL Research*

*Note: Financials have been reclassified as per CRISIL standards*

*Financials of Finolex Cables for Fiscal 2015 are standalone*

*Financials of V-Guard Industries Ltd for Fiscal 2015 are standalone; Universal Cables Ltd data is standalone*

*N.A: Not applicable*

*Operating margin is OPBDIT margin (operating profit before depreciation, interest and taxes) calculated as OPBDIT / revenue from operations*

#### *Financials in Fiscal 2019*

Players	ROE (%)	ROCE (%)	Gearing ratio (times)	Net working capital days (cash conversions days)	Tangible net worth (₹ billion)	Interest coverage ratio (times)
Apar Industries Ltd	11.8	29.3	0.2	-18	11.9	2.3
Finolex Cables Ltd	15.8	22.4	0	77	27.3	704.7
Havells India Ltd	31.7	28.5	0.5	54	27.2	24.5
KEC International	25.9	27.6	0.9	18	21.1	3.9
KEI Industries Ltd	26.3	27.2	0.8	55	7.7	3.3
Polycab India Ltd	18.7	22.8	0.4	131	28.4	8.7
V-Guard Industries Ltd	20.6	26.6	0	53	8.9	138.3
Universal Cables Ltd	18.1	19.1	1.3	152	4.3	3.0

*Source: Company annual reports and statements of audited results for quarter ending March 2019, CRISIL Research*

*Note: Financials have been reclassified as per CRISIL standards*

*Financials of Universal Cables Fiscal 2019 is Standalone*

*N.A: Not applicable*

*ROE is return on equity calculated as PAT / tangible net worth*

*ROCE is return on capital employed calculated as PBIT / total debt plus tangible net worth*

#### *Cables and wires products:*

Players	Power & power control cables (LT/HT)	Power cable (EHV)	Control instrumentation and cables	House wires	Flexible industrial cables, including specialty cables
Apar Industries Ltd	✓		✓	✓	✓
Finolex Cables Ltd	✓	✓	✓*	✓	✓
Havells India Ltd	✓	✓	✓	✓	✓
KEC International Ltd.	✓	✓	✓	✓	✓
KEI Industries Ltd	✓	✓	✓	✓	✓
Polycab India Ltd	✓	✓	✓	✓	✓
V-Guard Industries Ltd	✓			✓	✓
Universal Cables Ltd	✓	✓	✓		

*Note: Finolex Cables is present in control cables and not instrumentation cables*

*Data may not be exhaustive*

*Source: Company websites and annual reports, CRISIL Research*

#### *Manufacturing capacities of players (as of March 2019):*

Players	Manufacturing installed capacity of cables and wires
Apar Industries Ltd	24,000 metric tonne (MT) aluminium and 6,000 MT copper cables & wires
Finolex Cables Ltd	Copper rod : 60,000 T
Havells India Ltd	11,50,000 km (domestic and industrial cables)- AR14-15
KEC International	Power cables (approximately 40,000 Km per annum) Control & instrumentation cables (3,600 km per annum) Copper cables and optic fiber cables (6 lakh fiber km per annum)
KEI Industries Ltd	900 km of EHV cables (up to 400 kV) 11,100 km of HT cables 94,000 km of LT cables 3,600 km of rubber cables 817,000 km of winding, flexible and house wires 6,000 MT of stainless steel wire

Polycab India Ltd	32,94,463 km of cables and wires
V-Guard Industries Ltd	30,000 km of multicore round and flat cables per annum

*Note: Manufacturing capacity details for Universal Cables are not available in public domain.*

*Source: Company reports, CRISIL Research*

#### *Snapshot of market share trends*

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total industry (in ₹ billion)	413	415	467	530	646
Organised industry (in ₹ billion)	263	270	313	368	461
Share of our Company in total cables and wires industry (%)	4.1%	4.6%	4.5%	5.0%	5.2%
Share of our Company in organised cables and wires industry (%)	6.5%	7.1%	6.8%	7.2%	7.3%

*Source- Company annual reports, CRISIL Research*

*Note: Figures are estimated. In order to calculate/ estimate the market share, CRISIL Research has considered the consolidated cables and wires segment revenue (for calculating share in both cables and wires industry and organised segment) including the inter-segment revenue, as published by the company under primary segment reporting. The segment revenue reported are inclusive of excise duty and exclusive of GST.*

KEI Industries' market share increased by over 100 bps between Fiscals 2015 and 2019 from 4.1% to 5.2%. KEI Industries' share in the organised market also rose to around 80 bps during the period to 7.3%.

## BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward Looking Statements” on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Industry Overview”, “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations”, “Risk Factors” and “Summary Financial Statements” on pages 78, 239, 133, 46, and 38, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals ended 2017, 2018 and 2019 included herein is based on the 2017 Audited Financial Statements and the Ind AS Audited Financial Statements, and the financial information included herein for the nine months ended December 31, 2019 (including the comparative financial information with respect to the nine months ended December 31, 2018) is based on the Interim Unaudited Financial Results, included in this Placement Document. For further information, see “Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Summary Financial Statements” on pages 239, 130, and 38, respectively.*

*In this section, unless otherwise indicated or the context requires, a reference to “our Company” is a reference to KEI Industries Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to KEI Industries Limited and its Subsidiary, Joint Venture and Associate, on a consolidated basis.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the CRISIL Report. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

We are one of the leading manufacturers of cables and wires in India, with a diverse product portfolio ranging from house wires to low tension (“LT”) power cables, high tension (“HT”) cables and extra high voltage (“EHV”) cables, catering to retail and institutional customers (*Source: CRISIL Report*). We are one of the few manufacturers of EHV cables in India (*Source: CRISIL Report*). Our share in the total cables and wires industry was 5.2% whereas our share in the organized cables and wires industry was 7.3%, each in Fiscal 2019 (*Source: CRISIL Report*). Further, our market share increased by over 100 basis points between Fiscal 2015 and Fiscal 2019, from 4.1% to 5.2% (*Source: CRISIL Report*). Our share in the organized market also increased by approximately 80 basis points during the same period to 7.3% (*Source: CRISIL Report*).

Our Company operates its business under three segments – retail, institutional and exports segments. The retail segment comprises house wires, winding and flexible wires and LT power cables and HT cables. Our institutional segment, which formed the majority of our revenue from operations as on March 31, 2019, comprises EHV cables, engineering, procurement and construction (“EPC”) business segment, LT power cables and HT cables, whereas our exports business segment also comprises LT power cables, HT cables and EHV cables with a continued focus on the oil and gas and other infrastructure focused sectors. We also manufacture stainless steel wires and provide EPC services within the exports business segment.

We have been able to consistently increase our total income with the revenue generated from the sale of our products under the retail segment growing by 104.98%, from ₹ 6,831.48 million in Fiscal 2017 to ₹ 14,003.13 million in Fiscal 2019, revenue generated under the institutional segment growing by 45.63%, from ₹ 16,038.48 million in Fiscal 2017 to ₹ 23,356.99 million in Fiscal 2019, and the revenue generated under the exports segment growing by 41.44%, from ₹ 3,793.19 million in Fiscal 2017 to ₹ 5,365.16 million in Fiscal 2019. The revenue generated under the retail segment, institutional segment and the exports segments was ₹ 10,922.20 million, ₹ 19,216.59 million and ₹ 6,505.02 million, respectively, in the nine months ended December 31, 2019. For details, see “- Strengths - Track record of growth in financial performance” on page 112.

We have continually strived to grow our sales under the retail segment through our network of pan-India authorized dealers and distributors. Our dealer and distribution network comprised 1,602 authorized dealers and distributors as on the nine months ended December 31, 2019, with 548 authorized dealers and distributors in north India, 329 authorized dealers and distributors in south India, 376 authorized dealers and distributors in east India and 349 authorized dealers and distributors in west India. Further, for the nine months ended December 31, 2019, we exported our products to over 45 countries. As on December 31, 2019, we have also set up marketing / project offices in United Arab Emirates, Nepal and Gambia, which along with our Subsidiary in Australia, and our Associate in South Africa, facilitate the sale of our products to our international customers.

We operate through our five manufacturing facilities, with a combined installed capacity of 114,600 Kms in respect of cables, 1,117,000 Kms in respect of wires and 6,600 MT in respect of stainless steel wire, as on the nine months ended December 31, 2019. These manufacturing facilities are located in Bhiwadi, Rajasthan (“**Bhiwadi Facility**”), Rakholi, Dadra and Nagar Haveli (“**Rakholi Facility**”), Chopanki, Rajasthan (“**Chopanki Facility**”), Pathredi, Rajasthan (“**Pathredi Facility**”) and Chinchpada, Silvassa in Dadra and Nagar Haveli (“**Chinchpada Facility**”). The products manufactured through these facilities fall under three main segments – cables, stainless steel wires and EPC projects. Within the cable segment, our Company manufactures EHV cables, HT cables, LT power cables, instrumentation cables, winding and flexible wires and house wires. In addition, we also manufacture specialty cables, rubber cables, submersible cables and polyvinyl chloride (“**PVC**”) / poly wrapped winding wires. Within the stainless steel wires segment (“**SSW Segment**”), our Company manufactures welding wires, hard stainless steel wires, cold heading wires, fine stainless steel wires and general purpose wires. In the EPC projects segment, we provide integrated turnkey solutions including design, engineering, material procurement, field services, construction and project management services for projects where we are pre-qualified to provide such services.

We have been able to diversify our products range mainly due to our technological capabilities and our research and development (“**R&D**”), which we benefit from. Our R&D facility, which is located at Bhiwadi, Rajasthan, is accredited with the National Accreditation Board for Testing & Calibration Laboratories (“**NABL**”) under the ISO 17025:2005 standard, and employs R&D engineers, designers and technicians for undertaking the operations. Towards this end, we rely on our R&D team, which helps us to customize the products to serve customers across diverse industries. We believe that our R&D team, in assisting our sales and marketing team in understanding our customers’ requirements, has helped us to provide solutions to customers across diverse industries.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. Our Company received the ISO 9001:2015 accreditation for the certification and approval of the quality management system and the ISO 14001:2015 accreditation for environment management system. Further, in addition to our R&D facility being accredited with the NABL, certain of our manufacturing facilities also have the ISO 14001:2015 certification for environment management system, the OHSAS 18001: 2007 certification for occupational health and safety management and the ISO 9001:2015 certification for the certification and approval of the quality management system. Further, our Company received the superbrand status in 2019 from the Superbrands Council, an independent authority on branding, comprising luminaries who are experts in branding, marketing, design and product management, among others. In addition to this, our Company was also named as one of the Fortune 500 companies in India in the year 2019.

We have been able to grow our revenue from operations at a CAGR of 22.22%, from ₹ 28,324.25 million in Fiscal 2017 to ₹ 42,309.80 million in Fiscal 2019. Our profit after tax, on the other hand, has grown at a CAGR of 38.93%, from ₹ 936.45 million in Fiscal 2017 to ₹ 1,807.47 million in Fiscal 2019. Our revenue from operations and profit after tax in the nine months ended December 31, 2019, was ₹ 36,292.74 million and ₹ 1,942.64 million, respectively. Further, our revenue from the cable segment was ₹ 30,611.66 million in Fiscal 2019, whereas the revenue generated from SSW Segment and the EPC projects segment (including for sale of cables) was ₹ 1,380.20 million and ₹ 10,332.55 million, respectively, in the same period. The revenue generated from the cable segment, SSW Segment and the EPC projects segment (including for sale of cables) in the nine months period ended December 31, 2019 was ₹ 25,069.13 million, ₹ 982.45 million and ₹ 10,265.48 million, respectively. In addition, our EBITDA has grown to ₹ 4,477.43 million for Fiscal 2019 from ₹ 2,788.97 million for Fiscal 2017, at a CAGR of 26.70%.

## **Strengths**

### ***Large and diversified product portfolio to serve wide range of customers across various sectors***

We offer a diverse range of products and services with our portfolio comprising offerings under the cable segment, SSW Segment and the EPC projects segment. Since our incorporation in 1992, we have significantly expanded

our product portfolio, which now comprises cables and wires not only for industrial and commercial use but also for domestic consumption, catering to requirements of a diversified customer base. Although the technical specifications for our products are largely standardized, we may undertake certain customization of certain products for our institutional and corporate customers. For instance, we manufacture cables and wires in accordance with specifications prescribed by the power utilities. We believe our dedicated efforts towards expanding our product portfolio and our ability to identify our customers' requirements contribute significantly to our position in the cables and wires industry.

We supply our products to various organizations across diverse sectors, including power distribution and transmission, fertilizers, oil refineries, railways (including metro rail), automobiles, cement, steel, mining, textile and real estate sectors. Our R&D team helps us to customize the products to serve customers across diverse industries. We also have an R&D facility which is accredited with the NABL to be in compliance with ISO/IEC 17025:2005 in respect of general requirements for the competence of testing and calibration laboratories for electrical testing. Our R&D team enables us to provide solutions to improve manufacturing efficiency on the existing products, reduce production costs and introduce innovative solutions to meet the varied requirements of our customers thereby allowing us to achieve time efficiency in development of new products and technologies. We believe that our large product offerings coupled with our focus on consistently delivering the products customized per the design, technology, features and quality specified by our customers, help us to attract large corporate and institutional customers, including project contractors, thereby enabling us to widen our customer base.

We believe our ability to manufacture products based on our customer requirements enables us to cater to the needs of various industry players including companies as well as original equipment manufacturers. Given the diversification of our product portfolio over the years, we are not only able to cater to varying customer demands but also to meet any specific selection criteria of companies involved in the business which require our products. Further, satisfaction of prescribed pre-qualification requirements also entitles us with the ability to supply our products to various governmental agencies. We believe that our capability and competence to adapt our offerings to match the needs of our consumers across a wide range of applications as well as our pre-qualified status with power utilities and governmental agencies gives us a competitive edge in the market for such products.

#### ***Established relationship with institutional customers and strong pre-qualification credentials***

We believe we have an established relationship with several institutional customers owing to our track record of supply of product offerings to various power utilities and governmental agencies. Within the institutional segment, we manufacture and sell EHV cables, LT power cables and HT cables. We also provide EPC services, including execution of power transmission projects of 66 kV to 400 kV substations on turnkey basis, EPC of cable systems, electrical balance of plant systems for power plant and electrical industrial projects. While our order book for the supply of EHV cables stood at ₹ 6,764.59 million, our order book for the supply of LT power cables and HT cables, and for the execution of EPC projects stood at ₹ 16,217.12 million and ₹ 18,280.81 million, respectively, each as on December 31, 2019. We believe that the supply of technologically advanced products enables us to maintain such established relationships with these power utilities and governmental agencies.

We supply our products to various governmental agencies, based on a pre-qualification process and grant of approval by these governmental agencies. Pre-qualification requirements include past experience in supply to such entities, ability to meet specific technical requirements, financial strength and the price competitiveness of our product offerings. We believe that our pre-qualified status with power utilities and such governmental agencies strengthens our position in the market.

Owing to our relationship with our institutional customers, we were able to continually grow our revenue from sale of products and services within the institutional segment in each of the last three Fiscals. The revenue generated from sale of EHV cables in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 1,012.26 million, ₹ 1,585.50 million, ₹ 1,718.38 million and ₹ 3,063.07 million, respectively. The revenue generated from the execution of the EPC projects (excluding sale of cables) in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 4,236.90 million, ₹ 6,539.40 million, ₹ 7,293.29 million and ₹ 5,781.10 million, respectively.

#### ***Strategically located manufacturing facilities facilitate cost-effective manufacturing capabilities***

Our five manufacturing facilities are strategically located in north and west India, and we believe that such location of our facilities helps us in optimizing logistics cost in respect of our exports. Our proximity to the ports in west



India also allows ease of our import of raw materials, thereby helping us save time and cost towards their transportation, and allowing for lesser turnaround time for supply of final products to our customers. We also have backward integration capabilities owing to our ability to manufacture PVC, an essential raw material, as well as forward integration capabilities owing to our ability to offer turnkey solutions through our EPC projects segment. Accordingly, these strategically located manufacturing facilities have enabled us to pursue greater efficiencies of cost, time, quality and scale in our manufacturing processes. However, we continue to strive to improve process, design and planning across all of our manufacturing facilities. For instance, in Fiscal 2019, to further automation development, we installed double capacity single machines such as the aluminium rod breakdown and stranding machine with auto loading system to reduce manpower, increase productivity and enhance product quality.

As on March 31, 2019, our aggregate installed capacity at our five manufacturing facilities for the manufacture of cables, wires, and stainless steel wires was 109,600 Kms, 817,000 Kms and 6,000 MT, respectively. However, each of these capacities had further increased to 114,600 Kms, 1,117,000 Kms and 6,600 MT, respectively, as on the nine months ended December 31, 2019. The capacity utilization at these manufacturing facilities for the nine months ended December 31, 2019 in respect of the manufacture of cables, wires, and stainless steel wires (calculated based on the closing capacity as on December 31, 2019), was 82.64%, 68.39% and 90.30%, respectively (with annualization done for calculating capacity utilization as on December 31, 2019). For further details of our installed capacity and our capacity utilization at each of our manufacturing facilities, see “- *Manufacturing Facilities*” on page 119.

We have, over the course of time, also been able to forward integrate our operations by providing EPC services through which, we largely focus on projects and assignments with significant cabling requirements such as overhead as well as underground power transmission and distribution systems and railway electrification / substation on turnkey basis. Our forward integration processes, with our EPC projects segment team led by experienced professionals, enable us to be both, effective as well as able to meet the set timelines. Our revenue generated from the EPC projects segment (including for sale of cables) was ₹ 6,754.40 million, ₹ 9,561.48 million, ₹ 10,332.55 million and ₹ 10,265.48 million in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, respectively. We have also been able to backward integrate our services by setting up in-house manufacturing of PVC. Our facility manufacturing PVC catered to approximately 56.72% of our total PVC requirement, as on the nine months ended December 31, 2019. Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. As a result, we are able to fulfil our customers’ needs in a timely manner and enhance our ability to offer cost-competitive solutions.

Due to the large scale of our operations, extensive experience in manufacturing, our forward and backward integration capabilities, improved processes and availability of skilled and unskilled manpower at our manufacturing facilities, we are able to offer cost effective solutions to our customers. Owing to our efficient manufacturing processes, we are able to offer prices which are competitive to similar products manufactured by our competitors in India.

#### ***Offering product portfolio across various geographies***

While our net sales from exports stood at ₹ 6,505.02 million as on the nine months ended December 31, 2019, we were able to increase our net sales from exports continually, from ₹ 3,793.19 million in Fiscal 2017 to ₹ 4,609.08 million and ₹ 5,365.16 million in Fiscals ended 2018 and 2019, respectively.

Bolstering our relationships with our global customers remains central to growing our exports segment. To further this objective and to also expand our marketing network, we invested in an Associate in Johannesburg, South Africa, in Fiscal 2019. We also continue to strengthen our pre-qualification credentials to meet the stringent parameters set out by these international customers. We believe our competitive pricing policy coupled with our ability to offer customized solutions and specialty cables has enabled us to grow our presence in the overseas markets. Further, we have set up overseas marketing / project offices in United Arab Emirates, Nepal and Gambia to strengthen our marketing and customer outreach. We have also incorporated a Subsidiary in Australia to cater to our international customers.

The products manufactured by our Company are exported to over 45 countries, across the world, for the nine months ended December 31, 2019. We offer a wide range of cables, including EHV cables, HT cables and LT power cables, stainless steel wires as well as EPC services to our international customers. Our products are focused at meeting the requirements of the oil and gas and other infrastructure focused sectors. This ability to execute large orders with local companies in the Middle East, Australia, Sri Lanka, Bangladesh and Nigeria has resulted

in us achieving a robust growth. Additionally, being closer to our overseas customers, through our presence at strategic locations and tie-ups with agents and dealers and distributors, has enabled us to build on our global relationships and secure necessary approvals seamlessly to further sales.

### ***Strong retail presence with pan-India sales and distribution network***

The retail segment of our Company comprises house wires, winding and flexible wires, LT power cables and HT cables. Over the past five years, we have been able to expand our geographical presence in the retail division through aggressive promotion campaigns, outdoor marketing activities and sponsorships, which, as a result has also led to enhancement of our brand visibility. We also undertake various above the line and below the line advertisement and promotion activities, targeting not only a wider audience but also highly specific groups of potential customers.

Our dealer and distribution network in India enables an efficient roll out of our products, which gives us a competitive advantage over our competitors. We have been able to grow this network from 1,147 dealers and distributors as on March 31, 2017 to 1,450 dealers and distributors as on March 31, 2019. As on the nine months ended December 31, 2019, we had 1,602 dealers and distributors. We continue to enhance our addressable market through this network of authorized dealers and distributors, including by carrying out promotional activities to create awareness for our products.

Further, we supply our portfolio of products to our direct customers including EPC companies and government companies through direct sales as well as through project distributors who stock our products as per their requirement. In certain instances, these distributors directly obtain orders from the customers and we subsequently supply the products to them in addition to paying them certain amount of commission. In addition to our authorized dealer and distribution network, our sales and marketing team, comprising 551 full time employees, as on the nine months ended December 31, 2019, is responsible for carrying out promotional and brand building activities for our products, including through digital, print and social media and conducting seminars, architect meets, electrician meets to create awareness amongst our products amongst electricians, retailer meets, dealer meets, direct mailers to create awareness amongst institutional customers, exhibitions and one-to-one customer interactions. We manage our sales and marketing activities through our Registered and Corporate Office, 38 marketing offices and 22 depots in India, as on December 31, 2019.

Further, our retail sales through our dealer and distribution network grew significantly by 104.98% from ₹ 6,831.48 million in Fiscal 2017 to ₹ 14,003.13 million in Fiscal 2019 and was ₹ 10,922.20 million in the nine months ended December 31, 2019.

### ***Track record of growth in financial performance***

We have been able to increase our total income at a CAGR of 22.11% during the last three Fiscals, from ₹ 28,424.92 million in Fiscal 2017 to ₹ 42,381.74 million in Fiscal 2019. Our total income in the nine months ended December 31, 2019 was ₹ 36,435.54 million. Our revenue from operations in Fiscals 2017, 2018, 2019 and in the nine months ended December 31, 2019, was ₹ 28,324.25 million, ₹ 35,031.19 million, ₹ 42,309.80 million and ₹ 36,292.74 million, respectively. Following are the details of the revenue generated and the revenue as a percentage of our revenue from operations, with respect to each of our business segments in the last three Fiscals and in the nine months ended December 31, 2019.

Business Segment	Fiscal 2017		Fiscal 2018		Fiscal 2019		Nine months ended December 31, 2019	
	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)
<b>Retail Segment</b>	6,831.48	25.62%	9,774.63	28.31%	14,003.13	33.10%	10,922.20	30.09%
<b>Institutional Segment</b>	16,038.48	60.15%	20,217.68	58.56%	23,356.99	55.20%	19,216.59	52.95%
<b>Exports Segment</b>	3,793.19	14.23%	4,609.08	13.35%	5,365.16	12.68%	6,505.02	17.92%
Ind As Adjustment	-	0.00%	(75.70)	(0.22%)	(415.48)	(0.98%)	(351.07)	(0.96%)
<b>Net Sale</b>	<b>26,663.15</b>	100.00%	<b>34,525.69</b>	100.00%	<b>42,309.80</b>	100.00%	<b>36,292.74</b>	100.00%
Excise Duty*	1,661.10		505.50		-		-	

<b>Total</b>	<b>28,324.25</b>	<b>35,031.19</b>	<b>42,309.80</b>	<b>36,292.74</b>
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\* Excise duty was applicable in Fiscal 2017 and Fiscal 2018 (until June 30, 2017)

Further, we have been able to consistently increase our revenue from the cable segment, the SSW Segment and the EPC projects segment. Following are the details of the revenue generated, with respect to each of our product segments in the last three Fiscals and in the nine months ended December 31, 2019.

(₹ in million)

Product Segment	Revenue Generated in			
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Nine months ended December 31, 2019
<b>Cable Segment</b>	20,435.62	24,313.27	30,611.66	25,069.13
<b>SSW Segment</b>	1,139.05	1,182.55	1,380.20	982.45
<b>EPC Projects Segment*</b>	6,754.40	9,561.48	10,332.55	10,265.48
Elimination	(4.82)	(26.11)	(14.61)	(24.32)
<b>Total</b>	<b>28,324.25</b>	<b>35,031.19</b>	<b>42,309.80</b>	<b>36,292.74</b>

\* EPC projects segment also includes sale of cables.

Our profit after tax has grown at a CAGR of 38.93%, from ₹ 936.45 million in Fiscal 2017 to ₹ 1,807.47 million in Fiscal 2019, and was ₹ 1,942.64 million for the nine months ended December 31, 2019. In the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, we reported EBITDA of ₹ 2,788.97 million, ₹ 3,485.77 million, ₹ 4,477.43 million and ₹ 3,895.31 million, respectively. Our EBITDA has grown at a CAGR of 26.70% from Fiscal 2017 to Fiscal 2019.

We believe that our financial position as mentioned above, illustrates not only the growth of our operations over the years, but also the effectiveness of the administrative and cost management protocols that we have implemented. Among other things, our strong financial position and results of operations have enabled us to invest in capital expenditure, including towards purchase of technology and R&D. Over the last three Fiscals ended 2017, 2018 and 2019 and during the nine months ended December 31, 2019, our capital expenditure was ₹ 609.69 million, ₹ 640.57 million, ₹ 1,211.48 million and ₹ 854.27 million, respectively.

### ***Experienced and qualified management team***

Our Company has experienced business growth under the leadership of our Promoter, Anil Gupta, who is also our Chairman cum Managing Director, and has over 27 years of experience in the cables and wires industry, and our Chief Financial Officer, Rajeev Gupta, who is also an Executive Director on our Board.

Additionally, our senior management possesses extensive industry and management experience which has given us a specialized understanding of the complexities involved in the manufacturing of cables and wires and the processes involved. Our business growth is also attributable to our strong management culture fostered by an entrepreneurial spirit, each product segment being managed by experienced and hands-on segment heads having in-depth knowledge of our industry. Our ability to retain talented pool of employees is supplemented by issuance of employee stock options to such employees from time to time. Our experienced and dedicated management team also enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions.

### **Strategies**

#### ***Continue to focus on domestic presence and increased penetration by further expanding dealer and distribution network***

Our Company has a pan-India presence and an extensive dealer and distribution network within the retail segment. However, we believe we have significant opportunities to grow our business by increasing our penetration within the existing geographies and our existing customer base, adding new customers and pursuing additional marketing channels. We anticipate an increase in demand and to cater to such demand, our Company recently set-up a manufacturing facility at Chinchpada, Silvassa in Dadra and Nagar Haveli for the manufacture of house wires.

Further, the demand for cables and wires in the retail segment is directly co-related with infrastructure development, housing construction and power distribution and transmission demand. Government schemes for affordable housing such as the Pradhan Mantri Awas Yojana, for healthcare and for education are expected to gain momentum, which are expected to lead to an increased demand for cables and wires in the retail market (Source: CRISIL Report). The increased availability of electricity owing to multiple schemes being pursued by the Government is also expected to lead to an increase in demand for house wires (Source: CRISIL Report). In

addition, the central Government issued a National Infrastructure Pipeline (“NIP”) for enhancing the infrastructure spend in identified sectors for a period of five years, from Fiscal 2020 to Fiscal 2025 (*Source: CRISIL Report*). Pursuant to this development, the Government has allocated ₹ 102 lakh crore to be invested in various sectors including energy, road infrastructure, urban infrastructure and railways (*Source: CRISIL Report*). If implemented in timely manner, the NIP shall drive overall demand for the cables and wires industry, especially sectors such as energy and railways, which together account of approximately 37% of the overall project investment (*Source: CRISIL Report*). We believe that our past experience of working with government agencies and power utilities, and our long standing relationships with institutional customers and corporate houses will be a significant driver for demand for our products on account of growing focus of the government on urbanization and any demand created by the market for new products. In light of this, we plan to further broaden our customer base for our products by increasing our focus on enhancing our visibility and expanding our presence with institutional and corporate customers, including within the infrastructure sector. These developments provide us with a prospect to increase our revenue and we intend to be at the forefront and capitalise on any opportunity that may arise. To this end, we also intend to consistently expend on marketing campaigns and increase our dealer and distributor reach.

As on December 31, 2019, our Company had a network of 1,602 dealers and distributors in India, that market and distribute our products. We constantly seek to add additional dealers and distributors to this network by building dealer presence in new markets, as well as, by strengthening and broadening our dealer and distribution network in under-penetrated markets within existing geographies. We believe that this would help achieve increased brand awareness and visibility, leading to an increase in our market share and sales volume. In addition, we seek to gain further penetration and consolidate our position in geographies that we currently serve, by strengthening our relationships with existing dealers and distributors and adding new dealers and distributors within these areas. We have long-standing relationships with many of them and further continue to enhance these long-standing relationships. Further, we also continue to deepen our engagement with our channel partners and influencers, including getting our products approved from architects and consultants, to effectively and efficiently serve our customers.

#### ***Focus on increased global geographical presence***

We seek to expand our global reach through increased customer acceptance of our products in international markets. While for the nine months ended December 31, 2019, our products were exported to over 45 countries, across the world, we further seek to enter into new international markets. Towards this objective, we intend to focus on building a new authorized dealer and distribution network in such markets with focus on both domestic and industrial cables and wires. We also intend to exploit our current manufacturing capacities coupled with our R&D capabilities to manufacture products of quality that we believe will enable us to secure approvals from international agencies and satisfy their pre-qualification requirements. We also propose to undertake promotional activities for our products, aimed at strengthening our brand in international markets.

Our extensive experience, proven track record, strong brand and reputation and ability to provide a range of products position us strongly for further expansion of our international presence. We intend to continue to focus on our existing international markets such as the Middle East, Australia, Sri Lanka, Bangladesh and Nigeria while also focus on new geographies. To expand into new international markets, we intend to leverage our established business relationships and engage experienced local representatives to expand our overseas sales channels. We also intend to improve our brand recognition in overseas markets by participating in international trade exhibitions. Further, we will continue to apply for and obtain approvals and accreditations to enter into new international markets.

#### ***Increase capacity in existing product portfolio and enhance capacity utilization***

We aim to continue to be one of the leading manufacturers of cables and wires in India in terms of quantity and sales. As on the nine months ended December 31, 2019, our aggregate installed capacity at our five manufacturing facilities for the manufacture of cables, wires, and stainless steel wires was 114,600 Kms, 1,117,000 Kms and 6,600 MT, respectively. The capacity utilization at these manufacturing facilities for the nine months ended December 31, 2019 in respect of the manufacture of cables, wires, and stainless steel wires (calculated based on the closing capacity as on December 31, 2019), was 82.64%, 68.39% and 90.30%, respectively (with annualization done for calculating capacity utilization as on December 31, 2019). The table below provides the annual installed capacity across each of our manufacturing facilities as on March 31, 2019 and as on December 31, 2019:

Manufacturing Facility	Product Category	Capacity as on March 31, 2019	Capacity as on December 31, 2019
Bhiwadi Facility	EHV Cables	200 Kms	200 Kms
	HT Cables	3,600 Kms	3,600 Kms
	LT Power Cables <sup>1</sup>	51,600 Kms	51,600 Kms
	Wires <sup>2</sup>	190,000 Kms	190,000 Kms
	Stainless Steel Wires	6,000 MT	6,600 MT
Rakholi Facility	LT Power Cables <sup>3</sup>	26,000 Kms	29,000 Kms
	Wires <sup>4</sup>	627,000 Kms	627,000 Kms
Chopanki Facility	EHV Cables	700 Kms	700 Kms
	HT Cables	3,900 Kms	3,900 Kms
	LT Power Cables	10,000 Kms	3,000 Kms
Pathredi Facility	HT Cables	3,600 Kms	3,600 Kms
	LT Power Cables	10,000 Kms	19,000 Kms <sup>5</sup>
Chinchpada Facility	Wires <sup>4</sup>	-	300,000 Kms
<b>Total</b>	<b>Cables</b>	<b>109,600 Kms</b>	<b>114,600 Kms</b>
	<b>Wires</b>	<b>817,000 Kms</b>	<b>1,117,000 Kms</b>
	<b>Stainless Steel Wires</b>	<b>6,000 MT</b>	<b>6,600 MT</b>

1. LT power cables also include control cables, instrumentation cables and rubber cables.
2. While wires include house wires, flexible wires, winding wires, solar wires and poly-winding wires, Bhiwadi Facility is only engaged in the manufacture of winding wires, solar wires and poly-winding wires.
3. LT power cables also include control cables.
4. Wires refer to house wires being manufactured.
5. LT power cables also include control cables and instrumentation cables. While Pathredi Facility had the capacity to manufacture HT cables and LT Power cables as on March 31, 2019, new capacity was added to manufacture control cables and instrumentation cables as on the nine months ended December 31, 2019.

We are in the process of augmenting our manufacturing capacity for house wires through the completion of our greenfield expansion pursuant to the setting up of a new unit at our Chinchpada Facility. The first phase of production commenced in July 2019. We believe that increasing our capacities is critical to enable us to continue to capitalize upon the growing demand for cables and wires in India and abroad. Further, we also intend to capitalize on the unutilized capacity at our manufacturing facilities to further increase production of our current portfolio and take advantage of the experience of our sales and marketing team to increase acceptance for our products and enhance our visibility in the domestic market.

### *Continue to focus on diversifying our product portfolio*

We have, since our inception, consistently sought to diversify our portfolio of products which could cater to customers across segments, sectors, and geographies. In accordance with this, while we seek to continue to strengthen our existing product portfolio, we intend to further diversify into products with prospects for increased growth and profitability.

Currently, our offerings include varied products and services under the cable segment, SSW Segment and the EPC projects segment. However, similar to our strategy in the past, we intend to continue to increase our offerings within our current portfolio and service verticals as well as diversify into new segments, based on our management's determination of those segments that have prospects for significant growth and higher return ratios. Towards this, we plan to conduct additional R&D activities and to undertake market research to understand the changing requirements and expectations of our customers, which is key to our product and service development.

### **Description of our Business Operations**

We operate under three business segments namely, retail, institutional and exports segments. A brief description of these business segments along with the revenue generated in the last three Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, are provided hereunder.

#### *(i) Retail segment*

Our retail segment comprises house wires, winding and flexible wires, LT power cables and HT cables and sale through our network of pan-India authorized dealers or distributors. We were able to grow our revenue through our dealers consistently, from ₹ 6,831.48 million in Fiscal 2017 to ₹ 9,774.63 million and ₹ 14,003.13 million in Fiscal 2018 and Fiscal 2019, respectively. Revenue generated through our dealers in the nine months ended December 31, 2019 was ₹ 10,922.20 million.

#### *(ii) Institutional segment*

Our institutional segment comprises EHV cables, turnkey projects, stainless steel wires, LT power cables and HT cables. As on the nine months ended December 31, 2019, our order book for the supply of products under our institutional segment, stood at ₹ 36,972.97 million. In addition, the revenue generated from the supply of products under our institutional segment in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 16,038.48 million, ₹ 20,217.68 million, ₹ 23,356.99 million and ₹ 19,216.59 million, respectively.

(iii) *Exports segment*

Our exports business segment comprises LT power cables, HT cables, EHV cables and stainless steel wires as well as EPC services with a continued focus on the oil and gas, and other infrastructure focused sectors. Our Company offers wide range of cables including EHV cables (ranging from 66 kV to 400 kV), HT cables (ranging from 1.1 kV to 33 kV) and LT power cables (less than 1.1 kV) to the international customers. The revenue generated from our products sold outside India in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 3,793.19 million, ₹ 4,609.08 million, ₹ 5,365.16 million and ₹ 6,505.02 million, respectively. Our order book for the supply of cables within this segment, as on December 31, 2019, stood at ₹ 4,289.55 million.

### ***Our Presence***

The following map illustrates the locations of our Registered and Corporate Office, and our five manufacturing facilities in India:



*\* Map not to scale*

The following map shows the countries we exported our manufactured products to, for the nine months ended December 31, 2019:



*\* Map not to scale*



## Manufacturing Facilities

We currently have five manufacturing facilities, with dedicated facilities for each of our product segments. Set forth below are certain details of our facilities manufacturing products other than stainless steel wires.

Location	Product	Aggregate installed capacity as on March 31, 2019	Capacity utilization (as a % of installed capacity as on March 31, 2019) <sup>#</sup>	Aggregate installed capacity as on December 31, 2019	Capacity utilization (as a % of installed capacity as on December 31, 2019) <sup>* #</sup>
Bhiwadi	Cables	55,400 Kms	93.72%	55,400 Kms	88.07%
	Wires	190,000 Kms	62.91%	190,000 Kms	78.42%
Rakholi	Cables	26,000 Kms	103.81%	29,000 Kms	100.39%
	Wires	627,000 Kms	90.10%	627,000 Kms	84.20%
Chopanki	Cables	14,600 Kms	34.80%	7,600 Kms	58.28%
Pathredi	Cables	13,600 Kms	41.54%	22,600 Kms	54.73%
Chinchpada	Wires	-	NA	300,000 Kms	29.0%

<sup>\*</sup> Annualization has been done for calculating capacity utilization as on December 31, 2019.

<sup>#</sup> The capacity utilization has been calculated based on the closing capacity as on Fiscal 2019 and as on December 31, 2019.

Further, the aggregate installed capacity in respect of manufacture of stainless steel wires at our Bhiwadi Facility as on March 31, 2019 and as on the nine months ended December 31, 2019 was 6,000 MT and 6,600 MT, respectively, whereas the capacity utilization was 91.95% and 90.30%, calculated based on the closing capacity as on Fiscal 2019 and as on December 31, 2019, as on the same periods (with annualization done for calculating capacity utilization as on December 31, 2019).

## Our Products

Our products are manufactured and offered under the cable segment, SSW Segment and the EPC projects segment. Within the cable segment, our Company manufactures products such as such as EHV cables, HT cables, LT power cables, instrumentation cables, winding wires, flexible and house wires in addition to specialty cables, rubber cables, submersible cables and PVC / poly wrapped winding wires. Within the SSW Segment, our Company manufactures welding wires, hard stainless steel wires, cold heading wires, fine stainless steel wires and general purpose wires, among others. Pursuant to this EPC projects segment, we provide integrated turnkey solutions including design, engineering, material procurement, field services, construction and project management services.

The details of revenue generated and the revenue as a percentage of the revenue from operations with respect to each of the three products segments in the Fiscals ended 2017, 2018 and 2019 and in the nine months ended December 31, 2019 are provided in the table hereunder:

Product Segment	Fiscal 2017		Fiscal 2018		Fiscal 2019		Nine months ended December 31, 2019	
	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)	Revenue generated (in ₹ million)	Revenue as a % of revenue from operations (in %)
Cable Segment	20,435.62	72.15%	24,313.27	69.40%	30,611.66	72.35%	25,069.13	69.07%
SSW Segment	1,139.05	4.02%	1,182.55	3.38%	1,380.20	3.26%	982.45	2.71%
EPC Projects Segment*	6,754.40	23.85%	9,561.48	27.29%	10,332.55	24.42%	10,265.48	28.29%
Elimination	(4.82)	(0.02%)	(26.11)	(0.07%)	(14.61)	(0.03%)	(24.32)	(0.07%)
<b>Total</b>	<b>28,324.25</b>	<b>100.00%</b>	<b>35,031.19</b>	<b>100.00%</b>	<b>42,309.80</b>	<b>100.00%</b>	<b>36,292.74</b>	<b>100.00%</b>

<sup>\*</sup> EPC projects segment also includes sale of cables.

## Description of our Products and Services

### Wires and cables

Our portfolio of wires and cables primarily comprises power cables, control cables, instrumentation cables, solar cables, building wires, and flexible / single multi core cables. We manufacture wires and cables in accordance

with various international standards. In addition, we produce customized products for our customers, based on their requirements and specifications.

### *Power cables*

Power cables are principally used for power transmission and distribution systems (overhead, underground and submarine) in the power and other industries. We manufacture a range of cables with high to low voltage and different sheathings such as PVC, polyethylene, flame retardant and low smoke. The main structural components of power cables include conductor, insulation, metallic sheath and polymer sheath. Set forth below are the principal power cables that we manufacture and sell.

Principal Products	Rated Voltage	Applications
Low Tension / voltage power cable	Up to 1.1 kV	Low Tension / voltage power cables are suitable for use on alternating current (“AC”) single phase or three phases (earthed or unearthed) systems for rated voltage up to 1.1 kV. These can also be used on direct current (“DC”) systems for rated voltage up to 1.5 kV to earth.
High Tension / voltage power cable	1.1 kV to 33 kV	High Tension / voltage power cables of differing types have a variety of applications in instruments, ignition systems, and AC power transmission. Conductors are made of copper / aluminium conductor which are screened with extruded semi-conducting compound.
Extra high voltage power cable	66 kV to 400 kV	Extra high voltage power cables are mainly used in expansion of transmission lines owing to its lower transmission loss benefits.  XLPE compounds are used for insulation which offers fast curing and superior electrical properties. Extruded insulation should be of high cleanliness with smooth interface and cable core should be free from contamination voids and manufacturing defects. This is achieved by employing a single point triple extrusion dry curing process.

Depending upon the characteristics of the operating environment, power cables are available in different types of internal and external sheathing. Each sheathing is unique and designed to withstand a particular set of external conditions.

### *Control cables*

Control cables send signals to control the functioning of an equipment and allow distribution of data or signals that have low voltage. Designed specifically for automation controls, these cables have a copper conductor, which is enveloped in galvanized steel braid. These cables usually bear a PVC / XLPE insulation that protects them from impacts and harsh climatic conditions. These cables have uses in indoor and outdoor in an industry, utility, buildings, electrical equipment, petrochemicals etc.

### *Instrumentation cables*

Instrumentation cables find a wide variety of applications for process instrumentation for measurement, supervision and control of the process in oil and gas, power generation and distribution, auto, chemical and mining industries. With very low level of electrical signal passing through these cables which are also prone to external interferences during transmission, these cables demand stringent quality requirements and special electrical properties. The tinned copper conductors are laid up in pair / triad / quad either overall shielded or individually and overall shielded.

### *Solar cables*

DC solar cables are used as inter-connection cables for connecting different photovoltaic modules in air or conduit. LT solar AC cables are used for connection of inverter to transformer in air / underground trays whereas HT solar AC cables are used for connecting transformer to the grid in air / underground trays. Solar cables withstand extreme weather conditions, are flame and fire retardant and operate at consistent high temperatures.

### *Submersible cables*

Submersible cables are outfitted with a high-grade insulation which is resistant to liquids and offer good quality for submersible motors and guarantee trouble-free operation and long motor life.

### *Specialty cables*

Specialty cables are designed for low temperature applications of up to -40°C, and include high temperature silicon cable, twin core twisted cables, triplex cables (up to 33kV), arial bunched cable, low voltage and medium voltage cables.

### *Rubber cables*

These cables are elastomer insulated and exhibit good flexibility, electrical, flame and heat resistance properties, abrasion durability and are suitable for continuous reeling / unreeling applications. Photovoltaic solar cables are designed for connecting photovoltaic power supply systems. These cables are suitable for permanent outdoor long-term use, under variable and harsh climatic conditions.

### *Fire-Survival cables*

These cables have mica tapes over conductor and under polymeric insulation, with or without lead jacket, so as to survive as resistance-to-fire (of a cable). This is a term used to describe how long a cable continues to operate in fire conditions.

### *Thermocouple cables*

Thermocouple cables are made up of a combination of metals, joint to form a junction for temperature measurement. The type of metals combination defines the type of thermocouple. These cables can be manufactured with sizes ranging from 0.50 sq mm to 2.50 sq mm and are used for monitoring and controlling of temperature.

### *Building wires*

Our building wires are environmentally friendly and suitable to use where high flexibility is of prime importance. The wires are also ideal for indoor- and outdoor-applications and building electrification in various industries, household appliances such as power-supply for refrigerators and air conditioners.

### *PVC / Poly Wrapped winding wires*

Winding wires, are outfitted with a high-grade insulation which is resistant to liquids. These wires offer highest quality for submersible motors and guarantee trouble-free operation and long motor life. PVC winding wire are manufactured with copper conductor of size ranging from 0.50 mm to 3.00 mm. Winding wires are used for submersible pumps, especially in the irrigation sector.

### *Flexible single/Multi core*

We manufacture energy efficient conductor with class 5 wire with different insulation properties such as PVC, heat resistant flame retardant (“**HRFR**”), heat resistant (“**HR**”) and high resistant-flame retardant low smoke (“**HR-FRLS**”). These are constructed from 0.5 to 630 sq.mm. in single core copper and (2C - 61C) \* (0.5 Sq.mm.- 4.0 Sq.mm.), and (2C- 4C) \* (6 Sq.mm.- 120 Sq.mm.) in multicore segment copper.

### *Stainless steel wires*

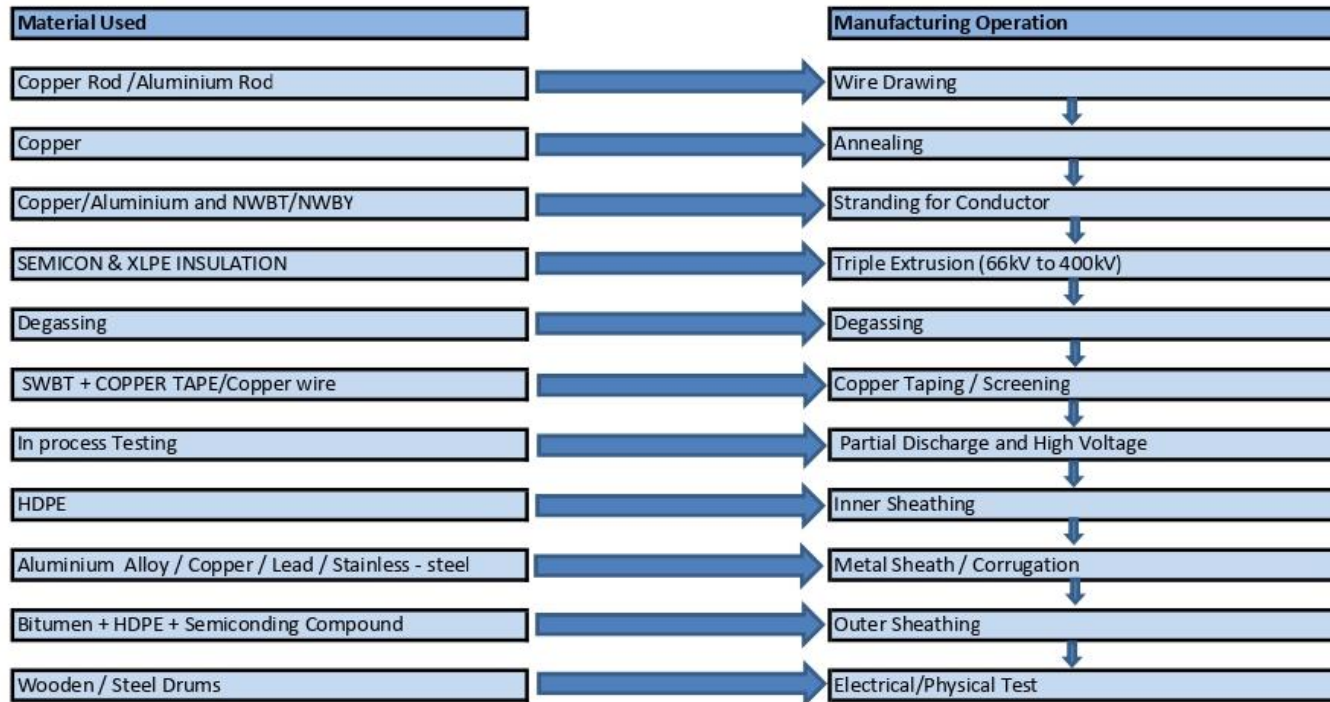
The SSW Segment comprises hard stainless steel wires, fine stainless steel wires and general purpose wires. The comprehensive suite of offerings serves a wide range of general as well as critical applications such as wire for hoses and strands, aluminium conductor steel-reinforced cable strands and armouring of cables etc.

### *EPC Services*

The EPC projects segment comprises integrated turnkey solutions including design, engineering, material procurement, field services, construction and project management services. The services include execution of power transmission and distribution projects (of 66 kV to 400 kV sub-stations) on a turnkey basis, EPC projects of EHV and HT cable systems and conversion of overhead into underground cabling systems for government companies and private utilities, among others. In addition, in-house production of EHV, HT and LT cables enables us to leverage considerable cost efficiencies in these projects.

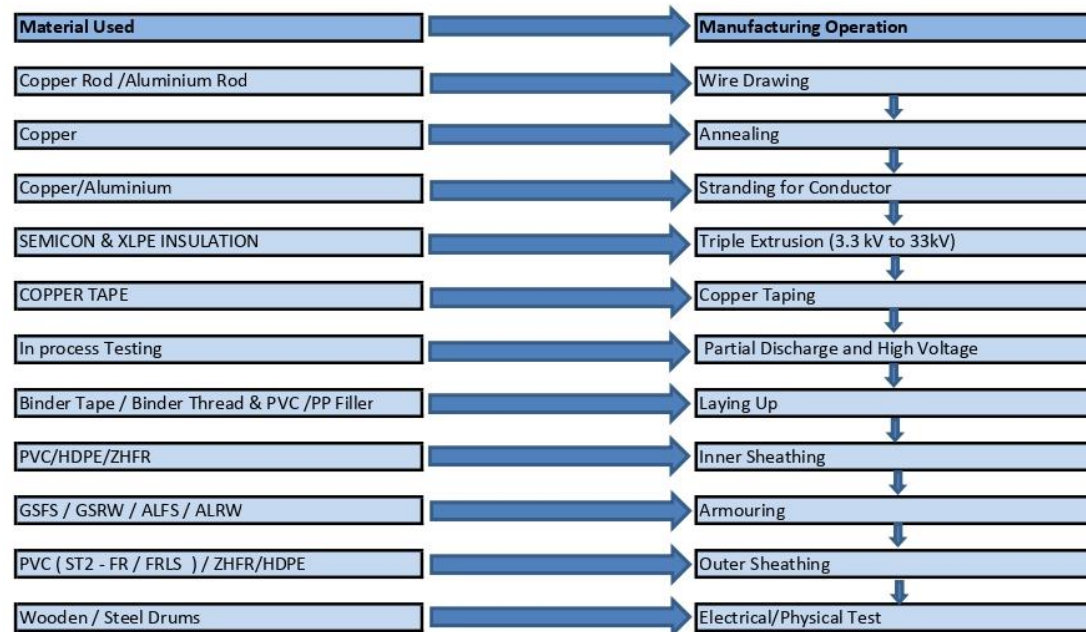
## Manufacturing Processes

Set forth below is a brief description of the process carried out in our facilities to manufacture EHV cables:



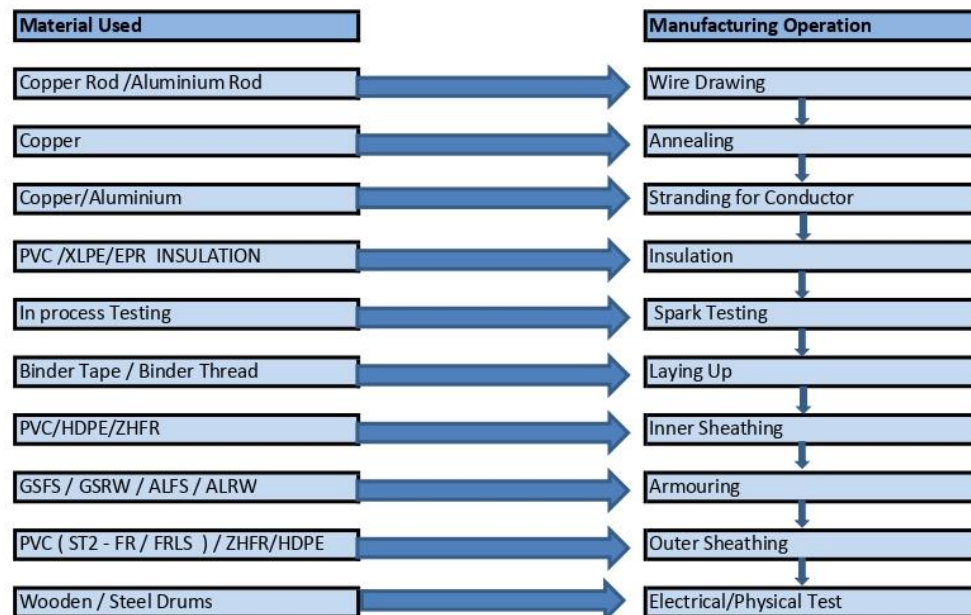
ITEM	FULL FORM
PVC	Poly Vinyl Chloride
XLPE	Cross link poly ethylene
PP	Poly propylene
HDPE	High density poly ethylene
NWBT	Non-conducting water blocking tape
NWBY	Non-conducting water blocking yarn
SWBT	Semi-conducting water blocking tape

Set forth below is a brief description of the process carried out in our facilities to manufacture HT cables:



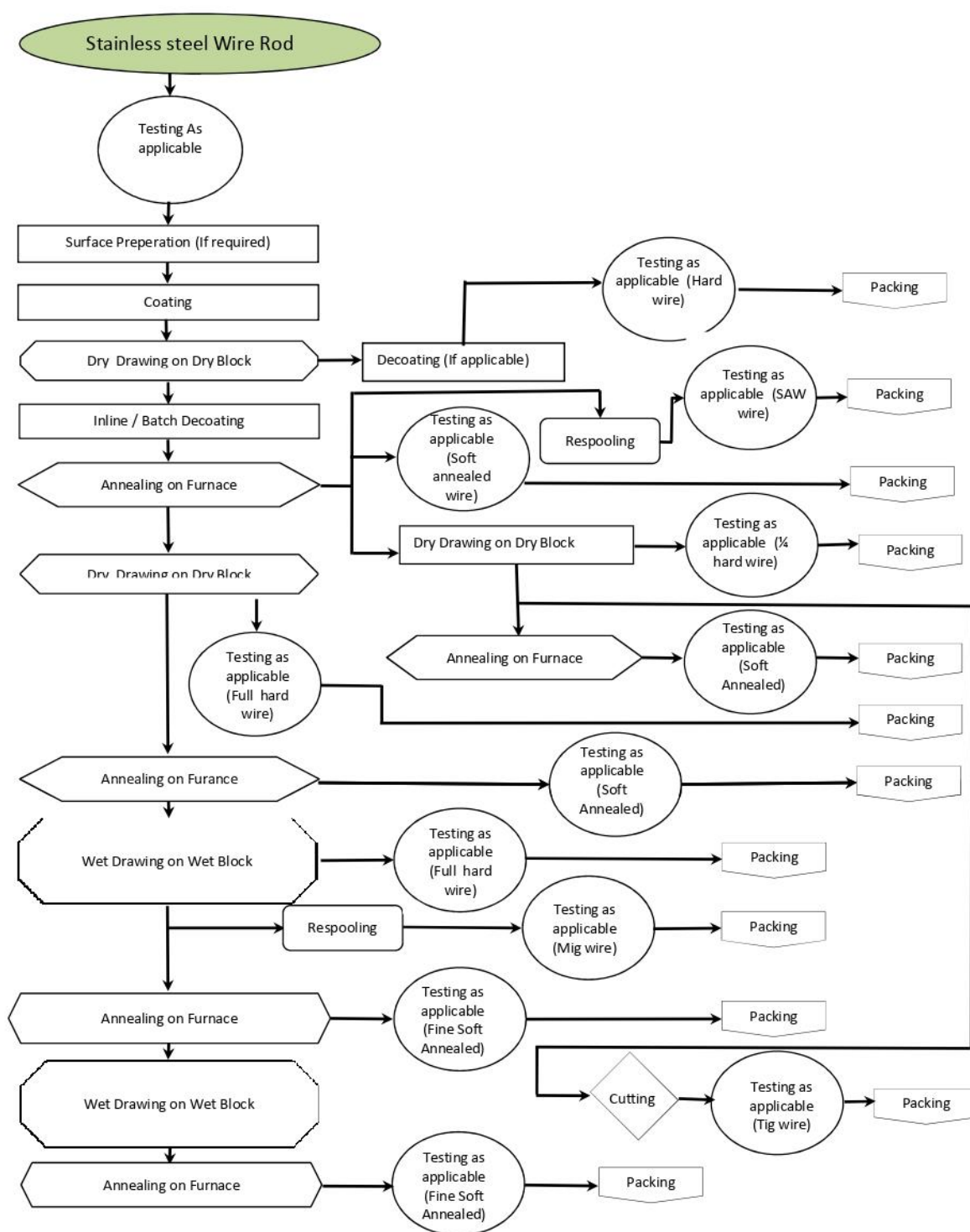
ITEM	FULL FORM
PVC	Poly Vinyl Chloride
XLPE	Cross link poly ethylene
PP	Poly propylene
HDPE	High density poly ethylene
ZHFR	Zero halogen fire retardant
GSFS	Galvanized steel flat strip
GSRW	Galvanized steel round wire
ALFS	Aluminium flat strip
ALRW	Aluminium round wire
FR	Fire retardant
FRLS	Fire retardant low smoke

Set forth below is a brief description of the process carried out in our facilities to manufacture LT power cables:



ITEM	FULL FORM
PVC	Poly Vinyl Chloride
XLPE	Cross link poly ethylene
EPR	Ethylene propylene rubber
HDPE	High density poly ethylene
ZHFR	Zero halogen fire retardant
GSFS	Galvanized steel flat strip
GSRW	Galvanized steel round wire
ALFS	Aluminium flat strip
ALRW	Aluminium round wire
FR	Fire retardant
FRLS	Fire retardant low smoke

Set forth below is a brief description of the process carried out in our facilities to manufacture stainless steel wires:



### Raw Materials and Suppliers

One of the critical factors to develop and grow in our business is to possess the ability to source good quality raw materials at competitive prices. The essential raw materials used by our facilities for manufacturing our products are copper, aluminium, cross linked polyethylene (“**XLPE Compound**”), PVC, galvanized iron wire and lead, among others. Our cost of materials consumed in the Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 20315.60 million, ₹ 24,487.90 million, ₹ 29,323.90 million and ₹ 25,239.77

million, which represented 71.73%, 69.90%, 69.31% and 69.54% of our revenue from operations, respectively (which was calculated considering cost of materials consumed, purchase of stock in trade, excise duty and changes in inventory of finished goods work-in-progress and stock-in-trade).

We procure copper and aluminium as well as certain other metals, from third party suppliers on the basis of purchase orders placed with these suppliers at fixed prices as well as prices determined as per the average monthly rate on the London Metal Exchange. Raw materials other than copper and aluminium utilized in our operations are procured on the basis of rates agreed at the time of placing of the purchase orders with our suppliers. While we do not have any long term agreements with any of our raw material suppliers, we have maintained long term relationships with most of our major suppliers.

### ***Customers***

Our customers in India are predominantly organizations operating across diverse sectors including fertilizers, oil refineries, railways (including metro rail), automobiles, cement, steel, textile, real estate and power transmission and distribution sectors. Further, we believe our competitive pricing policy coupled with our ability to offer customized solutions and specialty cables has enabled us to grow our presence in the overseas markets. Further, we have set up overseas marketing / project offices in United Arab Emirates, Nepal and Gambia to strengthen our marketing and customer outreach. We have also incorporated a Subsidiary in Australia and have also invested in an Associate in South Africa to cater to our international customers.

Our revenue generated from customers within India in the three Fiscals ended 2017, 2018 and 2019, and in the nine months ended December 31, 2019, was ₹ 24,531.06 million, ₹ 30,422.11 million, ₹ 36,944.64 million and ₹ 29,787.72 million, respectively, whereas the revenue generated from our customers outside India was ₹ 3,793.19 million, ₹ 4,609.08 million, ₹ 5,365.16 million and ₹ 6,505.02 million in the same period.

We typically have short term purchase orders and do not ordinarily enter into firm-commitment, long term supply agreements with our customers. The purchase orders specify prices and quantities for the products. However, the delivery of the products ordered is based on delivery schedules that are independently negotiated with customers. Certain of the products we manufacture may be instantly delivered, whereas certain category of products are delivered to our customers after a certain point of time. However, under few circumstances, our delivery takes longer on account of us undertaking additional work on the products. These purchase orders are typically subject to conditions including such as ensuring that all products delivered to the customers have been inspected and are built to customers' specifications and that orders are fulfilled according to predetermined delivery schedules.

### ***Sales, Marketing and Distribution***

Our manufacturing operations are supported by a diverse sales and distribution network throughout India and overseas. We distribute our products in the domestic market by selling through our network of pan-India authorized dealers and distributors as well as sell directly to institutional customers. Our dealer and distribution network comprised 1,602 authorized dealers and distributors as on the nine months ended December 31, 2019, with 548 authorized dealers and distributors in north India, 329 authorized dealers and distributors in south India, 376 authorized dealers and distributors in east India and 349 authorized dealers and distributors in west India. In addition to our authorized dealer and distribution network, we have a sales and marketing team, comprising 551 full time employees, as on the nine months ended December 31, 2019. These employees are responsible for carrying out promotional and brand building activities for our products, including through digital, print and social media and conducting seminars, architect meets, electrician meets to create awareness amongst our products amongst electricians, retailer meets, dealer meets, direct mailers to create awareness amongst institutional customers, exhibitions and one-to-one customer interactions.

Further, we have set up overseas marketing / project offices in United Arab Emirates, Nepal and Gambia to strengthen our marketing and customer outreach. We have also incorporated a Subsidiary in Australia and have also invested in an Associate in South Africa to cater to our international customers. We also continue to strengthen our pre-qualification credentials to meet the most stringent parameters set out by these international customers.

### ***Quality Control and Services***

In the cables and wires industry, adherence to quality standards is a critical factor as any defects in any of the products manufactured by our Company or failure to comply with the specifications of our customers may lead



to cancellation of the purchase order placed by our customers. In order to maintain the quality standards and comply with the design specifications provided by our customers and to ensure that our products successfully pass all validations and quality checks, the quality control team is tasked not only with thorough pre-manufacturing checks and balances but also with employing an extensive and stringent quality control mechanism at each stage of the manufacturing process including inspection of raw materials to check their tensile strength, surface finish, resistivity; in-process inspection of products to check thickness of insulation and tensile strength, among others; and test of finished goods to check conductor resistance, thickness of insulation and sheath, among other processes. At each stage of the manufacturing process, the products are checked by the operators to ensure there is no defect from the previous stage operator. This prevents or, where necessary, uncovers defects which ensures that time and resources are not wasted in the production of defective products.

Further, our Company received the ISO 9001:2015 accreditation for the certification and approval of the quality management system and the ISO 14001:2015 accreditation for environment management system. Further, in addition to our R&D facility being accredited with the NABL, certain of our manufacturing facilities also have the ISO 14001:2015 certification for environment management system, the OHSAS 18001: 2007 certification for occupational health and safety management and the ISO 9001:2015 certification for the certification and approval of the quality management system.

### **Information Technology**

We have implemented various IT solutions and/or enterprise resource planning (“ERP”) solutions to cover key areas of our operations. We intensively use technology in relation to customer order management and dispatches, production planning and reporting, manufacturing processes, financial accounting and scheduling raw material purchase. For instance, we implemented ERP systems in 2007 encompassing all business functions including production, finance, sales, manufacturing processes, storage and warehousing, inventory and human resource management. We also have in place a business intelligence software which is utilized for driving process improvements and for analytical reporting purposes, with an interactive dashboard, for our senior management and business users. This tool can also be used for analyzing data in the form of graphs, charts, gauges, tables etc. for developing reports in relation to finance, sales, purchase, EPC, inventory and production.

We intend to continue to focus on and make investments in our IT systems and processes, including our backup systems, to improve our operational efficiency, customer service and decision making process and to reduce manual intervention and the risk of system failures and the negative impacts these failures may have on our business thereby improving reliability and efficiency of our business and operations.

### **Intellectual Property**

Our success and ability to compete depends in part upon our ability to adequately protect our intellectual property rights. Our Company has registered several of its trademarks, which include, among others, ‘KEI’, ‘the power behind the power’, ‘empower’, ‘conflame’, ‘homesafe’, and ‘banfire’ under multiple classes, including under classes 6, 9, 16, 35, 37, and 42. We have also applied for registration of the mark ‘homecab’ under class 9, and ‘KEI’ under classes 7, 11, and 35. Our Subsidiary has also obtained trademark registrations for ‘KEI’ under the classes 6, 9, 16, 35, 37, and 42.

### **Health, Safety and Environment**

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. To this end, our Company received the ISO 9001:2015 accreditation for the certification and approval of the quality management system and the ISO 14001:2015 accreditation for environment management system. Further, certain of our manufacturing facilities also have the ISO 14001:2015 certification for environment management system, the OHSAS 18001: 2007 certification for occupational health and safety management and the ISO 9001:2015 certification for the certification and approval of the quality management system.

We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our offices and manufacturing facilities, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. Further, environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations and us. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have

obtained all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business.

## Human Resource

As on December 31, 2019, we have 2,550 permanent employees and 3,395 contractual workmen. We undertake selective and need-based recruitment every year to maintain the size of our workforce, which may otherwise decline as a result of attrition and retirement of employees. As on December 31, 2019, we had 166 employees working in the production team, 30 employees engaged in the purchase team, 50 employees engaged in the maintenance team, 200 employees engaged in the accounts and finance team and 551 employees engaged in the sales and marketing team, among others.

None of our employees are in a union and we have not had any material disputes with our employees in the past. As such, we consider our relations with our employees to be amicable. Our personnel policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into the Company and encouraging the development of skills in order to support our performance and the growth of our operations.

## Insurance

Our operations are subject to various risks inherent in the cables and wires manufacturing sector. Accordingly, we have obtained industrial all risks insurance, erection all risks insurance, trade credit insurance, marine export import insurance, directors and officers management liability insurance, and commercial general liability insurance.

## Corporate Social Responsibility

As a part of our corporate social responsibility (“CSR”), we have already setup a CSR Committee comprising of our Directors, Anil Gupta, Rajeev Gupta and Pawan Bholusaria as its members. In our efforts towards corporate social responsibility, we focus on education, hunger and poverty eradication, environment sustainability, sports promotion and health and sanitation. Some of the key CSR initiatives undertaken by us include facilitating the training of the youth participating at the ‘Khelo India’ program, a Government initiative to groom sporting talent in various disciplines; contributing towards relief operations in the aftermath of the recent Kerala floods; contributing funds for the construction of a kitchen and dining hall towards the eradication of hunger and poverty; and providing funds for conducting plantation drives and sharing knowledge on waste management.

## Property

Our Registered and Corporate Office is located in New Delhi, which is located on premises held by us on leasehold basis. As of December 31, 2019, we operated five manufacturing facilities, 38 marketing offices and 22 depots. For further details on whether our Registered and Corporate Office and our manufacturing facilities are on leasehold or freehold basis, please see the table below:

Facility	Whether underlying land owned or leased	Duration of lease
Registered and Corporate Office	Leasehold	Nine years from July 1, 2018
Bhiwadi Facility	Leasehold	99 years from August 24, 1991
		99 years from March 28, 1995
		99 years from 2001
Rakholi Facility	Freehold	-
Chopanki Facility	Leasehold	99 years from September 26, 2005
Pathredi Facility	Leasehold	99 years from May 24, 2010
Chinchpada Facility	Freehold	-

## Competition

The cables and wires industry is extremely competitive where the key factors of competition primarily comprise of product quality, cost, delivery, development and management. In addition, low entry barriers and significant growth potential have resulted in several players entering certain segments such as LT power cables, house wires and flexible cables. On the other hand, HT cables and EHV power cables have high entry barriers, on account of manufacture being technologically-intensive, higher capital expenditure, established relationships between business to business customers and incumbents, and greater requirements for compliance with standards and

approvals for such products (*Source: CRISIL Report*). In this competitive environment, we have competitors, located both in India and globally, in each of the three product segments that we currently operate in. Some of the key players in the cables and wires industry in India are Apar Industries Limited, Finolex Cables Limited, Havells India Limited, KEC International Limited and Polycab India Limited, among others (*Source: CRISIL Report*). For further details, see “*Industry Overview*” on page 78.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Audited Financial Statements and our Interim Unaudited Financial Results in "Financial Statements" on page 239, respectively.*

*This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "Forward Looking Statements" on page 17. Also read "Business", "Industry Overview", "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations", "Risk Factors" and "Summary Financial Statements" on pages 108, 78, 239, 133, 46, and 38, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals ended 2017, 2018 and 2019 included herein is based on the 2017 Audited Financial Statements and the Ind AS Audited Financial Statements, and the financial information included herein for the nine months ended December 31, 2019 (including the comparative financial information with respect to the nine months ended December 31, 2018) is based on the Interim Unaudited Financial Results, included in this Placement Document. For further information, see "Financial Statements" and "Summary Financial Statements" on pages 239 and 38, respectively.*

*Further, Indian Accounting Standard (Ind AS) - 115 Revenue from Contracts with Customers ("**Ind AS 115**") was notified by the Ministry of Corporate Affairs ("**MCA**") on March 28, 2018 and was effective from the accounting period beginning on or after April 1, 2018. Therefore, our financial statements for Fiscal 2019 (and the comparable Fiscal 2018 included therein) in "Financial Statements" on page 239 in this Placement Document are prepared using Ind AS 115 following full retrospective approach.*

*Our financial statements for Fiscal 2018 (and the prior Fiscal 2017 included therein) in "Financial Statements" on page 239 in this Placement Document are prepared using applicable Ind AS during Fiscal 2018 and do not show the impact of Ind AS 115. As such, the financial information for Fiscal 2019 is not comparable to the audited financial information for Fiscal 2018. Hence, two sets of financial information for Fiscal 2018 are included in this Placement Document. As the financial statements for Fiscal 2019 are the first set of the consolidated financial statements prepared in accordance with Ind AS 115, an explanation of how the transition to Ind AS 115 has affected the previously reported financial position, financial performance and cash flows have been elaborated under "– Revenue Recognition" on page 152 of this Placement Document.*

*In this section, unless otherwise indicated or the context requires, a reference to "our Company" is a reference to KEI Industries Limited on a standalone basis, while any reference to "the Company, its Subsidiary, Associate and Joint Venture" is a reference to KEI Industries Limited and its Subsidiary, Associate, Joint Venture on a consolidated basis.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report "Assessment of cables and wires industry in India" dated January 2020 (the "**CRISIL Report**") prepared and released by CRISIL Research, and commissioned by us. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Overview

We are one of the leading manufacturers of cables and wires in India, with a diverse product portfolio ranging from house wires to low tension ("**LT**") power cables, high tension ("**HT**") cables and extra high voltage ("**EHV**") cables, catering to retail and institutional customers (Source: *CRISIL Report*). We are one of the few manufacturers of EHV cables in India (Source: *CRISIL Report*). Our share in the total cables and wires industry was 5.2% whereas our share in the organized cables and wires industry was 7.3%, each in Fiscal 2019 (Source:

*CRISIL Report*). Further, our market share increased by over 100 basis points between Fiscal 2015 and Fiscal 2019, from 4.1% to 5.2% (*Source: CRISIL Report*). Our share in the organized market also increased by approximately 80 basis points during the same period to 7.3% (*Source: CRISIL Report*).

Our Company operates its business under three segments – retail, institutional and exports segments. The retail segment comprises house wires, winding and flexible wires and LT power cables and HT cables. Our institutional segment, which formed the majority of our revenue from operations as on March 31, 2019, comprises EHV cables, engineering, procurement and construction (“**EPC**”) business segment, LT power cables and HT cables, whereas our exports business segment also comprises LT power cables, HT cables and EHV cables with a continued focus on the oil and gas and other infrastructure focused sectors. We also manufacture stainless steel wires and provide EPC services within the exports business segment.

We have been able to consistently increase our total income with the revenue generated from the sale of our products under the retail segment growing by 104.98%, from ₹ 6,831.48 million in Fiscal 2017 to ₹ 14,003.13 million in Fiscal 2019, revenue generated under the institutional segment growing by 45.63%, from ₹ 16,038.48 million in Fiscal 2017 to ₹ 23,356.99 million in Fiscal 2019, and the revenue generated under the exports segment growing by 41.44%, from ₹ 3,793.19 million in Fiscal 2017 to ₹ 5,365.16 million in Fiscal 2019. The revenue generated under the retail segment, institutional segment and the exports segments was ₹ 10,922.20 million, ₹ 19,216.59 million and ₹ 6,505.02 million, respectively, in the nine months ended December 31, 2019. For details, see “- *Strengths - Track record of growth in financial performance*” on page 112.

We have continually strived to grow our sales under the retail segment through our network of pan-India authorized dealers and distributors. Our dealer and distribution network comprised 1,602 authorized dealers and distributors as on the nine months ended December 31, 2019, with 548 authorized dealers and distributors in north India, 329 authorized dealers and distributors in south India, 376 authorized dealers and distributors in east India and 349 authorized dealers and distributors in west India. Further, for the nine months ended December 31, 2019, we exported our products to over 45 countries. As on December 31, 2019, we have also set up marketing / project offices in United Arab Emirates, Nepal and Gambia, which along with our Subsidiary in Australia, and our Associate in South Africa, facilitate the sale of our products to our international customers.

We operate through our five manufacturing facilities, with a combined installed capacity of 114,600 Kms in respect of cables, 1,117,000 Kms in respect of wires and 6,600 MT in respect of stainless steel wire, as on the nine months ended December 31, 2019. These manufacturing facilities are located in Bhiwadi, Rajasthan (“**Bhiwadi Facility**”), Rakholi, Dadra and Nagar Haveli (“**Rakholi Facility**”), Chopanki, Rajasthan (“**Chopanki Facility**”), Pathredi, Rajasthan (“**Pathredi Facility**”) and Chinchpada, Silvassa in Dadra and Nagar Haveli (“**Chinchpada Facility**”). The products manufactured through these facilities fall under three main segments – cables, stainless steel wires and EPC projects. Within the cable segment, our Company manufactures EHV cables, HT cables, LT power cables, instrumentation cables, winding and flexible wires and house wires. In addition, we also manufacture specialty cables, rubber cables, submersible cables and polyvinyl chloride (“**PVC**”) / poly wrapped winding wires. Within the stainless steel wires segment (“**SSW Segment**”), our Company manufactures welding wires, hard stainless steel wires, cold heading wires, fine stainless steel wires and general purpose wires. In the EPC projects segment, we provide integrated turnkey solutions including design, engineering, material procurement, field services, construction and project management services for projects where we are pre-qualified to provide such services.

We have been able to diversify our products range mainly due to our technological capabilities and our research and development (“**R&D**”), which we benefit from. Our R&D facility, which is located at Bhiwadi, Rajasthan, is accredited with the National Accreditation Board for Testing & Calibration Laboratories (“**NABL**”) under the ISO 17025:2005 standard, and employs R&D engineers, designers and technicians for undertaking the operations. Towards this end, we rely on our R&D team, which helps us to customize the products to serve customers across diverse industries. We believe that our R&D team, in assisting our sales and marketing team in understanding our customers’ requirements, has helped us to provide solutions to customers across diverse industries.

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process to ensure that our finished product conforms to the exact requirement of our customers. Our Company received the ISO 9001:2015 accreditation for the certification and approval of the quality management system and the ISO 14001:2015 accreditation for environment management system. Further, in addition to our R&D facility being accredited with the NABL, certain of our manufacturing facilities also have the ISO 14001:2015 certification for environment management system, the OHSAS 18001: 2007 certification for occupational health and safety management and the ISO 9001:2015 certification for the certification and approval of the quality management

system. Further, our Company received the superbrand status in 2019 from the Superbrands Council, an independent authority on branding, comprising luminaries who are experts in branding, marketing, design and product management, among others. In addition to this, our Company was also named as one of the Fortune 500 companies in India in the year 2019.

We have been able to grow our revenue from operations at a CAGR of 22.22%, from ₹ 28,324.25 million in Fiscal 2017 to ₹ 42,309.80 million in Fiscal 2019. Our profit after tax, on the other hand, has grown at a CAGR of 38.93%, from ₹ 936.45 million in Fiscal 2017 to ₹ 1,807.47 million in Fiscal 2019. Our revenue from operations and profit after tax in the nine months ended December 31, 2019, was ₹ 36,292.74 million and ₹ 1,942.64 million, respectively. Further, our revenue from the cable segment was ₹ 30,611.66 million in Fiscal 2019, whereas the revenue generated from SSW Segment and the EPC projects segment (including for sale of cables) was ₹ 1,380.20 million and ₹ 10,332.55 million, respectively, in the same period. The revenue generated from the cable segment, SSW Segment and the EPC projects segment (including for sale of cables) in the nine months period ended December 31, 2019 was ₹ 25,069.13 million, ₹ 982.45 million and ₹ 10,265.48 million, respectively. In addition, our EBITDA has grown to ₹ 4,477.43 million for Fiscal 2019 from ₹ 2,788.97 million for Fiscal 2017, at a CAGR of 26.70%.

## PRESENTATION OF FINANCIAL INFORMATION

Our Company publishes its financial statements in Indian Rupees. Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 notified by the Ministry of Corporate Affairs, our Company adopted Ind AS with effect from April 1, 2017. Accordingly, our financial statements for the year ended March 31, 2018 were the first financial statements to be prepared in accordance with Ind AS. Our historical financial statements for Fiscal 2017 and any period prior to Fiscal 2017 were originally prepared in accordance with Indian GAAP. Our financial statements for Fiscal 2017 were subsequently restated in accordance with Ind AS for the purpose of inclusion of corresponding figures in our Ind AS financial statements for the year ended March 31, 2018. However, Ind AS varies in many respects from Indian GAAP, and accordingly, our financial statements for Fiscal 2018 (including the comparative figures included therein for Fiscal 2017), Fiscal 2019, and the nine months ended December 31, 2019 and December 31, 2018 are not directly comparable with our historical financial statements prepared in accordance with Indian GAAP. See “*Financial Statements*” on page 239.

In this Placement Document, we have included the following financial statements:

- (ix) the Indian GAAP audited standalone financial statements for Fiscal 2017, along with the respective schedules and notes thereto (the “**2017 Audited Standalone Financial Statements**”);
- (x) the Indian GAAP audited consolidated financial statements for Fiscal 2017, along with the respective schedules and notes thereto (the “**2017 Audited Consolidated Financial Statements**”, together with the 2017 Audited Standalone Financial Statements, the “**2017 Audited Financial Statements**”);
- (xi) the Ind AS audited standalone financial statements for Fiscal 2018 (which includes the audited standalone financial statements for Fiscal 2017 prepared under Ind AS for the purposes of inclusion as comparative standalone financial statements for Fiscal 2017), along with the respective schedules and notes thereto (the “**2018 Ind AS Audited Standalone Financial Statements**”);
- (xii) the Ind AS audited consolidated financial statements for Fiscal 2018 (which includes the audited consolidated financial statements for Fiscal 2017 prepared under Ind AS for the purposes of inclusion as comparative consolidated financial statements for Fiscal 2017), along with the respective schedules and notes thereto (the “**2018 Ind AS Audited Consolidated Financial Statements**”, together with the 2018 Ind AS Audited Standalone Financial Statements, the “**2018 Ind AS Audited Financial Statements**”);
- (xiii) the Ind AS audited standalone financial statements for Fiscal 2019, along with the respective schedules and notes thereto (the “**2019 Ind AS Audited Standalone Financial Statements**”);
- (xiv) the Ind AS audited consolidated financial statements for Fiscal 2019, along with the respective schedules and notes thereto (the “**2019 Ind AS Audited Consolidated Financial Statements**”, together with the 2019 Ind AS Audited Standalone Financial Statements, the “**2019 Ind AS Audited Financial Statements**” and the 2018 Ind AS Audited Financial Statements together with the 2019

Ind AS Audited Financial Statements, the “**Ind AS Audited Financial Statements**”);

- (xv) unaudited reviewed standalone financial results as of and for the nine months ended December 31, 2019, with comparative information as of and for the nine months ended December 31, 2018, along with the explanatory notes thereto, reviewed in accordance with the Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the ICAI and submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations (the “**Interim Unaudited Standalone Financial Results**”); and
- (xvi) unaudited reviewed consolidated financial results as of and for the nine months ended December 31, 2019, with comparative information as of and for the nine months ended December 31, 2018, along with the explanatory notes thereto, reviewed in accordance with the Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the ICAI and submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations (the “**Interim Unaudited Consolidated Financial Results**”, together with the Interim Unaudited Standalone Financial Results, the “**Interim Unaudited Financial Results**”).

At the meeting of our Board of Directors on January 20, 2020, we have adopted and filed with the Stock Exchanges on January 20, 2020, the Interim Unaudited Financial Results (including the comparative financial information with respect to the quarter and the nine months ended December 31, 2018 and other financial information with respect to historical fiscal year/ periods as required under applicable law).

#### ***Adoption of Ind AS 116***

The Ministry of Corporate Affairs (“MCA”) has vide notification dated March 30, 2019 notified ‘Ind AS 116 – Leases’ and we were required to adopt Ind AS 116 with effect from April 1, 2019. Therefore, our Interim Unaudited Financial Results for the nine months ended December 31, 2019 have been prepared using Ind AS 116. We have applied Ind AS 116 on April 1, 2019, using the modified retrospective approach, with the right of use asset recognized at an amount equal to the lease liability adjusted for any prepayment/ accrual recognized in the balance sheet immediately before the initial application. Accordingly, we were not required to retrospectively adjust the comparative information for the year ended March 31, 2019, and the nine months ended December 31, 2018.

Even though the adoption of Ind AS 116 did not have any material impact on the results for the nine months ended December 31, 2019, the financial statements/ financial information that we prepare in accordance with Ind AS 116 in the future will not be comparable with our historical financial statements/ financial information. Our 2017 Audited Financial Statements were prepared based on Indian GAAP; and our (i) Ind AS Audited Financial Statements; and (ii) our unaudited financial information for the nine months ended December 31, 2018 included in our Interim Unaudited Financial Results, were all prepared based on applicable Ind AS, including Ind AS 17 “Leases”. Accordingly, these financial statements do not reflect the application of Ind AS 116 which became applicable with effect from April 1, 2019. Therefore, (i) the 2017 Audited Financial Statements; (ii) Ind AS Audited Financial Statements; and (iii) our unaudited financial information for the nine months ended December 31, 2018 included in our Interim Unaudited Financial Results are not comparable to our unaudited financial statements for the nine months ended December 31, 2019 (which reflects the impact of Ind AS 116) included in the Interim Unaudited Financial Results.

For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Summary of Significant Accounting Policies*” and “*Financial Statements*” on pages 137 and 239, respectively.

#### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

##### ***Working capital requirements and access to capital resources***

Our business requires significant amounts of working capital primarily for financing our raw material purchases and manufacturing our products before we receive payments from our customers. Further, our working capital requirements also tend to increase if contractual or sales terms do not include advance payments or if under such contractual arrangements, payment is stipulated at the time of delivery of the final product to our customer. Moreover, our working capital requirements will increase in the event we undertake a larger number of orders as we grow our business. Our working capital requirements can also vary significantly across our business segments, with government contracts and our EPC business typically having payment terms on the basis of milestone, and therefore higher working capital requirements. If we grow our EPC business relative to our other business segments, we expect that our working capital ratios would be adversely affected. Currently, we fund our working capital requirements from our internal accruals as well as through raising working capital loans.

We seek to improve our working capital management by reducing our debtor days and rationalising our inventory levels. To reduce our debtor days, we have increased the use of channel financing, whereby our customers enter into arrangements with banks through which we receive payment directly from the banks, who in turn take on credit risk and seek to collect from the customers. Channel financing reduces our risk of non-payment, and significantly increases the rate at which we receive payment, as we receive payment directly from banks. If we are unable to implement such channel financing for our large customers in future, it may result in increased borrowings to fund our working capital requirements. In terms of the inventory maintained by us, we strive to have sufficient inventory on hand at all times so that we are able to quickly meet the demands of our customers. To this end, we strategically manage our inventories, purchasing raw materials based on our estimated future production requirements, taking into account our views on potential supply shortages, and maintaining finished goods based on our estimates of future customer demand. In recent years, we have increasingly focused on rationalising our inventory management, to meet our future requirements against while not carrying undue levels of inventory.

#### ***Distribution network and product mix and margin***

We manufacture an extensive range of cables and wires. Our product portfolio includes both products that are relatively more commoditized as well as more specialized products. In our cables segment, retail sale is more profitable than institutional sale as we compete primarily on price and our profitability depends on our ability to effectively manage our expenses and by growing brand awareness. Our EHV cables are a specialty product which generally sell at higher prices and with higher margins. Revenue generated from the sale of our products under the retail segment grew by 104.98%, from ₹ 6,831.48 million in Fiscal 2017 to ₹ 14,003.13 million in Fiscal 2019 whereas revenue generated under the institutional segment grew by 45.63%, from ₹ 16,038.48 million in Fiscal 2017 to ₹ 23,356.99 million in Fiscal 2019. The revenue generated under the retail segment and institutional segment was ₹ 10,922.20 million and ₹ 19,216.59 million, respectively, in the nine months ended December 31, 2019. For details, see “*Business - Strengths - Track record of growth in financial performance*” on page 112.

Our revenue from sale of these products is however, significantly impacted by the scale and growth of our dealer and distribution network consisting of distributors, direct dealers and retailers. As of the nine months ended December 31, 2019, we had a wide spread network comprising 1,602 authorized dealers and distributors and 551 sales and marketing employees. We incentivize sales by having exclusive product-wise arrangements for cables and wires with these dealers in their respective geographic regions and dedicated sales and marketing employees for each of our products who help with the sourcing and execution of orders across the dealer and distribution network, as well periodic incentive programs for our dealer and distribution network to meet sales targets and to respond to market developments.

In recent years, we have focused on improving our sales mix through a variety of means, including increasing brand awareness, enhancing the strength of our dealer and distribution network, and offering higher degrees of customisation and more technologically advanced products. For instance, our EPC projects segment (including for sale of cables) had segment margins of 9.15% in Fiscal 2017 increasing to 13.76% in Fiscal 2019 as we continued to scale up this business. In the event we fail to secure orders under the EPC projects segment, our operations and results of operations may be adversely affected.

Further, our strategy to expand our dealer and distribution network in India involves increasing our market penetration into currently under-served areas. We also intend to increase our interaction with our network through the use of information technology platforms. We also intend to recruit more sales and marketing employees to enhance our sales and undertake direct outreach activities with our distribution partners. Our ability to maintain and grow our dealer and distribution network, including our relationships with our dealers, will impact our financial results.



### **Raw materials cost**

Our expenditure on raw materials consumed represented 74.27%, 74.05%, 74.03% and 74.79% of our consolidated total expenses for the nine months ended December 31, 2019, and for Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively. Our financial condition and results of operations are significantly impacted by the availability and cost of our major raw materials, particularly copper and aluminium.

We procure copper and aluminium as well as certain other metals, from third party suppliers on the basis of purchase orders placed with our suppliers at fixed prices as well as prices determined as per the average monthly rate on the London Metal Exchange. Raw materials other than copper and aluminium utilized in our operations are procured on the basis of rates agreed at the time of placing of the purchase orders with our suppliers. While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We are also dependent on supplied raw materials being of high quality and meeting relevant technical specifications and quality standards. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

The volatility in commodity prices can significantly affect our raw material costs. However, our Company continuously tracks the changes in raw material prices and adopts stricter measures to address such fluctuations. For example, we include price escalation clauses for bulk orders and three-month policy validity clause for small scale projects in order to mitigate this risk. We also retain 55 - 65 days of inventory of raw materials, work-in-progress and finished goods and neutralize it with obtaining orders, thereby creating a natural risk hedge. However, if we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

We are also dependent on supplied raw materials being of high quality and meeting relevant technical specifications and quality standards. Our products are tested by our in-house testing team and thereafter, by external testing agencies pursuant to which, we strive to minimise the probability of defects in such products; however, in the event delivered materials are defective on account of any unforeseen circumstances such as including any accident during transit or adverse weather conditions, we might face warranty and damages claims from our customers. Production errors may lead to product recalls which could also lead to compensation claims and significantly damage our reputation and the confidence of present and potential customers and could have an adverse effect on our results of operations.

### **Government Initiatives and Policies**

Government schemes like the 'Pradhan Mantri Sahaj Bijli Har Ghar Yojana and Power for All, focusing on electrification of rural households and transmission and distribution efficiencies are expected to spur demand for power cables. Additionally, demand for power cables shall be driven by the Government's focus on providing houses for all through affordable housing programme (*Source: CRISIL Report*).

The Government of India had notified the 'Integrated Power Development Scheme' ("IPDS") on December 2014 with the objectives of, amongst others, (i) creation of new sub-stations, including gas-insulated sub-stations with associated 66 kV / 33 kV/ 22 KV/ 11 kV lines; (ii) erection of HT lines for reorientation/ re-alignment including augmentation of existing lines; (iii) laying of underground cables in densely populated areas and areas of tourism and religious importance. The monitoring committee on June 2017 granted ₹ 18,430 million outlay (corresponding to GoI grant of ₹ 14,020 million) for underground cabling in urban areas. All government-owned discoms and state power departments are eligible for financial assistance for underground cabling projects subject to the criteria mentioned as per the underground cabling guidelines. As of January 6, 2019, of the total sanctioned amount of ₹ 28.3 billion, ₹ 11.8 billion is released for the projects, approximately 42% of the total sanctioned amount. Compared to this, ₹ 27.8 billion worth of projects are already awarded as per the progress report (*Source: CRISIL Report*).

Increased infrastructure spend by the government will boost demand for cables and wires as new construction activities will drive growth for elastomeric and flexible cables, and development in infrastructure will drive growth for commercial and industrial buildings thus increasing demand for building wires and LT power cables. Growth

in fire survival cables will be supported by metro, airport and commercial real estate projects. Within infrastructure segment, investments in railways is expected to rise by 2.3 times between fiscal 2020 to fiscal 2024 (around ₹ 4.8 trillion), thereby providing boost to the overall cables and wires demand. Electrification investment by railways will further push growth for elastomeric control cables, and railway signalling cables (*Source: CRISIL Report*).

### ***Foreign currency fluctuations***

Our financial statements are presented in Indian Rupees. However, our expenditure and revenue are influenced by the currencies of those countries from where we procure our raw materials and to lesser extent by currencies of countries to which we export our finished products (for example countries such as Kuwait, Australia, Gambia and United Arab Emirates). For Fiscals 2017, 2018, and 2019 and in the nine months ended December 31, 2019, our consolidated expenditure on consumption of imported raw materials accounted for 24.09%, 27.10%, 32.58%, and 38.65%, respectively, of consolidated raw material consumption (which was calculated considering cost of materials consumed, purchase of stock in trade, excise duty and changes in inventory of finished goods work-in-progress and stock-in-trade).

The exchange rate between the Indian Rupee and these currencies has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future. Depreciation of the Indian rupee against the U.S. Dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of our raw materials or any proposed capital expenditure in foreign currencies. Volatility in the exchange rate and/or sustained appreciation of the Indian Rupee will negatively impact our revenue and operating results.

### ***Competition***

We operate in an increasingly competitive market. We face competition from other manufacturers, traders, suppliers and importers of electric equipment in the cables and wires industry, in the organized and unorganized sectors. Suppliers in the cables and wires industry compete based on key attributes including technical competence, product quality, strength of sales and dealer and distribution network, pricing and timely delivery. Further, the brand outreach of some of our competitors may be better than ours owing to their significant presence in the Indian market for a longer period of time coupled with additional products within the retail segment being offered by them.

Many of our competitors may have significant competitive advantages, including greater brand recognition and greater access to financial, research and development, marketing, distribution and other resources, larger product offerings and greater specialization than us. Additionally, certain of our competitors may specialise in manufacturing cables and wires within particular verticals and hence, may be able to dedicate significantly larger resources towards developing and manufacturing technologically superior equipment than us and their brands may gain greater visibility within those product verticals. Our competitors may further, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations.

Our offerings are supplied to power utilities pursuant to orders secured through a bidding process, which may specify certain pre-qualification requirements. Our products are also supplied to various governmental agencies, based on a pre-qualification process and grant of approval by these governmental agencies. Pre-qualification requirements include past experience in supply to such entities, ability to meet specific technical requirements, reputation for quality and safety features present in our products, financial strength and the price competitiveness of our products. While we believe that our ability to adapt our offerings to match the needs of our consumers across a wide range of application as well as our pre-qualified status with power utilities and such governmental agencies gives us a competitive edge in the market for such products, we will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

For further details in relation to the competition we face and our significant competitors, see “*Industry Overview*” and “*Business - Competition*” on pages 78 and 128, respectively.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **Basis of Consolidation:**

#### ***Basis of Accounting***

- i. Financial Statements of the Subsidiary, Associate and Joint Venture in the consideration are drawn up to same reporting date as of the Company for purpose of consolidation.
- ii. Consolidated Financial Statements have been prepared in accordance 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 Companies Act, 2013 (the “**Act**”) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

#### ***Principles of Consolidation***

The Consolidated Financial Statements relate to the Company, its Subsidiary, Associate and Joint Venture.

Subsidiary are those entities in which the Company directly or indirectly, has interest more than 50% of voting power or otherwise control composition of board or governing body so as to obtain economic benefits from activities.

Associates are all entities where the Company and its Subsidiary have significant influence but not control or joint control. This is generally when the Company and its Subsidiary hold between 20% and 50% of voting rights. Investment in Associate is accounted for using equity method of accounting.

When the Company and its Subsidiary with other parties have joint control of arrangement and rights to net assets of joint arrangement, they recognise their interest as Joint Venture.

Consolidated Financial Statements have been prepared as per the following principles:

- i. Financial Statements of the Company and its Subsidiary are combined on a line by line basis by adding together of like items of assets, liabilities, income and expenses after eliminating intra-Company and its Subsidiary balances, intra-Company and its Subsidiary 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 net assets of the consolidated subsidiaries is identified and presented in Consolidated Balance Sheet separately from liabilities and equity attributable to the Company’s shareholders. NCI in net assets of consolidated subsidiaries consists of:-
  - a) Amount of equity attributable to NCI at the date on which investment in a subsidiary is made; and
  - b) NCI share of movement in 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 Company and its Subsidiary recognise a reduction to NCI of the respective Subsidiary with difference between this figure and cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of NCI, difference between cash received from sale or listing of subsidiary shares and increase to NCI is also recognised in equity.
- iv. If the Company and its Subsidiary lose control over a subsidiary, they derecognise related assets (including goodwill), liabilities, NCI and other components of equity, while any resultant gain or loss is recognised in profit and loss account. Any investment retained is recognised at fair value. Results of subsidiaries acquired or disposed of during the year are included in the Consolidated Profit and Loss Statement from effective date of acquisition or up to effective date of disposal, as appropriate.

- v. In case of foreign subsidiaries, being non integral foreign operations, revenue items are consolidated at average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at end of the year. Components of equity are translated at closing rate. Any Gain or (Loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (“FCTR”).
- vi. In case of Associate and Joint Venture, investments are accounted for using equity method in accordance with Ind AS-28 “Investments in Associates and Joint Ventures”. Under equity method, carrying amount of investment in Associate and Joint Venture is increased or decreased to recognize the Company and its Subsidiary’s share of Profit and Loss and Other Comprehensive Income of Associate and Joint Venture, adjusted where necessary to ensure consistency with Accounting Policies of the Company and its Subsidiary. Goodwill relating to Associate or Joint Venture is included in carrying amount of investment and is not tested for impairment individually. The carrying amount of these investments are tested for impairment in accordance with Ind AS-36 “Impairment of Assets”.
- vii. Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to extent possible, in same manner as the Company’s separate Financial Statements except as otherwise stated in notes to the accounts.

## **Property, Plant and Equipment**

### ***Recognition***

Freehold land is carried at historical cost.

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 asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after 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 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 capitalised.

### ***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 its subsidiary and cost of the item can be measured reliably.

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

### ***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 to the Companies Act, 2013.

The following useful lives are applied:

<b>Asset Category</b>	<b>Estimated useful life (in years)</b>
<b>Land</b>	
- Lease Hold (Finance Lease)	Over the Lease period
- Perpetual Lease	Treated as Freehold Land
<b>Buildings</b>	
- Factory Buildings	30 years
- Building (other than factory buildings)	60 years

- Other (including temporary structure, etc.)	5 years
- Leasehold Building Improvements	Over the Lease period
<b>Plant and Machinery</b>	10 - 20 years
<b>Project Tools</b>	5 years
<b>Furniture and Fittings</b>	5 - 10 years
<b>Motor Vehicles</b>	
- Hire Purchase and Owned	8 - 10 years
<b>Office Equipment</b>	
<b>Computers</b>	
- Servers and networks	6 years
- End user devices viz. desktops, laptops, etc.	3 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 up to ₹ 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.

### ***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.

### **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.

### **Intangible Assets**

#### ***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).

#### ***Amortisation***

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

<b>Asset Category</b>	<b>Estimated useful life (in years)</b>
<b>Computer Software</b>	5 years

### ***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 net disposal proceeds and carrying amount of the asset) is included in Statement of Profit and Loss Account when asset is derecognised.

### **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 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.

### **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.

#### ***Financial Assets***

##### Initial Recognition and Measurement

Financial Assets are recognised when the Company and its Subsidiary become a party to contractual provisions of Financial Instrument.

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

##### Subsequent Measurement

- i. **Debt Instruments at Amortised Cost-** A ‘debt instrument’ is measured at amortised cost if both of 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 asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (“**SPPI**”) on principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using 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 the Company and its Subsidiary’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 and its Subsidiary decide 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**”).

##### Impairment of Financial Assets

In accordance with Ind AS 109, the Company and its Subsidiary apply Expected Credit Loss (“**ECL**”) model for measurement and recognition of impairment loss on 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 scope of Ind AS 115.

The Company and its Subsidiary follow 'Simplified Approach' for recognition of impairment loss allowance on trade receivables. 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 and its Subsidiary determine 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 and its Subsidiary revert 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. This 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. 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 Other Comprehensive Income ("OCI"). The Company and its Subsidiary do not have any Purchased or Originated Credit Impaired ("POCI") financial assets, i.e., financial assets which are credit impaired on purchase/origination.

#### 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 de-recognised (i.e. removed from the Company and its Subsidiary's Balance Sheet) when:

- i. The rights to receive cash flows from asset has expired, or
- ii. The Company and its Subsidiary have transferred their rights to receive cash flows from the asset or have 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 and its Subsidiary have transferred substantially all risks and rewards of the asset, or
  - (b) The Company and its Subsidiary have neither transferred nor retained substantially all risks and rewards of the asset, but have transferred control of the asset.

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

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

#### ***Financial Liabilities***

##### Initial Recognition and Management

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 case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs.

The Company and its Subsidiary'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.

#### Subsequent Management

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

- i. **Financial liabilities at Fair Value Through Profit or Loss ("FVTPL"):** Financial liabilities at Fair Value through profit or 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 purpose of repurchasing in 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 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 and its Subsidiary may transfer 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 ("EIR") method. Gains and Losses are recognised in statement of profit and loss when liabilities are derecognised as well as through 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 EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.
- iv. **Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Company and its Subsidiary 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.

#### De-recognition of Financial Liabilities

A Financial Liability is de-recognised when 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 de-recognition of the original liability and the recognition of a new liability. Difference in respective carrying amounts is recognised in the Statement of Profit and Loss.

#### ***Derivative Financial Instruments***

In some cases, the Company and its Subsidiary use derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge their 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. Method of recognizing resulting gain or loss depends on whether derivative is designated as a hedging instrument, and if so, on nature of item being



hedged. Any gains or losses arising from changes in fair value of derivatives are taken directly to statement of profit and loss.

### ***Off-setting of Financial Instruments***

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

### **Inventories**

#### ***Basis of Valuation***

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

#### ***Method of Valuation***

- **Cost of Finished Goods** is determined by taking derived material costs, duties and taxes as applicable (other than those recoverable from tax authorities) and other overheads.
- **Cost of Packing Materials, Stores and Spares** are determined on weighted average basis.
- **Work in Process** includes raw material costs and allocated production overheads.
- **Cost of raw materials** is determined on First in First out (“FIFO”) basis.
- **Net realisable value** is estimated selling price in ordinary course of business less estimated costs of completion and estimated costs necessary to make sale.

### **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.

### **Taxes**

#### ***Current Income Tax***

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

#### ***Deferred Tax***

Deferred Income Taxes are calculated using Balance Sheet Approach, on temporary differences between 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 temporary differences will not reverse in foreseeable future.

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

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 same taxation authority.

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

### ***Indirect Taxes***

Expenses and Assets are recognised net of the amount of Indirect Taxes viz. GST/VAT, except:

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

### **Equity and Reserves**

- i. **Share Capital** represents nominal value of shares that have been issued. Any transaction costs associated with 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.

### **Dividend Payments**

Annual dividend distribution to shareholders is recognised as a liability in the period in which 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.

### **Revenue Recognition**

Ind AS 115 was made effective from 1st April, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced Ind AS 18 and Ind AS 11 and interpretations on revenue recognition related to sale of goods and services. The Company and its Subsidiary have adopted the new standard for annual periods beginning on or after 1<sup>st</sup> April, 2018 using cumulative effect method.

### ***Measurement of Revenue***

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company and its Subsidiary expect to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Taxes collected from customers on behalf of Government are not treated as Revenue.

### ***Engineering, Procurement and Construction Projects***

In respect of EPC Projects, revenue is recognised over the period of time using input method of accounting with contract cost incurred determining the degree of completion of performance obligation. In case of value of uninstalled materials incurred that is not proportionate to the Company and its Subsidiary's progress in satisfying the performance obligation, revenue is to be recognised at an amount equal to the cost of a good used to satisfy a performance obligation.

### ***Sale of Goods***

Revenue from sale of goods is recognised at the point of time when control of the asset is transferred to the customer, generally on delivery of the equipment. The Company and its Subsidiary consider whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., Freight and Incentive schemes). In determining the transaction price for the sale of cable, the Company and its Subsidiary consider the effects of variable consideration and consideration payable to the customer (if any).

For contracts that are CIF ("**Cost Insurance Freight**") contracts, the revenue is recognised when the goods reached at final destination. For contracts that are FOB ("**Free on Board**") contracts, revenue is recognised when the Company and its Subsidiary deliver the goods to an independent carrier.

### ***Variable Consideration***

If consideration in a contract includes a variable amount, the Company and its Subsidiary estimate amount of consideration to which they will be entitled in exchange for transferring the goods to customer. Variable Consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in amount of cumulative revenue recognised will not occur when associated uncertainty with variable consideration is subsequently resolved. Some contracts for sale of manufactured goods provide customers with a right of Incentives and Discounts. The Incentives and Volume Rebates give rise to variable consideration.

- i. **Cash Discount** which are determinable on the date of transaction, are recognised as reduction of revenue by the Company and its Subsidiary.
- ii. **Volume Discounts, Timely Payment Incentives and Other Incentive Schemes**, the Company and its Subsidiary provide retrospective volume discounts to certain customers once the quantity of products purchased during the period exceed a threshold specified in the contract. Other Incentives promised by the Company and its Subsidiary on achieving certain sales thresholds also a form of identifiable benefit that are identified as a separate component of the sales transaction.

In such cases, the Company and its Subsidiary estimate fair value of Incentives promised to their customers. To estimate the variable consideration for the expected future rebates and discounts, the Company applies the expected value method. The Company and its Subsidiary estimate variable consideration and recognise a refund liability for the expected future rebates. Accordingly, the Company and its Subsidiary recognise lesser revenue if such discounts are probable and the amount is

determinable. Any subsequent changes in the amount of such estimates are transferred to statement of profit and loss.

- iii. **Other Variable Considerations** if the consideration promised in the contract includes a variable amount, the Company and its Subsidiary estimate the amount of consideration to which the in exchange for transferring the promised goods or services to the customer. This estimate is updated at each reporting date.

## **Contract Balances**

### ***Contract Assets and Contract Liabilities***

Contract Assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned/deferred revenue (“**contract liability**”) is recognised when there is billing in excess of revenue.

### ***Trade Receivables***

Trade receivables represent Company and its Subsidiary’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade Receivables are generally non-interest bearing and are recognised initially at fair value and subsequently measured at cost less provision for impairment.

As a practical expedient the Company and its Subsidiary have 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.

## **Income Recognition**

### ***Dividend Income***

Dividends are recognised in profit and loss only when the right to receive payment is established.

### ***Interest Income***

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through expected life of the financial asset to gross carrying amount of a financial asset. When calculating effective interest rate, the Company and its Subsidiary estimate expected cash flows by considering all contractual terms of financial instrument but do not consider expected credit losses.

### ***Other Income***

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

## **Borrowing Costs**

Borrowing Costs directly attributable to 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 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 the Company and its Subsidiary incur in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to borrowing cost.

## **Expenditure**

Expenses are accounted on accrual basis.

## **Employee Benefit Schemes**

### ***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 related service is rendered by employees.

### ***Compensated Absences***

Company and its Subsidiary provide for 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 number of days of unutilized leave at each Balance Sheet date on basis of an independent actuarial valuation.

### ***Gratuity***

Liabilities with regard to 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 approved trust and administered through a separate irrevocable trust set up by the Company and its Subsidiary.

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 subsequent period.

### ***Provident Fund***

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

## **Share-based Payments**

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

## **Foreign Currency**

### ***Functional and Presentation Currency***

The Consolidated Financial Statements are presented in Indian Rupee ("₹"), which is the Company's functional Currency and presentation Currency.

Both the Company and its Subsidiary determine their own functional currency (the currency of the primary economic environment in which the Company or its Subsidiary operates) and items included in the financial statements of both the Company and its Subsidiary are measured using that functional currency.

### ***Foreign Currency Transactions and Balances***

In Consolidated Financial Statements of the Company, transactions in currencies other than functional currency are translated into functional currency at exchange rates ruling at date of transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currency at exchange rates prevailing on 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.

Effective 1st April, 2018 the Company and its Subsidiary have adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies date of transaction for purpose of determining exchange rate to use on initial recognition of the related asset, expense or income when the Company and its Subsidiary have received or paid advance consideration in Foreign Currency.

## **Leases**

Determination of whether an arrangement is (or contains) a lease is based on substance of arrangement at inception of lease. The arrangement is, or contains, a lease if fulfilment of arrangement is dependent on use of a specific asset or assets and 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 April 1, 2016, the Company and its Subsidiary have determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

### ***Company and its Subsidiary as a Lessee – Finance Leases***

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company and its Subsidiary are classified as a Finance Lease. Finance Leases are capitalised at commencement of the lease at the inception date. Interest element of lease payments is charged to Statement of Profit and Loss, as Finance costs over period of lease. Leased Asset is depreciated over useful life of asset or lease term, whichever is lower.

### ***Company and its Subsidiary as a Lessee – 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.

## **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 profit / (loss) attributable to equity shareholders of the Company by weighted average number of equity shares outstanding during the period.
- ii. **Diluted EPS** is computed using profit / (loss) for the year attributable to shareholders and weighted average number of equity and potential equity shares outstanding during the period, 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.

## **Provisions, Contingent Liabilities and Contingent Assets**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with 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.

### ***Provisions***

Provisions represent liabilities to the Company and its Subsidiary for which amount or timing is uncertain. Provisions are recognized when the Company and its Subsidiary have 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.

### ***Warranty Provisions***

The Company and its Subsidiary provide product warranties and do not sell the warranty separately to their customers. Provision for warranty-related costs is recognised when the product is sold or service is provided to customers. Initial recognition is based on historical experience. The Company and its Subsidiary periodically review 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.

### ***Onerous Contracts***

An Onerous Contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If the Company and its Subsidiary identify a contract as an Onerous Contract, the present obligation under the contract is measured and recognised as provision.

### ***Contingent Liabilities***

In normal course of business, contingent liabilities may arise from litigation and other claims against the Company and its Subsidiary. Guarantees including Guarantees given on behalf of Subsidiary and Joint Venture Companies are also provided in the normal course of business.

There are certain obligations which management of the Company and its Subsidiary have 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 and its Subsidiary, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Show Cause Notices 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 and its Subsidiary are involved, it is not expected that such contingencies will have a material effect on their financial position or profitability.

### ***Contingent Assets***

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

### **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. Cash flows from operating, investing and financing activities of the Company and its Subsidiary are segregated based on available information.

### **Segment Reporting**

- i. Operating segments are reported in a manner consistent with 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".

### **Miscellaneous Expenditure**

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

### **Current Versus Non-Current Classification**

The Company and its Subsidiary present assets and liabilities in statement of financial position based on current / non-current classification. The Company and its Subsidiary have 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 Ministry of Corporate Affairs ("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 purpose of trading,
  - c) Expected to be realised within twelve months after 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 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 purpose of trading,
  - c) Due to be settled within twelve months after reporting period, or
  - d) There is no unconditional right to defer settlement of liability for at least twelve months after reporting period.
- iv. All other liabilities are classified as non-current.
- v. The Operating Cycle is the time between 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.

### **Fair Value Measurement**

The Company and its Subsidiary measure 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. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:

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



The principal or the most advantageous market must be accessible to the Company and its Subsidiary.

Fair Value of an asset or liability is measured using 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 asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Company and its Subsidiary use valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of un-observable 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 lowest level input that is significant to fair value measurement is directly or indirectly observable.

**Level 3-** Valuation techniques for which lowest level input that is significant to fair value measurement is un-observable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company and its Subsidiary determine 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 end of each reporting period.

For the purpose of fair value disclosures, the Company and its Subsidiary have 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.

### **Exceptional Items**

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company and its Subsidiary'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.

### **Significant Management Judgement in Applying Accounting Policies and Estimation Uncertainty**

Preparation of Consolidated Financial Statements requires management to make estimates and assumptions that affect reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income and 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 its Subsidiary 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 (Ind AS).

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

### **Significant Management Judgements**

Following are Significant Management Judgements in applying Accounting Policies of the Company and its Subsidiary that have most significant effect on the Financial Statements.

#### ***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 overall context of whether there is transfer of risks and rewards incidental to ownership include 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.

#### ***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 assets.

#### ***Revenue from Contracts with Customers***

Certain contracts of the Company and its Subsidiary for sale of goods include discounts, rebates and Incentives that give rise to variable consideration. The Company and its Subsidiary determined that estimates of variable consideration are based on their historical experience, business forecast and current economic conditions. The Company and its Subsidiary determined that expected value method is appropriate method to use in estimating the variable consideration as the large number of customer contracts that have similar characteristics.

### **Estimation Uncertainty**

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

#### ***Revenue Recognition***

Where revenue contracts include deferred payment terms, management of the Company and its Subsidiary determine 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.

#### ***Fair Value Measurement of Financial Instrument***

When 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 reported fair value of financial instruments.

#### ***Impairment of Financial Assets***

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

#### ***Inventories***

The Company and its Subsidiary estimate 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.

#### ***Recoverability of Advances / Receivables***

The Company and its Subsidiary from time to time review the recoverability of advances and receivables. 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.

#### ***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.

#### ***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 actual results and assumptions made or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Company and its Subsidiary establish 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 taxable entity and responsible tax authority.

#### ***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 and its Subsidiary as it is not possible to predict the outcome of pending matters with accuracy.

#### ***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.

#### ***New and Amended Standards during the Year***

The Company and its Subsidiary applied Ind AS 115 for the first time in Fiscal 2019. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other standards and amendments apply for the first time in 2018-19, but do not have an impact on the Consolidated Financial Statements of the Company and its Subsidiary.

#### ***Ind AS-115 Revenue from Contracts with Customers***

The Company and its Subsidiary applied Ind AS-115 for the first time by using the cumulative effect method of adoption with date of initial application from April 1, 2018. Under this method Comparative prior period is not adjusted and the cumulative effect of initially applying Ind AS 115 is recognised as an adjustment to the opening balance of retained earnings as at April 1, 2018. There was no impact on retained earnings as on April 1, 2018 on adoption of Ind AS-115.

#### ***Changes in Presentation***

As a result of the application of Ind AS-115, the Company and its Subsidiary have changed its presentation in the income statement as follows: -

Variable considerations related to Discounts and Incentives payable to customers were presented as an expense in the Profit and Loss account before April 1, 2018 but they are presented as a deduction from revenue at initial recognition. Any changes in estimation of variable consideration is recognised in Profit and Loss account as Revenue or Expenditure as the case may be.

#### **Foreign Currency Transactions and Advance Considerations Appendix-B to Ind AS-21**

The Appendix B clarifies that, in determining spot exchange rate to use on initial recognition of related asset, expense or income (or part of it) on de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, date of the transaction is the date on which an entity initially recognizes non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Company and its Subsidiary have applied Appendix B from April 1, 2018 and there is no material impact on Consolidated Financial Statements.

#### **Standards Issued but not Effective**

##### ***Ind AS-116 ‘Leases’***

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS-116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS-17 Leases, and related interpretations.

New standard permits two possible methods of transition i.e. Full Retrospective or Modified Retrospective.

The Company and its Subsidiary will adopt the standard on April 1, 2019 by using Modified retrospective effect method and accordingly comparatives for year ended March 31, 2019 will not be retrospectively adjusted.

The Company and its Subsidiary are evaluating requirements of Ind AS-116, and have not yet determined the impact on the Financial Statements.

##### ***Amendment to Ind AS 19– Plan Amendment, Curtailment or Settlement***

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS-19- ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company and its Subsidiary expect that there will be no impact on account of this amendment.

##### ***Amendment to Ind AS 12–‘Income Taxes’***

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS-12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company and its Subsidiary expect that there will be no impact on account of this amendment.

##### ***Ind AS-12 Appendix-C, Uncertainty over Income Tax Treatments***

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS-12 Appendix-C, Uncertainty over Income Tax Treatments.

The standard permits two possible methods of transition i.e. Full retrospective or Retrospectively with Cumulative Effect.

The Company and its Subsidiary will adopt the standard on April 1, 2019 by using the Retrospectively with Cumulative Effect method and accordingly comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted.

The Company and its Subsidiary expect that there will be no impact on account of this amendment.

For further information, see “*Financial Statements*” on page 239.

## **PRINCIPAL COMPONENTS OF REVENUE AND EXPENDITURE**

### **Revenue**

Our total income comprises (i) revenue from operations, and (ii) other income.

#### ***Revenue from Operations***

Revenue from operations comprises revenue from contract with customers which includes (i) sale of products, comprising sale of manufactured goods and of traded goods; (ii) sale of services, comprising income from EPC projects and from job work; (iii) other revenue comprising revenue from sale of scrap; and (iv) other operating revenues, comprising export benefits and unadjusted credit balances written back.

#### ***Other Income***

Other income includes (i) dividend from long term investments; (ii) interest income from bank deposits/others; (iii) interest income from financial assets at amortized costs; (iv) miscellaneous income; (v) insurance claims; and (vi) exchange fluctuation (net).

### **Expenses**

Our expenses comprise (i) cost of materials consumed; (ii) purchases of stock in trade; (iii) changes in inventory of finished goods, work-in-progress and stock-in-trade; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expense; (vii) sub contractor expense for EPC projects; (viii) excise duty; and (ix) other expenses.

#### ***Costs of Materials Consumed***

Costs of materials consumed comprises (i) raw materials such as copper and aluminium consumed; and (ii) EPC project materials such as cables, electrical goods and their accessories.

#### ***Purchases of Stock in Trade***

Purchases of stock in trade majorly comprises of miscellaneous class of goods.

#### ***Changes in Inventory of Finished Goods, Work-In-Progress and Stock-in-Trade***

Changes in inventory of finished goods, work-in-progress and stock-in-trade comprises cables and wires, stainless steel wires, and electrical goods with their accessories.

#### ***Employee Benefits Expense***

Employee benefits expense comprises (i) salaries, wages and other benefits; (ii) contribution to provident and other funds; (iii) expense on share based payments to employees; and (iv) staff welfare expenses.

#### ***Finance Costs***

Finance costs comprise (i) interest expenses; (ii) other borrowing costs; and (iii) fair value changes on interest rate swap.

#### ***Depreciation and Amortization Expenses***

Depreciation and amortization comprises (i) depreciation on property, plant and equipment; and (ii) amortization on other intangible assets.

### **Sub Contractor Expense for EPC Projects**

Sub contractor expense for EPC projects comprise expenses on account of project erection and commissioning.

### **Excise Duty**

Excise duty comprises (i) excise duty on sales; and (ii) excise duty on stock/transfers.

### **Other Expenses**

Other expenses includes, among others (i) expenses towards stores, spares and consumables; (ii) packing expenses; (iii) job work charges; (iv) power, fuel and lighting expenses; (v) repairs and maintenance; (vi) freight, handling and octroi; (vii) rebate, discount, commission on sales; (viii) travelling and conveyance, and (ix) professional and consultancy charges.

## **NON-GAAP MEASURES**

### **Earnings before Interest, Taxes, Depreciation and Amortization Expenses (“EBITDA”) and EBITDA Margin**

EBITDA is calculated as profit for the year / period plus total tax expense, finance costs, depreciation and amortisation expenses for the relevant year/ period. EBITDA Margin is calculated as EBITDA divided by revenue from operations.

The following table sets forth certain information with respect to our EBITDA and EBITDA Margin, on a standalone basis, for the periods indicated:

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Nine months ended December 31, 2019	Nine months ended December 31, 2018
	(₹ million, unless otherwise specified)				
Profit after Tax	938.28	1,445.56	1,818.71	1,942.54	1,219.40
Add: Tax	324.23	596.04	974.33	508.15	670.51
Add: Finance Cost	1,244.25	1,113.04	1,361.54	1,014.87	938.58
Add: Depreciation	284.04	322.30	339.48	429.65	253.12
EBITDA	2,790.80	3,476.94	4,494.06	3,895.21	3,081.61
Revenue from Operations	28,324.25	34,964.19	42,269.63	36,257.41	29,681.75
EBITDA Margin	9.85%	9.94%	10.63%	10.74%	10.38%

The following table sets forth certain information with respect to our EBITDA and EBITDA Margin, on a consolidated basis, for the periods indicated:

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Nine months ended December 31, 2019	Nine months ended December 31, 2018
	(₹ million, unless otherwise specified)				
Profit after Tax	936.45	1,447.82	1,807.47	1,942.64	1,218.82
Add: Tax	324.23	596.96	974.40	508.15	670.50
Add: Finance Cost	1,244.25	1,118.69	1,356.08	1,014.88	940.27
Add: Depreciation	284.04	322.30	339.48	429.64	253.12
EBITDA	2,788.97	3,485.77	4,477.43	3,895.31	3,082.71
Revenue from Operations	28,324.35	35,031.19	42,309.80	36,292.74	29,726.47
EBITDA Margin	9.85%	9.95%	10.58%	10.73%	10.37%

EBITDA presented in this Placement Document is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other

performance measures derived in accordance with Indian GAAP, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

### Interest Coverage Ratio

Interest Coverage Ratio is calculated on the basis of Cash Profit after tax plus interest expenses, divided by interest expenses for the year / period.

On a standalone basis:

Particulars	Fiscal			Nine months ended December 31	
	2017	2018	2019	2018	2019
Profit after tax	938.28	1,445.56	1,818.71	1,219.40	1,942.54
Depreciation	284.04	322.30	339.48	253.12	429.65
Finance Cost	1,244.25	1,113.04	1,361.54	938.58	1,014.87
<b>Cash Profit before interest</b>	<b>2,466.57</b>	<b>2,880.90</b>	<b>3,519.73</b>	<b>2,411.10</b>	<b>3,387.06</b>
<b>Interest Coverage Ratio</b>	<b>1.98</b>	<b>2.59</b>	<b>2.59</b>	<b>2.57</b>	<b>3.34</b>

On a consolidated basis:

Particulars	Fiscal			Nine months ended December 31	
	2017	2018	2019	2018	2019
Profit after tax	936.45	1,447.82	1,807.47	1,218.82	1,942.64
Depreciation	284.04	322.30	339.48	253.12	429.64
Finance Cost	1,244.25	1,118.69	1,356.08	940.27	1,014.88
<b>Cash Profit before interest</b>	<b>2,464.74</b>	<b>2,888.81</b>	<b>3,503.03</b>	<b>2,412.21</b>	<b>3,387.16</b>
<b>Interest Coverage Ratio</b>	<b>1.98</b>	<b>2.58</b>	<b>2.58</b>	<b>2.57</b>	<b>3.34</b>

## RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particulars	Fiscal 2017		Fiscal 2018		Fiscal 2019		Nine months ended December 31, 2018		Nine months ended December 31, 2019	
	₹ in million	% of total income	₹ in million	% of total income	₹ in million	% of total income	₹ in million	% of total income	₹ in million	% of total income
<b>Revenue</b>										
Revenue from Operations	28,324.25	99.65%	35,031.19	99.74%	42,309.80	99.83%	29,726.47	99.88%	36,292.74	99.61%
Other Income	100.67	0.35%	92.99	0.26%	71.94	0.17%	35.07	0.12%	142.80	0.39%
<b>Total Income</b>	<b>28,424.92</b>	<b>100.00%</b>	<b>35,124.18</b>	<b>100.00%</b>	<b>42,381.74</b>	<b>100.00%</b>	<b>29,761.54</b>	<b>100.00%</b>	<b>36,435.54</b>	<b>100.00%</b>
<b>Expenses</b>										
Cost of Materials Consumed	18,686.70	65.74%	24,422.77	69.53%	30,366.89	71.65%	21,912.56	73.63%	26,906.33	73.85%
Purchase of Stock in Trade	15.96	0.06%	15.12	0.04%	38.78	0.09%	39.02	0.13%	102.97	0.28%
Changes in inventory of Finished goods, Work-in-progress and Stock-in-trade	(426.75)	(1.50%)	(326.19)	(0.93%)	(1,081.77)	(2.55%)	(1,667.33)	(5.60%)	(1,769.53)	(4.86%)
Employee Benefits Expense	1,117.27	3.93%	1,471.67	4.19%	1,733.94	4.09%	1,260.70	4.24%	1,674.19	4.59%
Finance Costs	1,244.25	4.38%	1,118.69	3.18%	1,356.08	3.20%	940.27	3.16%	1,014.88	2.79%
Depreciation and Amortization Expense	284.04	1.00%	322.30	0.92%	339.48	0.80%	253.12	0.85%	429.64	1.18%
Sub Contractor Expense for EPC Projects	579.29	2.04%	1,085.54	3.09%	1,121.17	2.65%	995.19	3.34%	1,054.04	2.89%
Excise Duty	2,039.69	7.18%	376.20	1.07%	-	-	-	-	-	-
Other Expenses	3,622.12	12.74%	4,593.15	13.08%	5,725.30	13.50%	4,138.69	13.91%	4,572.41	12.55%
<b>Total Expenses</b>	<b>27,162.57</b>	<b>95.56%</b>	<b>33,079.25</b>	<b>94.18%</b>	<b>39,599.87</b>	<b>93.44%</b>	<b>27,872.22</b>	<b>93.65%</b>	<b>33,984.93</b>	<b>93.27%</b>
<b>Profit/(loss) before share of profit/(loss) of Joint Venture and Associate Company and tax</b>	<b>1,262.35</b>	<b>4.44%</b>	<b>2,044.93</b>	<b>5.82%</b>	<b>2,781.87</b>	<b>6.56%</b>	<b>1,889.32</b>	<b>6.35%</b>	<b>2,450.61</b>	<b>6.73%</b>
Share of Profit/ (Loss) of Joint Venture (net of tax)	(1.67)	(0.01%)	(0.15)	-	(0.00)	-	(0.00)	0.00%	(0.08)	0.00%
Share of Profit/ (Loss) of Associate Company (net of tax)	-	-	-	-	(0.00)	-	(0.00)	0.00%	0.26	0.00%
<b>Profit Before Tax</b>	<b>1,260.68</b>	<b>4.44%</b>	<b>2,044.78</b>	<b>5.82%</b>	<b>2,781.87</b>	<b>6.56%</b>	<b>1,889.32</b>	<b>6.35%</b>	<b>2,450.79</b>	<b>6.73%</b>
<b>Tax Expense</b>										
Current Tax	376.62	1.32%	669.27	1.91%	928.81	2.19%	642.56	2.16%	656.79	1.80%
MAT Credit Entitlement	(90.18)	(0.32%)	(121.51)	(0.35%)	-	-	-	-	-	-
Deferred Tax	37.62	0.13%	49.14	0.14%	49.65	0.12%	32.00	0.11%	(136.58)	(0.37%)



Particulars	Fiscal 2017		Fiscal 2018		Fiscal 2019		Nine months ended December 31, 2018		Nine months ended December 31, 2019	
	₹ in million	% of total income	₹ in million	% of total income	₹ in million	% of total income	₹ in million	% of total income	₹ in million	% of total income
Short/(Excess) Provision-Earlier Years	0.17	0.00%	0.06	0.00%	(4.06)	(0.01)%	(4.06)	(0.01%)	(12.06)	(0.03%)
<b>Total Tax</b>	<b>324.23</b>	<b>1.14%</b>	<b>596.96</b>	<b>1.70%</b>	<b>974.4</b>	<b>2.30%</b>	<b>670.5</b>	<b>2.25%</b>	<b>508.15</b>	<b>1.39%</b>
<b>Profit for the Year</b>	<b>936.45</b>	<b>3.29%</b>	<b>1,447.82</b>	<b>4.12%</b>	<b>1,807.47</b>	<b>4.26%</b>	<b>1,218.82</b>	<b>4.10%</b>	<b>1,942.64</b>	<b>5.33%</b>
<b>Other Comprehensive Income</b>										
Item not to be reclassified to Profit and Loss	(4.61)	(0.02%)	(9.85)	(0.03%)	(25.37)	(0.06%)	(15.80)	(0.05%)	(16.78)	(0.05%)
Income tax on above	3.94	0.01%	3.88	0.01%	6.32	0.01%	2.91	0.01%	(1.32)	0.00%
Items to be reclassified to Profit and Loss	0.01	0.00%	(3.53)	(0.01%)	0.06	0.00%	3.58	0.01%	0.10	0.00%
Income tax on above	(0.00*)	0.00%	1.23	0.00%	(0.02)	(0.00%)	(1.25)	0.00%	0.32	0.00%
<b>Other comprehensive income for the year net of tax</b>	<b>(0.66)</b>	<b>0.00%</b>	<b>(8.27)</b>	<b>(0.02%)</b>	<b>(19.01)</b>	<b>(0.04%)</b>	<b>(10.56)</b>	<b>(0.04%)</b>	<b>(17.68)</b>	<b>(0.05%)</b>
<b>Total comprehensive income for the year net of tax</b>	<b>935.79</b>	<b>3.29%</b>	<b>1,439.55</b>	<b>4.10%</b>	<b>1,788.46</b>	<b>4.22%</b>	<b>1,208.26</b>	<b>4.06%</b>	<b>1,924.96</b>	<b>5.28%</b>
<b>Profit/(Loss) attributable to</b>										
Equity shareholders of the Company	936.45	3.29%	1,447.58	4.12%	1,808.59	4.27%	1,218.88	4.10%	1,942.65	5.33%
Non controlling interests	-	-	0.24	0.00%	(1.12)	(0.00%)	(0.06)	0.00%	(0.01)	0.00%
<b>Other Comprehensive Income attributable to</b>										
Equity Shareholders of the Company	(0.66)	0.00%	(8.04)	(0.02%)	(19.01)	(0.04%)	(10.79)	(0.04%)	(17.72)	(0.05%)
Non Controlling Interests	-	-	(0.23)	(0.00%)	0.00	0.00%	0.23	0.00%	0.04	0.00%
<b>Total Comprehensive Income attributable to</b>										
Equity Shareholders of the Company	935.79	3.29%	1,439.54	4.10%	1,789.58	4.22%	1,208.09	4.06%	1,924.93	5.28%
Non Controlling Interests	-	-	0.01	0.00%	(1.12)	(0.00%)	0.17	0.00%	0.03	0.00%
<b>(Comprising Profit/Loss and Other Comprehensive Income)</b>	<b>935.79</b>	<b>3.29%</b>	<b>1,439.55</b>	<b>4.10%</b>	<b>1,788.46</b>	<b>4.22%</b>	<b>1,208.26</b>	<b>4.06%</b>	<b>1,924.96</b>	<b>5.28%</b>

## NINE MONTHS ENDED DECEMBER 31, 2019 COMPARED WITH NINE MONTHS ENDED DECEMBER 31, 2018

The following table sets forth certain information relating to our results of operations for the nine months ended December 31, 2018 and nine months ended December 31, 2019:

Particulars	Nine months ended December 31		(₹ in million)
	2018	2019	Change (%)
<b>Revenue</b>			
Revenue from Operations	29,726.47	36,292.74	22.09%
Other Income	35.07	142.80	307.19%
<b>Total Income</b>	<b>29,761.54</b>	<b>36,435.54</b>	<b>22.42%</b>
<b>Expenses</b>			
Cost of Materials Consumed	21,912.56	26,906.33	22.79%
Purchase of Stock in Trade	39.02	102.97	163.89%
Changes in inventory of Finished goods, Work-in-progress and Stock-in-trade	(1,667.33)	(1,769.53)	6.13%
Employee Benefits Expense	1,260.70	1,674.19	32.80%
Finance Costs	940.27	1,014.88	7.93%
Depreciation and Amortization Expense	253.12	429.64	69.74%
Sub Contractor Expense for EPC Projects	995.19	1,054.04	5.91%
Excise Duty	-	-	-
Other Expenses	4,138.69	4,572.41	10.48%
<b>Total Expenses</b>	<b>27,872.22</b>	<b>33,984.93</b>	<b>21.93%</b>
<b>Profit/(loss) before share of profit/(loss) of Joint Venture and Associate Company and tax</b>	<b>1,889.32</b>	<b>2,450.61</b>	<b>29.71%</b>
Share of Profit/ (Loss) of Joint Venture (net of tax)	-	(0.08)	-
Share of Profit/ (Loss) of Associate Company (net of tax)	-	0.26	-
<b>Profit Before Tax</b>	<b>1,889.32</b>	<b>2,450.79</b>	<b>29.72%</b>
<b>Tax Expense</b>			
Current Tax	642.56	656.79	2.21%
MAT Credit Entitlement	-	-	-
Deferred Tax	32.00	(136.58)	(526.81%)
Short/(Excess) Provision-Earlier Years	(4.06)	(12.06)	197.04%
<b>Total tax expenses</b>	<b>670.50</b>	<b>508.15</b>	<b>(24.21%)</b>
<b>Profit for the Year</b>	<b>1,218.82</b>	<b>1,942.64</b>	<b>59.39%</b>
<b>Other Comprehensive Income</b>			
Item not to be reclassified to Profit and Loss	(15.80)	(16.78)	6.20%
Income tax on above	2.91	(1.32)	(145.36%)
Items to be reclassified to Profit and Loss	3.58	0.10	97.21%
Income tax on above	(1.25)	0.32	(125.60%)
<b>Other comprehensive income for the year net of tax</b>	<b>(10.56)</b>	<b>(17.68)</b>	<b>(67.42%)</b>
<b>Total comprehensive income for the year net of tax</b>	<b>1,208.26</b>	<b>1,924.96</b>	<b>59.32%</b>
<b>Profit/(Loss) attributable to</b>			
Equity shareholders of the Company	1,218.88	1,942.65	59.38%
Non controlling interests	(0.06)	(0.01)	(83.33%)
<b>Other Comprehensive Income attributable to</b>			
Equity Shareholders of the Company	(10.79)	(17.72)	64.23%
Non Controlling Interests	0.23	0.04	(82.61%)
<b>Total Comprehensive Income attributable to</b>			
Equity Shareholders of the Company	1,208.09	1,924.93	59.34%
Non Controlling Interests	0.17	0.03	(82.35%)
<b>(Comprising Profit/Loss and Other Comprehensive Income)</b>	<b>1,208.26</b>	<b>1,924.96</b>	<b>59.32%</b>

### Revenue

Total income increased by ₹ 6,674.00 million or by 22.42%, from ₹ 29,761.54 million in the nine months ended December 31, 2018 to ₹ 36,435.54 million in the nine months ended December 31, 2019 for the reasons discussed below.

### Revenue from Operations

Revenue from operations increased by ₹ 6,566.27 million or by 22.09%, from ₹ 29,726.47 million in the nine months ended December 31, 2018 to ₹ 36,292.74 million in the nine months ended December 31, 2019, primarily due to an increase in revenue from sale of cables which grew by ₹ 5,634.66 million or by 23.58%, from ₹ 23,892.55

million in the nine months ended December 31, 2018 to ₹ 29,527.21 million in the nine months ended December 31, 2019 as well as an increase in revenue from the EPC projects segment, which increased by ₹ 3,797.69 million or by 58.72%, from ₹ 6,467.79 million in the nine months ended December 31, 2018 to ₹ 10,265.48 million in the nine months ended December 31, 2019.

### ***Other Income***

Other income increased by ₹ 107.73 million or by 307.19%, from ₹ 35.07 million in the nine months ended December 31, 2018 to ₹ 142.80 million in the nine months ended December 31, 2019, primarily on account of interest income received on fixed deposits with banks.

### ***Expenses***

Total expenses increased by ₹ 6,112.71 million or by 21.93%, from ₹ 27,872.22 million in the nine months ended December 31, 2018 to ₹ 33,984.93 million in the nine months ended December 31, 2019, primarily due to increase in cost of materials consumed, purchase of stock in trade, changes in inventory of finished goods, work-in-progress and stock-in-trade, employee benefit expenses, finance costs, depreciation and amortization expense, sub-contractor expense for EPC projects and other expenses.

### ***Cost of Materials Consumed***

Cost of materials consumed increased by ₹ 4,993.77 million or by 22.79%, from ₹ 21,912.56 million in the nine months ended December 31, 2018 to ₹ 26,906.33 million in the nine months ended December 31, 2019 in line with the increase of our total income owing to an increase in the sale of our products.

### ***Purchase of Stock in Trade***

Purchase of stock in trade significantly increased by ₹ 63.95 million or by 163.89%, from ₹ 39.02 million in the nine months ended December 31, 2018 to ₹ 102.97 million in the nine months ended December 31, 2019, due to increase in purchase of miscellaneous goods such as cable accessories and jointing kits.

### ***Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade***

Changes in inventory of finished goods, work in progress and stock in trade were ₹ (1,667.33) million in the nine months ended December 31, 2018 and ₹ (1,769.53) million in the nine months ended December 31, 2019.

### ***Employee Benefits Expenses***

Employee benefits expense increased by ₹ 413.49 million or by 32.80%, from ₹ 1,260.70 million in the nine months ended December 31, 2018 to ₹ 1,674.19 million in the nine months ended December 31, 2019, primarily due to an increase in share based payment expenses from ₹ 15.14 million in the nine months ended December 31, 2018 to ₹ 86.88 million in the nine months ended December 31, 2019.

### ***Finance Costs***

Finance costs increased by ₹ 74.61 million or by 7.93%, from ₹ 940.27 million in the nine months ended December 31, 2018 to ₹ 1,014.88 million in the nine months ended December 31, 2019.

### ***Depreciation and Amortization Expense***

Depreciation and amortisation expense marginally increased by ₹ 176.52 million or by 69.74%, from ₹ 253.12 million in the nine months ended December 31, 2018 to ₹ 429.64 million in the nine months ended December 31, 2019, primarily due to an increase in depreciation on property, plant and equipment.

### ***Sub Contractor Expenses for EPC Projects***

Sub contractor expenses for EPC projects marginally increased by ₹ 58.85 million or by 5.91%, from ₹ 995.19 million in the nine months ended December 31, 2018 to ₹ 1,054.04 million in the nine months ended December 31, 2019.

### **Excise Duty**

No excise duty was paid in the nine months ended December 31, 2018 or in the nine months ended December 31, 2019 due to the introduction of Goods and Services Tax.

### **Other Expenses**

Other expenses increased by ₹ 433.72 million or by 10.48%, from ₹ 4,138.69 million in the nine months ended December 31, 2018 to ₹ 4,572.41 million in the nine months ended December 31, 2019, primarily due to an increase in packing expenses from ₹ 736.10 million to ₹ 852.58 million, job work charges from ₹ 502.65 million to ₹ 643.10 million, power, fuel and lighting expenses from ₹ 394.75 million to ₹ 474.98 million and expenses towards freight, handling and octroi from ₹ 674.80 million to ₹ 824.19 million, each during the same period.

### **Profit before Tax**

For the reasons discussed above, our profit before tax increased by ₹ 561.47 million or by 29.72%, from ₹ 1,889.32 million in the nine months ended December 31, 2018 to ₹ 2,450.79 million in the nine months ended December 31, 2019.

### **Tax Expense**

Current tax expenses increased from ₹ 642.56 million in the nine months ended December 31, 2018 to ₹ 656.79 million in the nine months ended December 31, 2019. Deferred tax expenses decreased from ₹ 32.00 million in the nine months ended December 31, 2018 to ₹ (136.58) million in the nine months ended December 31, 2019. There was an adjustment of tax relating to earlier years of ₹ (4.06) million in the nine months ended December 31, 2018 compared to tax credit of ₹ (12.06) million in the nine months ended December 31, 2019.

### **Profit for the Year**

For the various reasons discussed above, we recorded a profit for the year of ₹ 1,942.64 million in the nine months ended December 31, 2019 as compared with ₹ 1,218.82 million in the nine months ended December 31, 2018.

### **Total Comprehensive Income for the Year**

Total comprehensive income for the year (comprising profit and other comprehensive income for the year) was ₹ 1,924.96 million in the nine months ended December 31, 2019 as compared with ₹ 1,208.26 million in the nine months ended December 31, 2018.

### **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

EBITDA was ₹ 3,895.31 million in the nine months ended December 31, 2019 as compared with ₹ 3,082.71 million in the nine months ended December 31, 2018 while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 10.73% in the nine months ended December 31, 2019 as compared with 10.37% in the nine months ended December 31, 2018.

### **FISCAL 2019 COMPARED WITH FISCAL 2018**

Our consolidated financial information for Fiscals 2019 and 2018 included in the table and the discussion below is derived from our audited consolidated financial statements as of and for Fiscal 2019. Our financial information for Fiscal 2018 included in our audited consolidated financial statements as of and for Fiscal 2019 was extracted from our audited consolidated financial statements as of and for Fiscal 2018 and then regrouped/reclassified wherever necessary (to conform to the classification made for Fiscal 2019), and hence, is different from our financial information for Fiscal 2018 included under “ – Fiscal 2018 compared with Fiscal 2017”.

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscals 2018 and 2019:

Particulars	Fiscal		(₹ in million)
	2018	2019	Change (%)
Revenue			
Revenue from Operations	35,031.19	42,309.80	20.78%

Particulars	Fiscal		Change (%)
	2018	2019	
Other Income	92.99	71.94	(22.64%)
<b>Total Income</b>	<b>35,124.18</b>	<b>42,381.74</b>	<b>20.66%</b>
<b>Expenses</b>			
Cost of Materials Consumed	24,422.77	30,366.89	24.34%
Purchase of Stock in Trade	15.12	38.78	156.48%
Changes in inventory of Finished goods, Work-in-progress and Stock-in-trade	(326.19)	(1,081.77)	231.64%
Employee Benefits Expense	1,471.67	1,733.94	17.82%
Finance Costs	1,118.69	1,356.08	21.22%
Depreciation and Amortization Expense	322.30	339.48	5.33%
Sub Contractor Expense for EPC Projects	1,085.54	1,121.17	3.28%
Excise Duty	376.20	-	(100.00%)
Other Expenses	4,593.15	5,725.30	24.65%
<b>Total Expenses</b>	<b>33,079.25</b>	<b>39,599.87</b>	<b>19.71%</b>
<b>Profit/(loss) before share of profit/(loss) of Joint Venture and Associate Company and tax</b>	<b>2,044.93</b>	<b>2,781.87</b>	<b>36.04%</b>
Share of Profit/ (Loss) of Joint Venture (net of tax)	(0.15)	(0.00)	(97.61%)
Share of Profit/ (Loss) of Associate Company (net of tax)	-	(0.00)	-
<b>Profit Before Tax</b>	<b>2,044.78</b>	<b>2,781.87</b>	<b>36.05%</b>
<b>Tax Expense</b>			
Current Tax	669.27	928.81	38.78%
MAT Credit Entitlement	(121.51)	-	(100.00%)
Deferred Tax	49.14	49.65	1.04%
Short/(Excess) Provision-Earlier Years	0.06	(4.06)	(6,866.67%)
<b>Profit for the Year</b>	<b>1,447.82</b>	<b>1,807.47</b>	<b>24.84%</b>
<b>Other Comprehensive Income</b>			
Item not to be reclassified to Profit and Loss	(9.85)	(25.37)	157.56%
Income tax on above	3.88	6.32	62.89%
Items to be reclassified to Profit and Loss	(3.53)	0.06	(101.70%)
Income tax on above	1.23	(0.02)	(101.63%)
<b>Other comprehensive income for the year net of tax</b>	<b>(8.27)</b>	<b>(19.01)</b>	<b>129.87%</b>
<b>Total comprehensive income for the year net of tax</b>	<b>1,439.55</b>	<b>1,788.46</b>	<b>24.24%</b>
<b>Profit/(Loss) attributable to</b>			
Equity shareholders of the Company	1,447.58	1,808.59	24.94%
Non controlling interests	0.24	(1.12)	(566.67%)
<b>Other Comprehensive Income attributable to</b>			
Equity Shareholders of the Company	(8.04)	(19.01)	136.44%
Non Controlling Interests	(0.23)	0.00	(100.00%)
<b>Total Comprehensive Income attributable to</b>			
Equity Shareholders of the Company	1,439.54	1,789.58	24.32%
Non Controlling Interests	0.01	(1.12)	(11,300.00%)
<b>(Comprising Profit/Loss and Other Comprehensive Income)</b>	<b>1,439.55</b>	<b>1,788.46</b>	<b>24.24%</b>

## Revenue

Total income increased by ₹ 7,257.56 million or by 20.66%, from ₹ 35,124.18 million in Fiscal 2018 to ₹ 42,381.74 million in Fiscal 2019 for the reasons discussed below.

### Revenue from Operations

Revenue from operations increased by ₹ 7,278.61 million or by 20.78%, from ₹ 35,031.19 million in Fiscal 2018 to ₹ 42,309.80 million in Fiscal 2019, primarily due to an increase in revenue from contract with customers from ₹ 35,031.19 million in Fiscal 2018 to ₹ 42,309.80 million in Fiscal 2019, in respect of the following:

- **Sale of products:** Sale of products comprising (i) sale of manufactured goods; and (ii) sale of traded goods, increased by ₹ 6,130.13 million or by 23.56%, from ₹ 26,016.09 million in Fiscal 2018 to ₹ 32,146.22 million in Fiscal 2019, primarily owing to a strong order book and better utilization of capacity by our manufacturing facilities and better product mix. While sale of manufactured goods primarily represented sales of products such as HT cables, LT power cables and house wires under the retail segment, which increased from ₹ 9,774.63 million in Fiscal 2018 to ₹ 14,003.13 million in Fiscal 2019, the sale of traded goods primarily represented sale of cable accessories / items by our Company.
- **Sale of services:** Sale of services comprising (i) income from EPC projects; and (ii) income from job work, increased by ₹ 982.57 million or by 11.33%, from ₹ 8,676.12 million in Fiscal 2018 to ₹ 9,658.69

million in Fiscal 2019, primarily owing to our completion of projects majorly for power utilities in the state of Uttar Pradesh, West Bengal and Jammu and Kashmir.

- **Other revenue:** Other revenue increased by ₹ 49.86 million or by 18.60%, from ₹ 268.06 million in Fiscal 2018 to ₹ 317.92 million in Fiscal 2019, owing to an increase in the sale of scrap.
- **Other operating revenues:** Other operating revenues comprising (i) export benefits; and (ii) unadjusted credit balances written back, significantly increased by ₹ 116.05 million or by 163.63%, from ₹ 70.92 million in Fiscal 2018 to ₹ 186.97 million in Fiscal 2019.

### ***Other Income***

Other income decreased by ₹ 21.05 million or by 22.64%, from ₹ 92.99 million in Fiscal 2018 to ₹ 71.94 million in Fiscal 2019, primarily because we did not receive any income from exchange fluctuation (net) in Fiscal 2019 as against ₹ 74.90 million that we received in Fiscal 2018. This decrease was partially offset by an increase in interest income from bank deposits/others from ₹ 6.48 million in Fiscal 2018 to ₹ 36.83 million in Fiscal 2019, and an increase in income from insurance claims from ₹ 10.00 million in Fiscal 2018 to ₹ 21.28 million in Fiscal 2019.

### **Expenses**

Total expenses increased by ₹ 6,520.62 million or by 19.71%, from ₹ 33,079.25 million in Fiscal 2018 to ₹ 39,599.87 million in Fiscal 2019, primarily due to increase in cost of materials consumed, purchase of stock in trade, employee benefit expenses, changes in inventory of finished goods, work-in-progress and stock-in-trade, finance costs, depreciation and amortization expense, sub-contractor expense for EPC projects and other expenses. Further, we were not required to pay any excise duty in Fiscal 2019 on account of the introduction of Goods and Services Tax.

### ***Cost of Materials Consumed***

Cost of materials consumed increased by ₹ 5,944.12 million or by 24.34%, from ₹ 24,422.77 million in Fiscal 2018 to ₹ 30,366.89 million in Fiscal 2019 on account of an increase in cost of raw materials consumed from ₹ 21,139.14 million in Fiscal 2018 to ₹ 27,771.82 million in Fiscal 2019 as a result of increase in the sale of our products. This was partially offset by a decrease in expenses towards EPC project materials, from ₹ 3,283.63 million in Fiscal 2018 to ₹ 2,595.07 million in Fiscal 2019.

### ***Purchase of Stock in Trade***

Purchase of stock in trade significantly increased by ₹ 23.66 million or by 156.48%, from ₹ 15.12 million in Fiscal 2018 to ₹ 38.78 million in Fiscal 2019, due to increase in purchase of miscellaneous goods such as cable accessories and jointing kits.

### ***Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade***

Changes in inventory of finished goods, work in progress and stock in trade were ₹ (326.19) million in Fiscal 2018 and ₹ (1,081.77) million in Fiscal 2019.

### ***Employee Benefits Expenses***

Employee benefits expense increased by ₹ 262.27 million or by 17.82%, from ₹ 1,471.67 million in Fiscal 2018 to ₹ 1,733.94 million in Fiscal 2019, primarily due to an increase in salaries, wages and other benefits from ₹ 1,318.11 million in Fiscal 2018 to ₹ 1,585.52 million in Fiscal 2019, and an increase in contribution to provident and other funds from ₹ 64.19 million in Fiscal 2018 to ₹ 74.35 million in Fiscal 2019. This was partially offset by a decrease in expenses on share based payment to employees from ₹ 33.04 million in Fiscal 2018 to ₹ 18.68 million in Fiscal 2019 and expenses on staff welfare from ₹ 56.33 million in Fiscal 2018 to ₹ 55.39 million in Fiscal 2019.

### ***Finance Costs***

Finance costs increased by ₹ 237.39 million or by 21.22%, from ₹ 1,118.69 million in Fiscal 2018 to ₹ 1,356.08 million in Fiscal 2019. This was primarily due to increase in interest expenses from ₹ 884.47 million in Fiscal 2018 to ₹ 949.83 million in Fiscal 2019 and other borrowing costs from ₹ 234.22 million in Fiscal 2018 to ₹ 405.98 million in Fiscal 2019, on account of increase in bank charges on bank guarantees opened by our Company.

#### ***Depreciation and Amortization Expense***

Depreciation and amortisation expense marginally increased by ₹ 17.18 million or by 5.33%, from ₹ 322.30 million in Fiscal 2018 to ₹ 339.48 million in Fiscal 2019, primarily due to an increase in depreciation on property, plant and equipment.

#### ***Sub Contractor Expenses for EPC Projects***

Sub contractor expenses for EPC projects marginally increased by ₹ 35.63 million or by 3.28%, from ₹ 1,085.54 million in Fiscal 2018 to ₹ 1,121.17 million in Fiscal 2019.

#### ***Excise Duty***

Our expenses on excise duty were nil in Fiscal 2019 compared to ₹ 376.20 million in Fiscal 2018, due to the introduction of Goods and Services Tax.

#### ***Other Expenses***

Other expenses increased by ₹ 1,132.15 million or by 24.65%, from ₹ 4,593.15 million in Fiscal 2018 to ₹ 5,725.30 million in Fiscal 2019, primarily due to an increase in packing expenses from ₹ 813.04 million in Fiscal 2018 to ₹ 1,012.78 million in Fiscal 2019, job work charges from ₹ 565.88 million in Fiscal 2018 to ₹ 678.70 million in Fiscal 2019, power, fuel and lighting expenses from ₹ 440.02 million in Fiscal 2018 to ₹ 542.33 million in Fiscal 2019, expenses towards freight, handling and octroi from ₹ 799.36 million in Fiscal 2018 to ₹ 972.13 million in Fiscal 2019, advertisement and publicity expenses from ₹ 148.51 million in Fiscal 2018 to ₹ 194.44 million in Fiscal 2019, professional and consultancy charges from ₹ 145.39 million in Fiscal 2018 to ₹ 289.07 million in Fiscal 2019 and certain other miscellaneous expenses from ₹ 503.71 million in Fiscal 2018 to ₹ 576.12 million in Fiscal 2019. This was partially offset by a decrease in rebate, discount, commission on sales from ₹ 226.38 million in Fiscal 2018 to ₹ 188.15 million in Fiscal 2019, rates and taxes from ₹ 116.51 million in Fiscal 2018 to ₹ 96.37 million in Fiscal 2019, and bad debts written off from ₹ 124.96 million in Fiscal 2018 to ₹ 68.00 million in Fiscal 2019.

#### **Profit before Tax**

For the reasons discussed above, our profit before tax increased by ₹ 737.09 million or by 36.05%, from ₹ 2,044.78 million in Fiscal 2018 to ₹ 2,781.87 million in Fiscal 2019.

#### **Tax Expense**

Current tax expenses increased from ₹ 669.27 million in Fiscal 2018 to ₹ 928.81 million in Fiscal 2019. In Fiscal 2018, our Company was entitled to MAT credit of ₹ 121.51 million as against no such entitlement in Fiscal 2019. Deferred tax expenses marginally increased from ₹ 49.14 million in Fiscal 2018 to ₹ 49.65 million in Fiscal 2019. There was an adjustment of tax relating to earlier years of ₹ 0.06 million in Fiscal 2018 compared to tax credit of ₹ (4.06) million in Fiscal 2019.

#### **Profit for the Year**

For the various reasons discussed above, we recorded a profit for the year of ₹ 1,807.47 million in Fiscal 2019 as compared with ₹ 1,447.82 million in Fiscal 2018.

#### **Total Comprehensive Income for the Year**

Total comprehensive income for the year (comprising profit and other comprehensive income for the year) was ₹ 1,788.46 million in Fiscal 2019 as compared with ₹ 1,439.55 million in Fiscal 2018.

#### **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

EBITDA was ₹ 4,477.43 million in Fiscal 2019 as compared with ₹ 3,485.77 million in Fiscal 2018 while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 10.58% in Fiscal 2019 as compared with 9.95% in Fiscal 2018.

## FISCAL 2018 COMPARED WITH FISCAL 2017

The financial information for the year ended March 31, 2017, was prepared in accordance with Indian GAAP, and the same has been restated, regrouped and reclassified, wherever required, to comply with the requirements of Ind AS and Division II of Schedule III to the Companies Act, 2013, and included in the audited consolidated financial statements of our Company as of and for Fiscal 2018. Accordingly, our consolidated financial information for Fiscals 2018 and 2017 included in the table and the discussion below is derived from our audited consolidated financial statements as of and for Fiscal 2018.

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscals 2017 and 2018:

Particulars	Fiscal		(₹ in million)
	2017	2018	Change (%)
<b>Revenue</b>			
Revenue from Operations	28,324.25	35,031.19	23.68%
Other Income	100.67	92.99	(7.63%)
<b>Total Income</b>	<b>28,424.92</b>	<b>35,124.18</b>	<b>23.57%</b>
<b>Expenses</b>			
Cost of Materials Consumed	18,686.70	24,422.77	30.70%
Purchase of Stock in Trade	15.96	15.12	(5.26%)
Changes in inventory of Finished goods, Work-in-progress and Stock-in-trade	(426.75)	(326.19)	(23.56%)
Employee Benefits Expense	1,117.27	1,471.67	31.72%
Finance Costs	1,244.25	1,118.69	(10.09%)
Depreciation and Amortization Expense	284.04	322.30	13.47%
Sub Contractor Expense for EPC Projects	579.29	1,085.54	87.39%
Excise Duty	2,039.69	376.20	(81.56%)
Other Expenses	3,622.12	4,593.15	26.81%
<b>Total Expenses</b>	<b>27,162.57</b>	<b>33,079.25</b>	<b>21.78%</b>
<b>Profit/(loss) before share of profit/(loss) of Joint Venture and Associate Company and tax</b>	<b>1,262.35</b>	<b>2,044.93</b>	<b>61.99%</b>
Share of Profit/ (Loss) of Joint Venture (net of tax)	(1.67)	(0.15)	(91.02%)
<b>Profit Before Tax</b>	<b>1,260.68</b>	<b>2,044.78</b>	<b>62.20%</b>
<b>Tax Expense</b>			
Current Tax	376.62	669.27	77.70%
MAT Credit Entitlement	(90.18)	(121.51)	34.74%
Deferred Tax	37.62	49.14	30.62%
Short/(Excess) Provision-Earlier Years	0.17	0.06	(64.71%)
<b>Profit for the Year</b>	<b>936.45</b>	<b>1,447.82</b>	<b>54.61%</b>
<b>Other Comprehensive Income</b>			
Item not to be reclassified to Profit and Loss	(4.61)	(9.85)	113.67%
Income tax on above	3.94	3.88	(1.52%)
Items to be reclassified to Profit and Loss	0.01	(3.53)	(35,400.00%)
Income tax on above	(0.00)	1.23	-
<b>Other comprehensive income for the year net of tax</b>	<b>(0.66)</b>	<b>(8.27)</b>	<b>1,153.03%</b>
<b>Total comprehensive income for the year net of tax</b>	<b>935.79</b>	<b>1,439.55</b>	<b>53.83%</b>
<b>Profit/(Loss) attributable to</b>			
Equity shareholders of the Company	936.45	1,447.58	54.58%
Non controlling interests	-	0.24	0.00
<b>Other Comprehensive Income attributable to</b>			
Equity Shareholders of the Company	(0.66)	(8.04)	1,118.18%
Non Controlling Interests	-	(0.23)	0.00
<b>Total Comprehensive Income attributable to</b>			
Equity Shareholders of the Company	935.79	1,439.54	53.83%
Non Controlling Interests	-	0.01	0.00
<b>(Comprising Profit/Loss and Other Comprehensive Income)</b>	<b>935.79</b>	<b>1,439.55</b>	<b>53.83%</b>

## Revenue



Total income increased by ₹ 6,699.26 million or by 23.57%, from ₹ 28,424.92 million in Fiscal 2017 to ₹ 35,124.18 million in Fiscal 2018 for the reasons discussed below.

### ***Revenue from Operations***

Revenue from operations increased by ₹ 6,706.94 million or by 23.68%, from ₹ 28,324.25 million in Fiscal 2017 to ₹ 35,031.19 million in Fiscal 2018, on account of the following:

- **Sale of products:** Sale of products comprising (i) sale of manufactured goods; and (ii) sale of traded goods, increased by ₹ 3,012.48 million or by 13.10%, from ₹ 23,003.61 million in Fiscal 2017 to ₹ 26,016.09 million in Fiscal 2018, primarily owing to an increase in sale of cables from ₹ 17,409.09 million in Fiscal 2017 to ₹ 18,813.61 million in Fiscal 2018, increase in sale of stainless steel wires from ₹ 1,128.24 million in Fiscal 2017 to ₹ 1,167.85 million in Fiscal 2018, and an increase in winding wires, flexible and house wires from ₹ 4,448.84 million in Fiscal 2017 to ₹ 6,023.80 million in Fiscal 2018. Further, our exports of manufactured goods increased from ₹ 3,793.19 million in Fiscal 2017 to ₹ 4,609.08 million in Fiscal 2018 and our sale of products under the retail segment increased from ₹ 6,831.48 million in Fiscal 2017 to ₹ 9,774.63 million in Fiscal 2018. However, our revenue from sale of traded goods decreased from ₹ 17.44 million in Fiscal 2017 to ₹ 10.83 million in Fiscal 2018.
- **Income from turnkey projects:** Income from turnkey projects significantly increased by ₹ 3,621.91 million or by 71.72%, from ₹ 5,050.30 million in Fiscal 2017 to ₹ 8,672.21 million in Fiscal 2018, primarily owing to our completion of projects majorly for power utilities in the state of Uttar Pradesh and in Jammu and Kashmir.
- **Job Work:** Income from job work decreased by ₹ 0.54 million or by 12.20%, from ₹ 4.45 million in Fiscal 2017 to ₹ 3.91 million in Fiscal 2018.
- **Other operating revenues:** Other operating revenues comprising (i) export benefits; (ii) unadjusted credit balances written back; and (iii) scrap, increased by ₹ 73.09 million or by 27.49%, from ₹ 265.89 million in Fiscal 2017 to ₹ 338.98 million in Fiscal 2018.

### ***Other Income***

Other income marginally decreased by ₹ 7.68 million or by 7.63%, from ₹ 100.67 million in Fiscal 2017 to ₹ 92.99 million in Fiscal 2018, primarily due to a decrease in income from insurance claims from ₹ 13.56 million in Fiscal 2017 to ₹ 10.00 million in Fiscal 2018, a decrease in income from exchange fluctuation (net) from ₹ 77.63 million in Fiscal 2017 to ₹ 74.90 million in Fiscal 2018, and no miscellaneous income in Fiscal 2018 as compared to ₹ 3.31 million in Fiscal 2017. This decrease was partially offset by an increase in interest income from bank deposits/others from ₹ 5.10 million in Fiscal 2017 to ₹ 6.48 million in Fiscal 2018, and an increase in income from financial assets at amortised cost from ₹ 1.03 million in Fiscal 2017 to ₹ 1.57 million in Fiscal 2018.

### ***Expenses***

Total expenses increased by ₹ 5,916.68 million or by 21.78%, from ₹ 27,162.57 million in Fiscal 2017 to ₹ 33,079.25 million in Fiscal 2018, primarily due to an increase in cost of materials consumed, employee benefit expenses, depreciation and amortization expense, sub contractor expense for turnkey projects and other expenses. These increases in expenses were partially offset by a decrease in purchases of stock in trade, changes in inventory of finished goods, work-in-progress and stock-in-trade, finance costs and excise duty.

### ***Cost of Materials Consumed***

Cost of materials consumed increased by ₹ 5,736.07 million or by 30.70%, from ₹ 18,686.70 million in Fiscal 2017 to ₹ 24,422.77 million in Fiscal 2018 on account of an increase in expenses towards raw materials consumed from ₹ 16,350.61 million in Fiscal 2017 to ₹ 21,139.14 million in Fiscal 2018, and an increase in expenses towards turnkey project materials from ₹ 2,336.09 million in Fiscal 2017 to ₹ 3,283.63 million in Fiscal 2018.

### ***Purchase of Stock in Trade***

Purchase of stock in trade marginally decreased by ₹ 0.84 million or by 5.26%, from ₹ 15.96 million in Fiscal 2017 to ₹ 15.12 million in Fiscal 2018, due to decrease in purchase of miscellaneous goods such as cable accessories.

#### ***Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade***

Changes in inventory of finished goods, work in progress and stock in trade were ₹ (426.75) million in Fiscal 2017 and ₹ (326.19) million in Fiscal 2018.

#### ***Employee Benefits Expenses***

Employee benefits expense increased by ₹ 354.40 million or by 31.72%, from ₹ 1,117.27 million in Fiscal 2017 to ₹ 1,471.67 million in Fiscal 2018, primarily due to an increase in salaries, wages and other benefits from ₹ 961.76 million in Fiscal 2017 to ₹ 1,318.11 million in Fiscal 2018, an increase in contribution to provident and other funds from ₹ 48.54 million in Fiscal 2017 to ₹ 64.19 million in Fiscal 2018, and an increase in expenses on staff welfare from ₹ 44.41 million in Fiscal 2017 to ₹ 56.33 million in Fiscal 2018. This was partially offset by a decrease in expenses on share based payment to employees from ₹ 62.56 million in Fiscal 2017 to ₹ 33.04 million in Fiscal 2018.

#### ***Finance Costs***

Finance costs decreased by ₹ 125.56 million or by 10.09%, from ₹ 1,244.25 million in Fiscal 2017 to ₹ 1,118.69 million in Fiscal 2018. This was primarily due to decrease in interest expenses from ₹ 949.56 million in Fiscal 2017 to ₹ 884.47 million in Fiscal 2018 and on other borrowing costs from ₹ 294.69 million in Fiscal 2017 to ₹ 234.22 million in Fiscal 2018, on account of a reduction in our bank guarantee charges.

#### ***Depreciation and Amortization Expense***

Depreciation and amortisation expense increased by ₹ 38.26 million or by 13.47%, from ₹ 284.04 million in Fiscal 2017 to ₹ 322.30 million in Fiscal 2018, primarily due to an increase in depreciation on property, plant and equipment.

#### ***Sub Contractor Expenses for Turnkey Projects***

Sub contractor expenses for turnkey projects significantly increased by ₹ 506.25 million or by 87.39%, from ₹ 579.29 million in Fiscal 2017 to ₹ 1,085.54 million in Fiscal 2018.

#### ***Excise Duty***

Our expenses on account of payment of excise duty significantly decreased by ₹ 1,663.49 million or by 81.56%, from ₹ 2,039.69 million in Fiscal 2017 to ₹ 376.20 million in Fiscal 2018, primarily owing to decrease in excise duty on sales from ₹ 1,661.10 million in Fiscal 2017 to ₹ 505.54 million in Fiscal 2018, and decrease of excise duty on stock/transfers from ₹ 378.59 million in Fiscal 2017 to ₹ (129.30) million in Fiscal 2018. Further, excise duty was not applicable with effect from July 1, 2017.

#### ***Other Expenses***

Other expenses increased by ₹ 971.03 million or by 26.81%, from ₹ 3,622.12 million in Fiscal 2017 to ₹ 4,593.15 million in Fiscal 2018, primarily due to an increase in packing expenses from ₹ 727.92 million in Fiscal 2017 to ₹ 813.04 million in Fiscal 2018, job work charges from ₹ 497.49 million in Fiscal 2017 to ₹ 565.88 million in Fiscal 2018, power, fuel and lighting expenses from ₹ 388.72 million in Fiscal 2017 to ₹ 440.02 million in Fiscal 2018, expenses towards repairs and maintenance from ₹ 183.92 million in Fiscal 2017 to ₹ 187.96 million in Fiscal 2018, expenses towards freight, handling and octroi from ₹ 600.25 million in Fiscal 2017 to ₹ 799.36 million in Fiscal 2018, rebate, discount, commission on sales from ₹ 114.95 million in Fiscal 2017 to ₹ 226.38 million in Fiscal 2018, bad debts written off from ₹ 52.83 million in Fiscal 2017 to ₹ 124.96 million in Fiscal 2018, rates and taxes from ₹ 75.91 million in Fiscal 2017 to ₹ 116.51 million in Fiscal 2018, advertisement and publicity expenses from ₹ 75.27 million in Fiscal 2017 to ₹ 148.51 million in Fiscal 2018, professional and consultancy charges from ₹ 127.30 million in Fiscal 2017 to ₹ 145.39 million in Fiscal 2018 and certain other miscellaneous expenses from ₹ 351.37 million in Fiscal 2017 to ₹ 503.71 million in Fiscal 2018. This was partially offset by a decrease in expenses towards ECL on debtors from ₹ 43.94 million in Fiscal 2017 to ₹ 4.09 million in

Fiscal 2018, and expenses towards auditor's remuneration from ₹ 4.55 million in Fiscal 2017 to ₹ 4.40 million in Fiscal 2018.

### Profit before Tax

For the reasons discussed above, our profit before tax increased by ₹ 784.10 million or by 62.20%, from ₹ 1,260.68 million in Fiscal 2017 to ₹ 2,044.78 million in Fiscal 2018.

### Tax Expense

Current tax expenses increased from ₹ 376.62 million in Fiscal 2017 to ₹ 669.27 million in Fiscal 2018. In Fiscal 2017, our Company was entitled to MAT credit of ₹ 90.18 million as against ₹ 121.51 million in Fiscal 2018. Deferred tax expenses increased from ₹ 37.62 million in Fiscal 2017 to ₹ 49.14 million in Fiscal 2018. There was an adjustment of tax relating to earlier years of ₹ 0.17 million in Fiscal 2017 compared to tax credit of ₹ 0.06 million in Fiscal 2018.

### Profit for the Year

For the various reasons discussed above, we recorded a profit for the year of ₹ 1,447.82 million in Fiscal 2018 as compared with ₹ 936.45 million in Fiscal 2017.

### Total Comprehensive Income for the Year

Total comprehensive income for the year (comprising profit and other comprehensive income for the year) was ₹ 1,439.55 million in Fiscal 2018 as compared with ₹ 935.79 million in Fiscal 2017.

### Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 3,485.77 million in Fiscal 2018 as compared with ₹ 2,788.97 million in Fiscal 2017 while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 9.95% in Fiscal 2018 as compared with 9.85% in Fiscal 2017.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through internal accruals from our operations and debt financing. From time to time, we may obtain loan facilities to finance our short term working capital requirements. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Indebtedness*" on page 171.

## CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal		
	2017	2018	2019
Net cash from / (used in) operating activities	(288.21)	1,907.30	6,226.03
Net cash from / (used in) investing activities	(627.38)	(763.39)	(2,750.53)
Net cash flows from / (used in) financing activities	2,286.54	(689.59)	(4,381.77)
Net change in cash and cash equivalents	1,370.95	454.32	(906.27)
Cash and cash equivalents at the beginning of the period/year	(1,639.23)	(268.28)	186.04
Cash and cash equivalents at the end of the period/year	(268.28)	186.04	(720.23)

### Operating Activities

#### Fiscal 2019

Net cash from operating activities was ₹ 6,226.03 million in Fiscal 2019. Net profit before tax and extraordinary items was ₹ 2,781.87 million in Fiscal 2019 and adjustments to reconcile net profit before tax and extraordinary items to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 339.48 million; (ii) interest / finance charges of ₹ 1,356.09 million; (iii) interest income of ₹ (36.83) million; (iv) provision for compensation absence / gratuity of ₹ 25.92 million; and (v) share based payment expenses of ₹ 18.68 million.

Operating profit before working capital changes was ₹ 4,498.93 million in Fiscal 2019. The main working capital adjustments in Fiscal 2019, included increase in trade and other receivables of ₹ 2,017.89 million and increase in inventories of ₹ 1,376.20 million. This was offset by an increase in trade and other payables of ₹ 5,986.27 million. Accordingly, the cash generated from operations in Fiscal 2019 amounted to ₹ 7,091.11 million. Direct taxes paid amounted to ₹ 865.08 million.

#### ***Fiscal 2018***

Net cash from operating activities was ₹ 1,907.30 million in Fiscal 2018. Net profit before tax and extraordinary items was ₹ 2,044.93 million in Fiscal 2018 and adjustments to reconcile net profit before tax and extraordinary items to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 322.30 million; (ii) interest / finance charges of ₹ 1,118.69 million; (iii) interest income of ₹ (6.48) million; (iv) provision for compensation absence / gratuity of ₹ 28.85 million; and (v) share based payment expenses of ₹ 33.04 million. Operating profit before working capital changes was ₹ 3,548.02 million in Fiscal 2018. The main working capital adjustments in Fiscal 2018, included increase in trade and other receivables of ₹ 1,953.42 million and increase in inventories of ₹ 566.64 million. This was offset by an increase in trade and other payables of ₹ 1,406.86 million. Accordingly, the cash generated from operations in Fiscal 2018 amounted to ₹ 2,434.82 million. Direct taxes paid amounted to ₹ 527.52 million.

#### ***Fiscal 2017***

Net cash used in operating activities was ₹ 288.21 million in Fiscal 2017. Net profit before tax and extraordinary items was ₹ 1,262.35 million in Fiscal 2017 and adjustments to reconcile net profit before tax and extraordinary items to net cash flows primarily consisted of (i) depreciation and amortization expense of ₹ 284.04 million; (ii) interest / finance charges of ₹ 1,244.25 million; (iii) interest income of ₹ (5.10) million; (iv) provision for compensation absence / gratuity of ₹ 17.00 million; and (v) share based payment expenses of ₹ 62.56 million. Operating profit before working capital changes was ₹ 2,925.43 million in Fiscal 2017. The main working capital adjustments in Fiscal 2017, included increase in trade and other receivables of ₹ 2,390.71 million and increase in inventories of ₹ 764.57 million. This was offset by an increase in trade and other payables of ₹ 245.86 million. Accordingly, the cash generated from operations in Fiscal 2017 amounted to ₹ 16.01 million. Direct taxes paid amounted to ₹ 304.22 million.

### **Investing Activities**

#### ***Fiscal 2019***

Net cash used in investing activities was ₹ 2,750.53 million in Fiscal 2019. This primarily reflected (i) purchase of fixed assets and other capital expenditure of ₹ 1,223.11 million towards our manufacturing facilities situated in Chinchpada and Pathredi; (ii) investment / proceed from deposits with banks of ₹ 1,567.34 million on account of our deposits with banks in lieu of margin money of advance bank guarantee; and (iii) investment in our Associate company of negligible amount. This was partially offset by (i) interest income of ₹ 36.83 million; and (ii) sale of fixed assets worth ₹ 2.87 million.

#### ***Fiscal 2018***

Net cash used in investing activities was ₹ 763.39 million in Fiscal 2018. This primarily reflected (i) purchase of fixed assets and other capital expenditure of ₹ 655.82 million primarily towards our manufacturing facility situated in Pathredi; and (ii) investment / proceed from deposits with banks of ₹ 122.49 million. This was partially offset by (i) interest income of ₹ 6.48 million; and (ii) sale of fixed assets worth ₹ 8.15 million.

#### ***Fiscal 2017***

Net cash used in investing activities was ₹ 627.38 million in Fiscal 2017. This primarily reflected (i) purchase of fixed assets and other capital expenditure of ₹ 625.06 million such as primarily towards our manufacturing facility situated in Pathredi; and (ii) investment / proceed from deposits with banks of ₹ 13.98 million. This was partially offset by (i) interest income of ₹ 5.10 million; and (ii) sale of fixed assets worth ₹ 6.52 million.

### **Financing Activities**

#### ***Fiscal 2019***

Net cash used in financing activities was ₹ 4,381.77 million in Fiscal 2019. This primarily reflected (i) repayment of long term borrowings (banks) of ₹ 904.27 million; (ii) repayment of long term borrowings (others) of ₹ 75.00 million; (iii) interest expenses / finance charges of ₹ 1,356.09 million; (iv) working capital demand loan from banks of ₹ 400.00 million; (v) working capital demand loan from banks – Buyer’s credit of ₹ 1,377.63 million; (vi) working capital loan from banks – factoring arrangements of ₹ 930.19 million; and (vii) dividend paid to equity shareholders of ₹ 78.36 million. This was partially offset by (i) proceeds from long term borrowings (banks) of ₹ 515.30 million; (ii) proceeds from long term borrowings (others) of ₹ 200.00 million; (iii) proceeds from finance lease of ₹ 20.76 million; and (iv) issue of equity share capital (including premium) upon exercise of employee stock options of ₹ 19.74 million.

#### **Fiscal 2018**

Net cash used in financing activities was ₹ 689.59 million in Fiscal 2018. This primarily reflected (i) repayment of long term borrowings (banks) of ₹ 437.12 million; (ii) repayment of long term borrowings (others) of ₹ 888.75 million; (iii) interest expenses / finance charges of ₹ 1,118.69 million; (iv) working capital demand loan from banks of ₹ 1,050.00 million; (v) working capital demand loan from banks – buyer’s credit of ₹ 23.57 million; and (vi) dividend paid to equity shareholders of ₹ 46.68 million. This was partially offset by (i) proceeds from long term borrowings (banks) of ₹ 1,729.51 million; (ii) working capital loan from banks – factoring arrangements of ₹ 1,174.76 million; and (iii) issue of equity share capital (including premium) upon exercise of employee stock options of ₹ 19.74 million.

#### **Fiscal 2017**

Net cash from financing activities was ₹ 2,286.54 million in Fiscal 2017. This primarily reflected (i) working capital demand loan from banks of ₹ 3,803.24 million; (ii) proceeds from long term borrowings (others) of ₹ 312.23 million; and (iii) inter corporate and other deposits (net of repayments) of ₹ 270.14 million. This was partially offset by (i) repayment of long term borrowings (banks) of ₹ 348.07 million; (ii) repayment of long term borrowings (others) of ₹ 490.00 million; and (iii) interest expenses / finance charges of ₹ 1,244.25 million.

### **INDEBTEDNESS**

As on December 31, 2019, we had total borrowings (consisting of long term borrowings and short term borrowings) of ₹ 8,882.86 million, of which ₹ 2,613.35 million was long term borrowings (including current maturities) and ₹ 6,269.51 million was short term borrowings. Also, see “*Risk Factors - We are subject to certain restrictive covenants under our financing arrangements, which may curtail our operational and financial flexibility. If we are not in compliance with the covenants contained in such financing agreements, including obtaining the relevant consents from our lenders for the Issue, our lenders could accelerate their respective repayment schedules, and enforce their respective security interests, which would lead to an adverse effect on our business, financial condition, cash flows and credit rating.*” on page 49.

The following table sets forth certain information relating to our outstanding indebtedness as on December 31, 2019, and our repayment obligations in the periods indicated:

Particulars	As on December 31, 2019				
	Payment due by period				
	(₹ million)				
	Total	Not later than 1 year	1-3 years	3-5 years	More than 5 years
<b>Long term borrowings</b>					
<b>Secured</b>					
Term loans (including current maturities)	2,484.63	910.39	1,278.77	295.47	-
Others	28.62	16.14	12.48	-	-
<b>Unsecured</b>					
Others	100.10	53.05	47.05	-	-
<b>Total long term borrowings (including current maturities)</b>	<b>2,613.35</b>	<b>979.58</b>	<b>1,338.30</b>	<b>295.47</b>	<b>-</b>
<b>Short term borrowings</b>					
<b>Secured</b>	<b>6,077.51</b>	<b>6,077.51</b>	-	-	-
<b>Unsecured</b>	<b>192.00</b>	<b>192.00</b>	-	-	-

Particulars	As on December 31, 2019				
	Payment due by period				
	(` million)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Total short term borrowings	6,269.51	6,269.51	-	-	-
Total borrowings	8,882.86	7,249.09	1,338.30	295.47	-

## CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2019, our contingent liabilities and commitments were as follows:

Particulars	Amount
	(` million)
<b>Claims against the Company, its Subsidiary, Associate and Joint Venture not acknowledged as debt</b>	
Sales Tax/Entry Tax demands under appeal	9.49
<b>Income Tax Matters:</b>	
Demand due to Additions/disallowances during Assessments, which are under Appeal	13.67
Excise/Service tax demands under appeal	81.53
Misc. claims against the Company, its Subsidiary, Associate and Joint Venture in labour court	1.07
<b>Guarantees against Performance/Security Deposit/EMD:</b>	13,569.71
<b>Other money for which Company is contingently liable:</b>	
Unutilized Letter of Credits	275.44
Outstanding LC Discounted	577.87
<b>Commitments:</b>	
Estimated amount of contracts remaining to be executed on Capital Account	302.93
<b>Total</b>	<b>14,831.71</b>

For further information on our contingent liabilities, see “Financial Statements” on page 239.

Except as disclosed in the Financial Statements or elsewhere in this Placement Document, there are no off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates, other unconsolidated entities or financial partnerships that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to remaining performance obligations to be executed over the period of more than one year as on March 31, 2019.

(` in million)			
Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021
EPC Projects	26,210.86	13,713.43	-
<b>Total</b>	<b>26,210.86</b>	<b>13,713.43</b>	<b>-</b>

For further information on our capital and other commitments, see “Financial Statements” on page 239.

## CAPITAL EXPENDITURES

In Fiscal 2017, Fiscal 2018, Fiscal 2019 and in the nine months ended December 31, 2019, our capital expenditure towards additions to fixed assets (property, plant and equipment’s and intangible assets) were ₹ 609.69 million, ₹ 640.57 million, ₹ 1,211.48 million and ₹ 854.27 million, respectively. The following table sets forth our capital expenditure for the periods indicated:

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Nine months ended December 31, 2019
	(` million)			
Cables	522.41	539.19	1,132.65	654.34
Stainless steel wire	24.05	32.39	11.09	28.85

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	Nine months ended December 31, 2019
	(₹ million)			
EPC projects	23.31	11.11	21.03	38.29
Unallocated	39.92	57.88	46.72	132.79
<b>Total</b>	<b>609.69</b>	<b>640.57</b>	<b>1,211.48</b>	<b>854.27</b>

For further information, see “*Financial Statements*” on page 239.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see “*Related Party Transactions*” on page 76.

## CHANGES IN ACCOUNTING POLICIES

Except as disclosed in this Placement Document, there have been no changes in our accounting policies during Fiscals 2017, 2018 and 2019, except for the changes as necessitated by applicable laws.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various types of market risks during the normal course of business. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments and other market changes that affect market risk sensitive instruments. We manage market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit and Risk Management Committees. The activities of the treasury department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market interest rates. Interest rates for borrowings have been volatile in India in recent periods. Our exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and buyer’s credit obligations with floating interest rates. We did not have any buyer’s credit outstanding as of December 31, 2019.

### *Foreign Exchange Risk*

Changes in currency exchange rates influence our results of operations. Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the change in foreign currency exchange rates. We have obtained foreign currency loans and have foreign currency payables for supply of raw material and for export of our products and are therefore, exposed to foreign exchange risk.

### *Credit Risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our investing activities including deposits with banks and other financial instruments.

We extend credit to customers in normal course of business. We consider factors, such as, credit track record in the market and past dealings for extension of credit to customers. We monitor the payment track record of our customers. Outstanding customer receivables are regularly monitored. In Fiscal 2017, Fiscal 2018, Fiscal 2019 and in the nine months ended December 31, 2019, our net trade receivables were ₹ 8,245.76 million, ₹ 10,228.40 million, ₹ 10,909.28 million and ₹ 13,541.37 million, respectively.

### ***Liquidity Risk***

Liquidity risk is the risk that we may not be able to meet our present and future cash and collateral obligations without incurring unacceptable losses. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. We monitor our risk to a shortage of funds using a recurring liquidity-planning tool, which considers the maturity of both our financial investments and financial assets (*i.e.* trade receivables and other financial assets) and projected cash flows from operations. We aim to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility, bank loans and credit purchases.

### ***Inflation***

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

### **TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT IN WHICH THE COMPANY OPERATED**

We have three primary business segments, namely retail, institutional and exports segments. For further information, see “*Business*”, “*Industry Overview*” and “*Financial Statements*” on pages 108, 78 and 239, respectively.

### **NEW PRODUCTS OR BUSINESS SEGMENTS**

We have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products.

### **UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

### **KNOWN TRENDS OR UNCERTAINTIES**

Other than as described in this Placement Document, particularly in the sections “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 46 and 130, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

### **FUTURE RELATIONSHIP BETWEEN COST AND INCOME**

Other than as described elsewhere in the sections “*Risk Factors*”, “*Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 46, 108 and 130, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

### **SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS**

While revenues from any particular customer may vary between financial reporting periods depending on the nature and term of on-going contracts, historically we are not dependent on single or a few customers.

### **SEASONALITY OF BUSINESS**

Our business is not seasonal in nature. For further information, see “*Industry Overview*”, “*Business*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Competition*” on pages 78, 108, 46 and 136, respectively.

### **COMPETITIVE CONDITIONS**



We operate in a competitive environment. See sections, “*Business*”, “*Industry Overview*”, “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Competition*” on pages 108, 78, 46 and 136, respectively.

#### **SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2019 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Except as disclosed in this Placement Document, to our knowledge, no circumstances have arisen since December 31, 2019, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### Board of Directors

The composition of our Board of Directors is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and our Articles of Association. Our Articles of Association provide that our Company shall not have less than three Directors and not more than 15 Directors. Our Company may appoint more than 15 Directors after passing a special resolution in a general meeting of our Shareholders.

As on the date of this Placement Document, we have 10 Directors, which includes three Executive Directors and seven Non-executive Directors, of whom six are Independent Directors.

The following table sets forth details of our Board as on the date of this Placement Document:

Name, address, occupation, nationality, term, and DIN	Age (in years)	Designation
<b>Anil Gupta</b>  <i>Address:</i> A-7, Puspanjali Farm, Bijwasan, New Delhi – 110 061, India  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> Three years with effect from July 1, 2018  <i>DIN:</i> 00006422	60	Chairman-cum-Managing Director
<b>Archana Gupta</b>  <i>Address:</i> A-7, Puspanjali Farm, Bijwasan, New Delhi – 110 061, India  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> Retirement by rotation  <i>DIN:</i> 00006459	58	Non-executive Director
<b>Akshit Diviaj Gupta</b>  <i>Address:</i> A-7, Puspanjali Farm, Bijwasan, New Delhi – 110 061, India  <i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> Five years with effect from May 10, 2017 and liable to retire by rotation  <i>DIN:</i> 07814690	27	Whole Time Director
<b>Rajeev Gupta</b>  <i>Address:</i> D-269, Anand Vihar, New Delhi – 110 092, India  <i>Occupation:</i> Service  <i>Nationality:</i> Indian  <i>Term:</i> Five years with effect from June 1, 2015 and liable to retire by rotation  <i>DIN:</i> 00128865	55	Executive Director (Finance) and CFO

<b>Name, address, occupation, nationality, term, and DIN</b>	<b>Age (in years)</b>	<b>Designation</b>
<b>Kishangopal Somani</b> <i>Address:</i> 163, Tagore Park, New Delhi – 110 009, India <i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from September 19, 2019 <i>DIN:</i> 00014648	80	Independent Director
<b>Pawan Bholusaria</b> <i>Address:</i> 26 / 11, Shakti Nagar, New Delhi – 110 007, India <i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from September 19, 2019 <i>DIN:</i> 00092492	67	Independent Director
<b>Vijay Bhushan</b> <i>Address:</i> B – 5, Swasthya Vihar, New Delhi – 110 092, India <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from September 19, 2019 <i>DIN:</i> 00002421	61	Independent Director
<b>Vikram Bhartia</b> <i>Address:</i> 271 / 2, Forest Lane, Neb Sarai Extn, New Delhi – 110 068, India <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from September 19, 2019 <i>DIN:</i> 00013654	81	Independent Director
<b>Sadhu Ram Bansal</b> <i>Address:</i> 1052, Sanskriti Apartment, Plot 35, Dwarka Sec 10, New Delhi – 110 075, India <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from January 24, 2018 <i>DIN:</i> 06471984	64	Independent Director
<b>Shalini Gupta</b> <i>Address:</i> H 801, La Lagune, Golf Course Road, Sun City, Sector 54, Gurgaon, Haryana – 122 011, India <i>Occupation:</i> Service <i>Nationality:</i> Indian	45	Independent Director

Name, address, occupation, nationality, term, and DIN	Age (in years)	Designation
<i>Term:</i> Five years with effect from February 18, 2019		
<i>DIN:</i> 02361768		

### Brief profiles of our Directors

**Anil Gupta** is the Chairman-cum-Managing Director of our Company. He holds a bachelor's degree in commerce from the University of Delhi and also holds an honorary doctorate of business management fellowship from the Accreditation Service for International Colleges. He has over 27 years of experience in the wires and cables industry and been associated with our Company since its incorporation.

**Archana Gupta** is a Non-executive Director of our Company. She holds a bachelor's degree in arts from the University of Mumbai. She has been associated with our Company since January 31, 2005.

**Akshit Diviaj Gupta** is a Whole Time Director of our Company. He is an honorary graduate of business management fellow from the Accreditation Service for International Colleges. He has been associated with our Company since June 1, 2016.

**Rajeev Gupta** is the Executive Director (Finance) and CFO of our Company. He is an associate member of the Institute of Chartered Accountants of India. He has been associated with our Company since December 14, 1993.

**Kishangopal Somani** is an Independent Director of our Company. He is a fellow of the Institute of Chartered Accountants of India and is a practising chartered accountant.

**Pawan Bholusaria** is an Independent Director of our Company. He is a fellow of the Institute of Chartered Accountants of India and is a practising chartered accountant.

**Vijay Bhushan** is an Independent Director of our Company. He holds a master's degree in business administration from the University of Delhi. He is currently the national president of the Association of National Exchanges Members of India and the chairman of DSE Estates Limited.

**Vikram Bhartia** is an Independent Director of our Company. He attended the course for a bachelor's degree in technology from the Indian Institute of Technology, Kharagpur.

**Sadhu Ram Bansal** is an Independent Director of our Company. He holds a master's degree in arts from Panjab University. He is also an associate of the Indian Institute of Banking and Finance. He was previously the chairman and managing director of Corporation Bank Limited.

**Shalini Gupta** is an Independent Director of our Company. She holds a bachelor's degree in mechanical engineering from the University of Delhi and attended the course for a master's degree in business administration from the University of Delhi.

### Relationship between Directors

The details of relationships between the Directors are as follows:

S. No.	Name of Director	Related to	Nature of relationship
1.	Anil Gupta	Archana Gupta	Husband
2.	Anil Gupta	Akshit Diviaj Gupta	Father
3.	Archana Gupta	Akshit Diviaj Gupta	Mother

### Borrowing powers of our Board

Our Company has, pursuant to a special resolution passed by the Shareholders dated September 19, 2018, authorised the Board or any committee thereof to borrow, at its discretion, either from our Company's banks or any other Indian or foreign banks, financial institutions and / or other lending institutions or persons from time to time, such sums of money, and the sums to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers / financial institutions 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 our Company's paid-up share capital, free reserves, and securities premium (that is to say, reserves not set apart for any specific purpose) provided that the total amount together with the money already borrowed shall not exceed ₹ 20,000 million at any time.

### Interest of our Directors

Except as stated below and in “*Related Party Transactions*” on page 76, our Directors do not have any other interest in our Company or its business.

All our Directors may be deemed to be interested to the extent of their Shareholding, remuneration, sitting fees, commission, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares and any other benefit arising out of such holding and transactions of our Company with the companies with which they are associated as directors or members.

All of our Directors may also be regarded as interested in any Equity Shares or any employee stock options held by them or their relatives and also to the extent of any dividend and other distributions payable in respect of such Equity Shares held by them or their relatives. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, kartas, or trustees.

Except as provided in “*Financial Statements*” on page 239, our Company has not entered into any contract, agreement or arrangement during nine months ended December 31, 2019 and the three years ended March 31, 2019, 2018, and 2017, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details on the related party transactions mentioned above, see “*Related Party Transactions*” on page 76.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

### Shareholding of Directors

The following table sets forth the Shareholding of the Directors in our Company as on January 17, 2020 and the employee stock options held by them:

Name and designation	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)	Number of employee stock options held under ESOS 2015
Anil Gupta, Chairman-cum-Managing Director	13,680,776	17.21	Nil
Akshit Diviaj Gupta, Whole Time Director	Nil	-	Nil
Rajeev Gupta, Executive Director (Finance) and CFO	378,691	0.48	360,000
Archana Gupta, Non-executive Director	837,315	1.05	Nil
Kishangopal Somani, Independent Director	1,000	Negligible	Nil
Pawan Bholusaria, Independent Director	4,500	0.01	Nil
Vijay Bhushan, Independent Director	Nil	-	Nil
Vikram Bhartia, Independent Director	10,000	0.01	Nil
Sadhu Ram Bansal, Independent Director	Nil	-	Nil

Name and designation	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)	Number of employee stock options held under ESOS 2015
Shalini Gupta, Independent Director	Nil	-	Nil
<b>Total</b>	<b>14,912,282</b>	<b>18.76</b>	<b>360,000</b>

### Terms of appointment of Executive Directors

The table below sets forth the terms of appointment of the Executive Directors:

Name of the Director	Terms of appointment
Anil Gupta	<ul style="list-style-type: none"> <li>Period of appointment: Three years with effect from July 1, 2018</li> <li>Basic salary: ₹ 3.50 million basic salary per month</li> <li>Perquisites: Perquisites shall be restricted to an amount not exceeding ₹ 0.60 million per month. For this purpose, perquisites are classified into categories A, B, and C. <ul style="list-style-type: none"> <li><b>Category A</b> <ul style="list-style-type: none"> <li>Housing: Expenditure by our Company on hiring furnished / unfurnished accommodation subject to a ceiling of ₹ 0.30 million per month.</li> <li>Medical reimbursement: All expenses incurred for himself and his family as per the rules of our Company.</li> <li>Club fee: Fees for a maximum of two clubs. This will not include admission and life membership fees.</li> </ul> </li> <li><b>Category B</b> <ul style="list-style-type: none"> <li>Our Company's contribution to provident fund, superannuation fund, annuity fund, etc., will be in accordance with the rules of our Company.</li> <li>Gratuity, leave, and other entitlements: As per our Company's policy.</li> </ul> </li> <li><b>Category C</b> <ul style="list-style-type: none"> <li>Car with a driver for our 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 our Company to him. The provision of car and telephone will not be considered as perquisites.</li> </ul> </li> </ul> </li> <li>Minimum remuneration: Minimum remuneration and perquisites to be paid in the event of absence or inadequacy of profits in any financial year during his tenure shall be as per Schedule V of the Companies Act, 2013.</li> </ul>
Akshit Diviaj Gupta	<ul style="list-style-type: none"> <li>Period of appointment: Retirement by rotation</li> <li>Basic salary: ₹ 0.56 million basic salary per month</li> <li>Perquisites: Perquisites are classified into categories A, B, and C. <ul style="list-style-type: none"> <li><b>Category A</b> <ul style="list-style-type: none"> <li>Medical reimbursement: All expenses incurred for himself and his family as per the rules of our Company.</li> <li>Club fee: Fees for a maximum of two clubs. This will not include admission and life membership fees.</li> <li>Bonus: As per policies and rules of our Company.</li> <li>Personal accident insurance / term life insurance: As per policies and rules of our Company.</li> </ul> </li> <li><b>Category B</b> <ul style="list-style-type: none"> <li>Our Company's contribution to provident fund, superannuation fund, annuity fund, etc., will be in accordance with the rules of our Company.</li> </ul> </li> </ul> </li> </ul>

Name of the Director	Terms of appointment
	<ul style="list-style-type: none"> <li>Gratuity, leave, and other entitlements: As per our Company's policy.</li> </ul> <p><b>Category C</b></p> <ul style="list-style-type: none"> <li>Car with a driver for our 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 our Company to him. The provision of car and telephone will not be considered as perquisites.</li> <li>Minimum remuneration: Minimum remuneration and perquisites to be paid in the event of absence or inadequacy of profits in any financial year during his tenure shall be as per Schedule V of the Companies Act, 2013.</li> </ul>
<b>Rajeev Gupta</b>	<ul style="list-style-type: none"> <li>Period of appointment: Retirement by rotation</li> <li>Basic salary: ₹ 0.42 million basic salary per month</li> <li>Perquisites: Perquisites are classified into categories A, B, and C.</li> </ul> <p><b>Category A</b></p> <ul style="list-style-type: none"> <li>Housing: Rent allowance at the rate of ₹ 0.17 million per month.</li> <li>Other allowances: (a) education allowance of ₹ 2,000 per month, (b) special allowance of ₹ 0.22 million per month, and (c) conveyance allowance of ₹ 0.10 million per month.</li> <li>Medical reimbursement: All expenses incurred for himself and his family as per the rules of our Company.</li> <li>Leave travel allowance: Leave travel allowance for him and the members of his family as per the rules of our Company.</li> <li>Leave encashment and other entitlements: Leave encashment and other entitlements as per the rules of our Company.</li> </ul> <p><b>Category B</b></p> <ul style="list-style-type: none"> <li>Our Company's contribution to provident fund, superannuation fund, annuity fund, etc., will be in accordance with the rules of our Company.</li> </ul> <p><b>Category C</b></p> <ul style="list-style-type: none"> <li>Car with a driver for our 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 our Company to him. The provision of car and telephone will not be considered as perquisites.</li> </ul> <p>Minimum remuneration: Minimum remuneration and perquisites to be paid in the event of absence or inadequacy of profits in any financial year during his tenure shall be as per Schedule V of the Companies Act, 2013.</p>

## Remuneration of the Directors

### A. Executive Directors

The following table sets forth the compensation paid by our Company to the Executive Directors during Fiscals 2017, 2018, and 2019 and for the nine months ended December 31, 2019:

(in ₹ million)					
S. No.	Name of the Director	Compensation for Fiscal 2017	Compensation for Fiscal 2018	Compensation for Fiscal 2019	Compensation for Fiscal 2020 (for the nine months ended December 31, 2019)
1.	Anil Gupta	70.54	107.73	147.24	129.05
2.	Akshit Diviaj Gupta	-	4.32	6.03	5.06
3.	Rajeev Gupta*	20.34	50.78	54.53	81.88

\* Includes share based payment made to Rajeev Gupta

## B. Non-executive Directors

All the Non-executive Directors are eligible to be paid sitting fees of ₹ 75,000 for every meeting of the Board or a committee of the Board attended by them.

The following table sets forth the compensation paid by our Company to the Non-executive Directors of our Company during the Fiscal 2020 (for the nine months ended December 31, 2019), Fiscal 2019, Fiscal 2018, and Fiscal 2017:

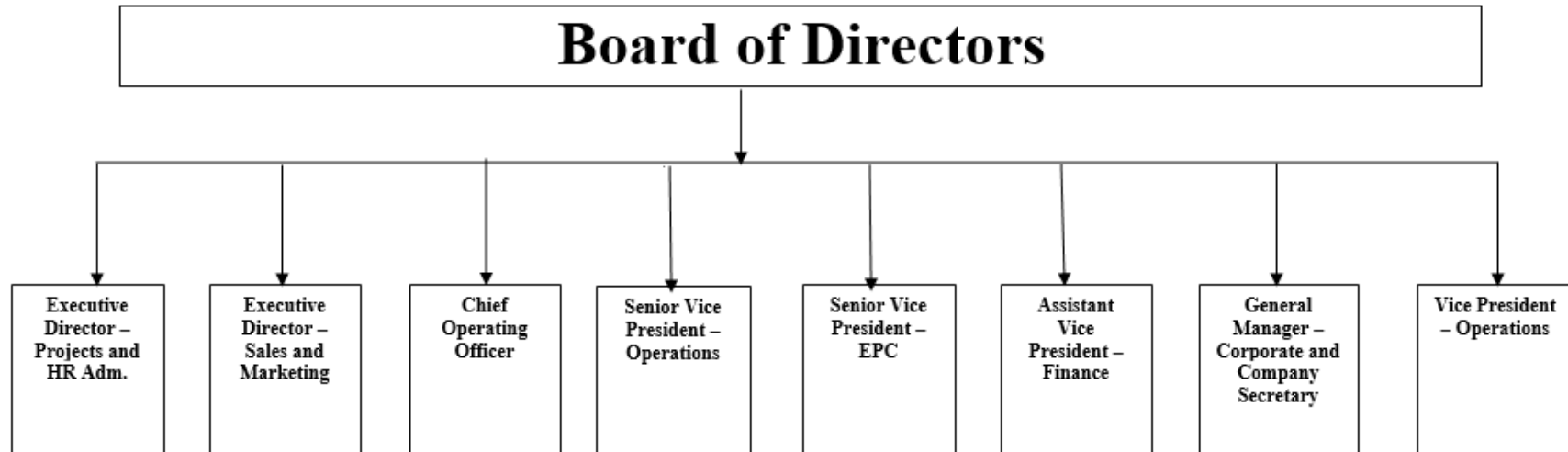
<i>(in ₹ million)</i>					
S. No.	Name of the Director	Compensation for Fiscal 2017	Compensation for Fiscal 2018	Compensation for Fiscal 2019	Compensation for Fiscal 2020 (for the nine months ended December 31, 2019)
1.	Archana Gupta	0.40	0.65	1.12	0.75
2.	Kishangopal Somani	0.15	0.50	0.60	0.53
3.	Pawan Bholusaria	0.45	1.10	1.72	1.28
4.	Vijay Bhushan	0.28	0.65	1.05	0.75
5.	Vikram Bhartia	0.40	0.85	1.28	0.98
6.	Sadhu Ram Bansal*	-	-	0.53	0.30
7.	Shalini Gupta**	-	-	-	0.30

\* Since Sadhu Ram Bansal was appointed to the Board on January 24, 2018, he did not receive any compensation in Fiscals 2017 and 2018.

\*\* Since Shalini Gupta was appointed to the Board on February 18, 2019, she did not receive any compensation in Fiscals 2017, 2018, and 2019.



**Organisation chart of our Company**



## Corporate governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including the constitution of our Board and the committees thereof.

### Committees of our Board of Directors

In accordance with the requirements of the provisions of the Companies Act, 2013 and the provisions of the SEBI Listing Regulations, our Board has constituted various committees as detailed below: (i) Audit Committee; (ii) Nomination cum Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility Committee; and (v) Risk Management Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

S. No.	Committee	Name and designation of members within the committee
1.	Audit Committee	1. Pawan Bholusaria, Chairman 2. Kishangopal Somani, Member 3. Vikram Bhartia, Member
2.	Nomination cum Remuneration Committee	1. Vikram Bhartia, Chairman 2. Vijay Bhushan, Member 3. Pawan Bholusaria, Member
3.	Stakeholders' Relationship Committee	1. Vijay Bhushan, Chairman 2. Vikram Bhartia, Member 3. Pawan Bholusaria, Member
4.	Corporate Social Responsibility Committee	1. Pawan Bholusaria, Chairman 2. Anil Gupta, Member 3. Rajeev Gupta, Member
5.	Risk Management Committee	1. Anil Gupta, Chairman 2. Sadhu Ram Bansal, Member 3. Rajeev Gupta, Member

### Senior Management Personnel

In addition to Anil Gupta, Akshit Diviaj Gupta, and Rajeev Gupta who currently hold Directorships in our Company, and whose details are provided above, the following are the Senior Management Personnel of our Company:

**Pawan Kumar Aggarwal** is the Executive Director – Projects and HR Adm. of our Company. He attended the course for a bachelor's degree in science from the University of Delhi and a course on television servicing from the Disco Institute of Television Technology. He has been associated with our Company since October 1, 1982.

**Manoj Kakkar** is the Executive Director – Sales and Marketing of our Company. He holds a bachelor's degree in commerce from the University of Delhi and a post graduate diploma in marketing and sales management. He has been associated with our Company since December 18, 1990.

**Lalit Sharma** is the Chief Operating Officer of our Company. He has completed a course in Oracle B with Developer 2000 from Software Technology Group International Limited. He has previously worked with Plaza Cables Electric Private Limited and has been associated with our Company since September 10, 2007.

**Kali Charan Sharma** is the Senior Vice President – Operations of our Company. He has attended the course for degree in electrical engineering at M.G. Polytechnic, Hathras (Aligarh) and for a bachelor's degree in science from Agra University. He also holds a post graduate diploma in personnel management and industrial relations from the Management Studies Promotion Institute. He has been associated with our Company since January 17, 1994.

**Manish Mantri** is the Senior Vice President – EPC of our Company. He holds a bachelor's degree in engineering from the University of Rajasthan. He has been associated with our Company since January 24, 2012.

**Adarsh Kumar Jain** is the Assistant Vice President – Finance of our Company. He is also a fellow of the Institute of Chartered Accountants of India. He has been associated with our Company since September 16, 2002.

**Kishore Kunal** is the General Manager – Corporate and Company Secretary and Compliance Officer of our Company. He holds a bachelor’s degree in law from Chaudhary Charan Singh University, Meerut. He is also an associate member of the Institute of Company Secretaries of India. He has been associated with our Company since December 15, 2004.

**Dilip Kumar Barnwal** is the Vice President – Operations of our Company. He attended the course for a bachelor’s degree of science specialising in electrical engineering from the University of Bihar. He has been associated with our Company since August 24, 2005.

### Shareholding of Senior Management Personnel

Except in relation to Anil Gupta, Akshit Diviaj Gupta, and Rajeev Gupta, the following table sets forth the Shareholding of the Senior Management Personnel in our Company as on January 17, 2020 and the employee stock options held by them:

Name and designation	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)	Number of employee stock options held under ESOS 2015
Pawan Kumar Aggarwal	391,288	0.49	312,000
Manoj Kakkar	62,387	0.08	96,000
Lalit Sharma	125,000	0.16	144,000
Kali Charan Sharma	85,741	0.11	60,000
Manish Mantri	81,400	0.10	60,000
Adarsh Kumar Jain	94,000	0.12	111,000
Kishore Kunal	91,351	0.11	102,000
Dilip Kumar Barnwal	75,000	0.09	60,000
<b>Total</b>	<b>1,006,167</b>	<b>1.26</b>	<b>945,000</b>

### Interest of Senior Management Personnel

Except as stated in “*Interest of our Directors*” above and in “*Financial Statements*” on pages 179 and 239, and to the extent of their Shareholding, if any, employee stock options held, dividend and other distributions payable to them in respect of such Equity Shares, remuneration or benefits to which they are entitled as per the terms of their appointment, and reimbursement of expenses incurred by them in the ordinary course of business, our Senior Management Personnel do not have any other interest in our Company.

### Other confirmations

Except as otherwise stated above in “*Interest of our Directors*” and “*Interest of Senior Management*”, none of our Directors or Senior Management Personnel have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations, in the last ten years by any bank or financial institution or consortium thereof.

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI. Further, none of our Directors or Promoters is declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Except as disclosed above and in “*Related Party Transactions*” on page 76, our Senior Management Personnel do not have any other interest in our Company or its business.

Our Company does not have a bonus or profit sharing plan for our Directors or Senior Management Personnel.

### Relationship between Senior Management Personnel

Except as disclosed above in “ – *Relationship between Directors*”, none of our Directors or Senior Management Personnel are related to each other.

**Policy on disclosures and internal procedure for prevention of insider trading**

The Insider Trading Regulations apply to our Company and our employees and require our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the Insider Trading Regulations, as per which, the Company Secretary and Compliance Officer of our Company is the compliance officer for the purposes of this code.

## ORGANIZATIONAL STRUCTURE

Our Company was formed pursuant to the conversion of a partnership firm, Krishna Electrical Industries, into a company. Our Company was incorporated as a public company with limited liability, on December 31, 1992, under the laws of the Republic of India, with a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Our Registered and Corporate Office is situated at D-90, Okhla Industrial Area, New Delhi – 110 020, India. The CIN of our Company is L74899DL1992PLC051527. The website of our Company is [www.kei-ind.com](http://www.kei-ind.com).

### *Our Subsidiary*

#### **KEI Cables Australia PTY Limited**

Our Subsidiary was incorporated under the Corporations Act, 2001 on December 14, 2015 as a company limited by shares. Its registered office is located at C/- Tellam and Cassady, Level 1, 7 Marie Street, Milton, Queensland – 4064, Australia. It is currently engaged in the distribution of cables and wires in conjunction with its exclusive distributor in Australia and New Zealand.

Its issued and subscribed share capital is AUD 200 divided into 200 equity shares of AUD 1 each. Our Company currently holds 180 equity shares of AUD 1 each, which is equivalent to 90.00% of its issued and subscribed share capital.

### *Our Associate*

#### **KEI Cables SA PTY Limited**

Our Associate was incorporated under the Companies Act, 2008 on September 12, 2018 as a private company. Its registered office is located at Unit 1, Benoni Multi Park, 32 V DYK Road, Benoni, Gauteng – 1501, South Africa. It is currently engaged in the trading of cables and wires.

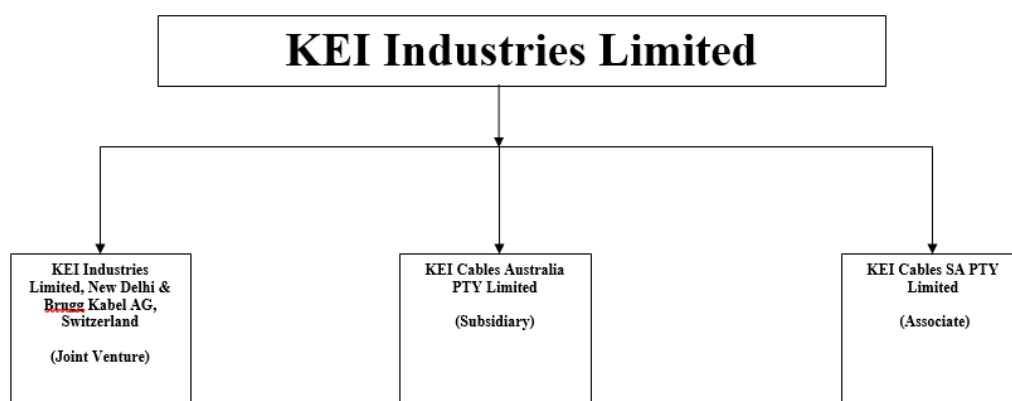
Its issued and paid-up share capital is 1,000 ZAR divided into 1,000 equity shares of 1 ZAR each. Our Company currently holds (directly and through its nominees) 490 equity shares of 1 ZAR each, which is equivalent to 49.00% of its issued and paid-up share capital.

### *Our Joint Venture*

#### **Joint Venture of KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland**

Our Joint Venture is an unincorporated entity. It is currently engaged in the business of turnkey projects for EPC contracts.

The organization structure of our Company is provided hereunder:



## SHAREHOLDING PATTERN OF OUR COMPANY

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of December 31, 2019:

### *Summary statement showing the shareholding pattern of the Company as on December 31, 2019*

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Locked in shares		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	
(A) Promoter & Promoter Group	8	36248466	36248466	45.59	0	0	36248466
(B) Public	49821	43255972	43255972	54.41	0	0	43142680
(C) Non Promoter- Non Public	0	0	0	0	0	0	0
(C1) Shares underlying DRs	0	0	0	0	0	0	0
(C2) Shares held by Employee Trusts	0	0	0	0	0	0	0
<b>Total</b>	<b>49829</b>	<b>79504438</b>	<b>79504438</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>79391146</b>

### *Statement showing shareholding pattern of the Promoter and Promoter Group*

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Locked in shares		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	
<b>A1) Indian</b>							
<b>Individuals/Hindu undivided Family</b>	3	19168466	19168466	24.11	0	0	19168466
Anil Gupta HUF		4650375	4650375	5.85	0	0	4650375
Archana Gupta		837315	837315	1.05	0	0	837315
Anil Gupta		13680776	13680776	17.21	0	0	13680776
<b>Any Other (specify)</b>							
<b>Bodies Corporate</b>	5	17080000	17080000	21.48	0	0	17080000
KEI Cables Pvt. Ltd.		1575000	1575000	1.98	0	0	1575000
Projection Financial & Management Consultants Pvt. Ltd.		7900000	7900000	9.94	0	0	7900000
Dhan Versha Agency		1000000	1000000	1.26	0	0	1000000

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Locked in shares		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	
Pvt. Ltd.							
Shubh Laxmi Motels & Inns Pvt. Ltd.		3480000	3480000	4.38	0	0	3480000
Soubhagya Agency Pvt. Ltd.		3125000	3125000	3.93	0	0	3125000
<b>Partnership Firms</b>	0	0	0	0	0	0	0
<b>Trusts</b>	0	0	0	0	0	0	0
<b>Sub Total A1</b>	8	36248466	36248466	45.59	0	0	36248466
<b>A2) Foreign</b>							
Individuals (Non-resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
Government	0	0	0	0	0	0	0
Institutions	0	0	0	0	0	0	0
Foreign Portfolio Investor	0	0	0	0	0	0	0
Any Other (Specify)	0	0	0	0	0	0	0
<b>A=A1+A2</b>	8	36248466	36248466	45.59	0	0	36248466

*Statement showing shareholding pattern of public Shareholders*

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		Number of equity shares held in dematerialized form)
							No.(a)	As a % of total Shares held(b)	
<b>B1) Institutions</b>									
<b>Mutual Fund</b>	14	<b>12166236</b>	12166236	15.30	12166236	15.30	0	0	12166236
<b>HDFC Trustee Co Ltd A/C HDFC Retirement Savings Fund-Equity Plan</b>		4024060	4024060	5.06	4024060	5.06	0	0	4024060
SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES VI		1350675	1350675	1.70	1350675	1.70	0	0	1350675
Franklin Build India Fund (FBIF)		4800000	4800000	6.04	4800000	6.04	0	0	4800000
Edelweiss Trusteeship Co. Ltd, AC - Edelweiss MF AC - Edelweiss Small Cap Fund		791504	791504	1.00	791504	1.00	0	0	791504
<b>Alternate Investment Funds</b>	11	2450992	2450992	3.08	2450992	3.08	0	0	2450992
Vantage Equity Fund		1550000	1550000	1.95	1550000	1.95	0	0	1550000
<b>Foreign Portfolio Investor</b>	116	9863732	9863732	12.41	9863732	12.41	0	0	9863732

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		Number of equity shares held in dematerialized form)
							No.(a)	As a % of total Shares held(b)	
<b>GAM MULTISTOCK - EMERGING MARKETS EQUITY</b>		810000	810000	1.02	810000	1.02	0	0	810000
<b>MASSACHUSETTS INSTITUTE OF TECHNOLOGY</b>		1310000	1310000	1.65	1310000	1.65	0	0	1310000
<b>Financial Institutions / Banks</b>	2	77344	77344	0.10	77344	0.10	0	0	77344
<b>Any Other (Foreign Institutional Investor)</b>	2	83827	83827	0.11	83827	0.11	0	0	83827
<b>Sub Total B1</b>	145	24642131	24642131	30.99	24642131	30.99	0	0	24642131
<b>B2) Central Government/ State Government(s)/ President of India</b>	0	0	0	0	0	0	0	0	0
<b>B3) Non-Institutions</b>	47918	15390425	15390425	19.35	15390425	19.35	0	0	15295633
<b>Individual share capital upto Rs. 2 Lacs</b>	<b>47907</b>	12088175	<b>12088175</b>	15.20	12088175	15.20	0	0	11993383
<b>Individual share capital in excess of Rs. 2 Lacs</b>	11	3302250	3302250	4.15	3302250	4.15	0	0	3302250
<b>Ajay Upadyaya</b>		1000000	1000000	1.26	1000000	1.26	0	0	1000000
<b>NBFCs registered with RBI</b>	1	1500	1500	0	1500	0	0	0	1500
<b>Any Other</b>	<b>1757</b>	<b>3221916</b>	<b>3221916</b>	<b>4.06</b>	<b>3221916</b>	<b>4.06</b>	<b>0</b>	<b>0</b>	<b>3203416</b>
Bodies Corporate	443	1802614	1802614	2.27	1802614	2.27	0	0	1801614
Clearing Members	96	197709	197709	0.25	197709	0.25	0	0	197709
Trusts	3	11405	11405	0.01	11405	0.01	0	0	11405
NRI/OCB	<b>1205</b>	640515	640515	0.81	640515	0.81	0	0	623015
IEPF	1	167182	167182	0.21	167182	0.21	0	0	167182
Directors and their Relatives	9	402491	402491	0.51	402491	0.51	0	0	402491
<b>Sub Total B3</b>	<b>49676</b>	<b>18613841</b>	<b>18613841</b>	<b>23.41</b>	<b>18613841</b>	<b>23.41</b>	<b>0</b>	<b>0</b>	<b>18500549</b>
<b>B=B1+B2+B3</b>	<b>49821</b>	<b>43255972</b>	<b>43255972</b>	<b>54.41</b>	<b>43255972</b>	<b>54.41</b>	<b>0</b>	<b>0</b>	<b>43142680</b>

*Statement showing shareholding pattern of non Promoter - non public Shareholders*

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total No. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	Number of Locked in shares (XII)		Number of equity shares held in dematerialized form (XIV)(Not Applicable)
					No	As a % of total Shares held	
C1) Custodian/DR Holder	0	0	0	0	0	0	0
C2) Employee Benefit Trust	0	0	0	0	0	0	0



## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see “Selling Restrictions” and “Transfer Restrictions” on pages 207 and 213, respectively.*

*Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the Takeover Regulations, the Insider Trading Regulations, and other applicable laws.*

### Qualified Institutions Placement

**THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and all other applicable provisions of the Companies Act, 2013 through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution approving the QIP must *inter alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date;
- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the Issue or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on a stock exchange, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;
- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;
- our Company shall not make any subsequent qualified institutions placement until the expiry of six months from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- our Promoters and Directors are not fugitive economic offenders;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and
- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The “*Relevant Date*” referred to above means the date of the meeting in which the Board or the Qualified Institutions Placement Committee decides to open the Issue and “*stock exchange*” means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of the Shareholders of our Company through postal ballot passed on January 15, 2020, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders’ resolution approving the Issue, being January 14, 2021 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see “– *Pricing and Allocation – Designated Date and Allotment of the Equity Shares*” on page 202.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document. The Preliminary Placement Document and this Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned stock exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the concerned stock exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by the Board on November 12, 2019 and approved by our Shareholders by way of postal ballot on January 15, 2020. The minimum number of Allottees with respect to a QIP shall atleast be:

- two, where the issue size is less than or equal to ₹ 2,500 million; and
- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “—*Bid Process—Application Form*” on page 197.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

Our Company has filed a copy of the Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals each dated January 23, 2020, from recognized stock exchanges having nationwide trading terminals, being, the NSE and the BSE in terms of Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in reliance on Regulation S.**

See “*Selling Restrictions*” on page 207 for information about eligible offerees for the Issue and “*Transfer Restrictions*” on page 213 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Issue Procedure**

1. On Issue Opening Date, our Company, in consultation with the BRLMs, shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form is delivered will be determined by our Company in consultation with the BRLMs.
2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.
3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter, during the Issue Period to the BRLMs.
4. Bidders (Eligible QIBs) will be required to indicate the following in the Application Form:
  - Full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail ID, PAN, phone number and bank account details;

- number of Equity Shares Bid for;
  - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
  - details of the depository account to which the Equity Shares should be credited;
  - a representation it has agreed to the representations, warranties, acknowledgements and undertakings given or made under “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 3, 5, 207 and 213, respectively, and certain other representations made in the Application Form; and
  - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form.
5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “KEI INDUSTRIES LIMITED – QIP ESCROW ACCOUNT” with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the BSE and the NSE, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “– *Refunds*” on page 202.
  6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.
  7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.
  8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the BRLMs, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLMs will send the serially numbered CAN to the Successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN and this Placement Document to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent

to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the BRLMs.**

9. Upon dispatch of this serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.
10. After passing the Board or committee resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the QIBs.
11. After receipt of the listing approvals of the recognized stock exchanges having nationwide trading terminals, being, the BSE and the NSE, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
12. Our Company will then apply for the final trading approvals from the Stock Exchanges.
13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the BSE and the NSE only upon the receipt of final trading and listing approvals from the recognized stock exchanges having nationwide trading terminals, being, the BSE and the NSE.
14. As per applicable law, the BSE and the NSE will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the BSE and the NSE or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the BSE, NSE, or our Company.

### **Qualified Institutional Buyers**

Only QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- FVCIs registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;

- Mutual Funds;
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions as defined in section 2(72) of the Companies Act, 2013;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

**Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard.**

**Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single Eligible FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) is not permitted to exceed 10% of the post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all Eligible FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed 24% of the post-Issue paid-up capital of our Company on a fully diluted basis. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the company and the investor with applicable reporting requirements, and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. Further, in accordance with Regulation 22(4) of the SEBI FPI Regulations, such clubbing of the investment limits of the FPI's investor group shall not apply in the event (i) the FPIs forming part of such investor group are appropriately regulated public retail funds; or (ii) the FPIs forming part of such investor group are public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (iii) the FPIs forming part of such investor group are public retail funds and investment managers of such FPIs are appropriately regulated.

The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Shareholders of our Company. The existing foreign investment limit for FPIs in our Company is 24% of the paid up Equity Share capital of our Company.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” and “*Transfer Restrictions*” beginning on page 207 and 213, respectively.

### **Restriction on Allotment**

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being the promoter or any person related to the promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the promoter:

- rights under a shareholders’ agreement or voting agreement entered into with the promoter or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

**Our Company and the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the Takeover Regulations and ensure compliance with applicable laws.**

**A minimum of 10% of the Equity Shares offered in this Issue shall be available for Allocation to Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other QIBs.**

***Note:** Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

### ***Bid Process***

#### ***Application Form***

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Bidder will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 3, 5, 207, and 213, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in this Issue;
2. The Bidder confirms that it is not a promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;
3. The Bidder confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights, and no right to appoint any nominee director on the Board other than those acquired in the capacity of a lender, which shall not be deemed to be a person related to the promoter;
4. The Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;
5. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI;
6. The Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the recognized stock exchanges;
7. The Bidder confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;
8. The Bidder confirms that its Bid would not result in triggering an open offer under the Takeover Regulations;
9. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and / or Allotment of Equity Shares Bid for in full or in part;
10. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names as “proposed Allottees” and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;
11. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:
  - a. QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst the Bidder, its subsidiary(ies) or holding company and any other QIB; and



- b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(c) of the Takeover Regulations;
- 12. The Bidder confirms that:
  - a. It will make payment of its Bid Amount along with submission of the Application Form within the Bidding Period; and
  - b. that it was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares was originated;
- 13. The Bidder acknowledges that no Allotment shall be made to it if the price at which it has Bid for in the Issue is lower than the Issue Price;
- 14. The Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the BSE and the NSE;
- 15. The Bidder confirms that in the event it is an FPI, it is eligible to participate in the Issue in terms of the requirements provided under the SEBI FPI Regulations.

**BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.**

**IF SO REQUIRED BY THE BRLMS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.**

**IF SO REQUIRED BY THE BRLMS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE BIDDERS SUBMITTING A BID AND / OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company (by itself or through any BRLMs) in favour of the Successful Bidder.

#### ***Submission of Application Form***

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

Name of the GCBRLM / BRLM	Address	Contact Person	Email ID	Telephone and Facsimile
Edelweiss Financial Services Limited	14 <sup>th</sup> floor, Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, Maharashtra – 400 098, India	Nishita John / Mohit Kapoor	<b>Email ID:</b> kei.qip@edelweissfin.com	<b>Telephone:</b> +91 (22) 4009 4400  <b>Facsimile:</b> +91 (22) 4086 3610
Elara Capital (India) Private Limited	Indiabulls Finance Centre, Tower 3, 21 <sup>st</sup> Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai, Maharashtra – 400 013, India	Kunal Safari	<b>Email ID:</b> kei.qip@elaracapital.com	<b>Telephone:</b> +91 (22) 6164 8599  <b>Facsimile:</b> +91 (22) 6164 8589
SBI Capital Markets Limited	202, Maker Tower 'E', Cuffe Parade, Mumbai, Maharashtra – 400 005, India	Sarun Agarwal	<b>Email ID:</b> kei.qip@sbicaps.com	<b>Telephone:</b> +91 (22) 2217 8300  <b>Facsimile:</b> +91 (22) 2218 8332

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

#### **Bank account for payment of Bid Amount**

Our Company has opened the Escrow Account in the name of “KEI INDUSTRIES LIMITED – QIP ESCROW ACCOUNT” with the Escrow Agent, in terms of the arrangement among our Company, the BRLMs, and the Escrow Agent. Please see “*Application Form*” on page 197, which includes details of the bank account(s) for the electronic transfer of funds. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

**Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand drafts or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.**

Pending Allotment, our Company undertakes to utilise the amount deposited in “KEI INDUSTRIES LIMITED – QIP ESCROW ACCOUNT” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in “*Issue Procedure – Refunds*” on page 202.

#### **Pricing and Allocation**

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price may be offered by our Company in accordance with the provisions of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Company accorded through their resolution passed by way of postal ballot on January 15, 2020.

The “Relevant Date” referred to above, for Allotment, will be the date of the meeting in which the Board of the Qualified Institutions Placement Committee decide to open the Issue and “stock exchange” means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

### ***Build-up of the Book***

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the BRLMs.

### ***Price Discovery and Allocation***

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to resolution dated January 15, 2020 passed by way of postal ballot.

After finalisation of the Issue Price, our Company updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

### ***Method of Allocation***

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

**THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.**

### **CAN**

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders’ account, as applicable to the respective Bidder.

The Successful Bidders would be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

**Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue**

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in “*Notice to Investors*” on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the recognized stock exchanges having nationwide trading terminals, being, the BSE and the NSE.

***Designated Date and Allotment of Equity Shares***

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.
2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for obtaining listing approvals and post receipt of the listing approvals from the BSE and the NSE, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.
5. Following the credit of Equity Shares into the Successful Bidders’ beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.
6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the BSE and the NSE for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC.
7. After finalization of the Issue Price, our Company updated the Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as this Placement Document which includes names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, stock exchanges are required to make available on their websites the details of those Allottees in the Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.
8. In accordance with Section 42 of the Companies Act, 2013, in the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the 60<sup>th</sup> day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

***Refunds***

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bid Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue within 60 days from the date of receipt of the Bid Amount or on cancellation of the Issue post Allocation or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the BSE and / or the NSE, our Company shall repay the Bid Amount within 15 days from expiry of 60 days or such other period as provided under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

The application monies to be refunded by us shall be refunded to the same bank account from which Bid Amount was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

#### **Release of Funds to our Company**

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the recognized stock exchanges having nationwide trading terminals, being, the BSE and the NSE, for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

#### **Other Instructions**

##### ***Permanent Account Number or PAN***

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR Number instead of the PAN as the Application Form is liable to be rejected on this ground.

##### ***Bank account details***

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

##### ***Right to Reject Applications***

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details see "*Bid Process – Refund*".

##### ***Equity Shares in dematerialised form with NSDL or CDSL***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

Our Company and the BRLMs will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

## PLACEMENT

### Placement Agreement

The BRLMs have entered into a placement agreement dated January 23, 2020 with our Company (the “**Placement Agreement**”), pursuant to which the BRLMs have severally and not jointly agreed to manage the Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis pursuant to Chapter VI of SEBI ICDR Regulations and the Companies Act, 2013 read with rules thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the BRLMs, and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

In connection with the Issue, the BRLMs may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLMs may subscribe to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See “*Off-shore Derivative Instruments (P-Notes)*” on page 11.

### Lock-up

The Company will not, for a period commencing from the date hereof and ending 120 days from the date of Allotment, without the prior written consent of the BRLMs, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), regardless of whether any of such transactions are to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise; (c) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) with any depositary in connection with a depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above; provided that, the foregoing restrictions do not apply to any sale, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to (A) the Issue; (B) issue of Equity Shares or other securities pursuant to any scheme of amalgamation or arrangement or otherwise in connection with any merger or acquisition of securities, business, property or other assets or other strategic corporate transaction, or (C) grant of options under the ESOS, or issue of Equity Shares pursuant to the exercise of options granted under the ESOS, subject to providing prior intimation to each of the BRLMs.

### Lock-up by Promoters and members of the Promoter Group

The Promoters and the members of the Promoter Group shall not, during the period commencing on the date hereof and ending 120 days from the date of this Placement Document (both dates inclusive) (“**Lock-up Period**”), directly or indirectly, (1) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale, acquire, purchase or otherwise transfer or dispose of any Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive the Equity Shares to be locked-up or any such substantially similar securities, whether now owned or hereinafter acquired; (2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or

hereinafter acquired; whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise; (3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above. Nothing would restrict the inter-se transfer of any Equity Shares between Promoters / members of the Promoter Group.

In addition, the undersigned agree that, without the prior written consent of the BRLMs, they shall not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.



## SELLING RESTRICTIONS

*The distribution of the Preliminary Placement Document and this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document and this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. The Preliminary Placement Document and this Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.*

### General

No action has been taken or will be taken that would permit an offering of the Equity Shares in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares offered in the Issue may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under “*Transfer Restrictions*” on page 213.

### Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares offered in the Issue may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document have not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

### Cayman Islands

This Placement Document does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for Equity Shares in the Issue.

### European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is or was implemented in that Relevant Member State (the “**Relevant Implementation Date**”), the Equity Shares offered in the Issue may not be offered or sold to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive (defined below) and the 2010 Amending Directive (defined below), except that the Equity Shares, with effect from and including the Relevant Implementation Date, may be offered to the public in that Relevant Member State at any time:

- (a) to persons or entities that are “qualified investors” as defined in the Prospectus Directive or, if that Relevant Member State has implemented the 2010 Amending Directive, as defined in the 2010 Amending Directive;
- (b) to (i) fewer than 100 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive); or (ii) if that Relevant Member State has implemented the 2010 Amending Directive, fewer than 150 natural or legal persons (other than “qualified investors” as defined in the 2010 Amending

Directive), in each case subject to obtaining the prior consent of the BRLMs; and

- (c) in any circumstances falling within Article 3(2) of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive, provided that no such offering of Equity Shares shall result in a requirement for the publication by our Company or the BRLMs of a prospectus pursuant to Article 3 of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive.

For the purposes of this provision, the expression “offered to the public” in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Issue and the Equity Shares offered in the Issue so as to enable an investor to decide to subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression “2010 Amending Directive” means Directive 2010/73/EU and includes any relevant implementing measure in each Member State.

### **Hong Kong**

This Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Placement Document has not been, and will not be, registered as a “prospectus” in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) (“**CO**”) nor has it been authorized by the Securities and Futures Commission (“**SFC**”) in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) (“**SFO**”). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Placement Document, they should obtain independent professional advice.

This Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares offered in the Issue nor an advertisement of the Equity Shares in Hong Kong. This Placement Document must not be issued, circulated or distributed in Hong Kong other than:

- (a) to “professional investors” within the meaning of the SFO and any rules made under that ordinance (“**Professional Investors**”); or
- (b) in other circumstances which do not result in this Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Issue that is directed at, or the content of which is likely to be accessed or read by, the public in Hong Kong other than with respect to the Equity Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Placement Document may issue, circulate or distribute this Placement Document in Hong Kong or make or give a copy of this Placement Document to any other person.

No person allotted Equity Shares in the Issue may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

### **Japan**

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the “**Solicitations**”) has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the “**FIEL**”). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of allotment of the Equity Shares.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of

any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Placement Document have the meanings given to those terms in the FIEL.

### **Kuwait**

This Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait (“**Kuwait Securities Laws**”). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

### **Mauritius**

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Placement Document does not constitute a public offering. This Placement Document is for the exclusive use of the person to whom it has been given by the BRLMs and is a private concern between the sender and the recipient.

### **Oman**

By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been approved by the Capital Market Authority of Oman (the “**CMA**”) or any other regulatory body or authority in the Sultanate of Oman (“**Oman**”), nor have the BRLMs or any placement agent acting on their behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any interests in the Equity Shares has been or will be made from within Oman and no subscription for any interests in the Equity Shares may or will be consummated within Oman. Neither the BRLMs nor any placement agent acting on their behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the BRLMs nor any placement agent acting on their behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

### **People’s Republic of China**

The Equity Shares offered in the Issue may not be offered in the People's Republic of China and this Placement Document may not be distributed in the People's Republic of China.

## **Qatar (excluding the Qatar Financial Centre)**

This Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the BRLMs are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the BRLMs are not, by distributing this Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

## ***Qatar Financial Centre***

This Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre (“**QFC**”), and accordingly should not be construed as such. This Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

## **Singapore**

This Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (“**MAS**”) under the Securities and Futures Act (Chapter 289) of Singapore (“**SFA**”). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an “institutional investor” within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the

SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

### **Switzerland**

The Equity Shares offered in the Issue may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares offered in the Issue may be publicly distributed or otherwise made publicly available in Switzerland. The Equity Shares offered in the Issue shall only be offered to regulated financial intermediaries, such as banks, securities dealers, insurance institutions and fund management companies, as well as institutional investors with professional treasury operations.

Neither this Placement Document nor any other offering or marketing material relating to the offering of the Equity Shares in the Issue have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Placement Document will not be filed with, and the offer of the Equity Shares offered in the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA. The offer of the Equity Shares in the Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to purchasers of the Equity Shares offered in the Issue.

This Placement Document is personal to the recipient only and is not for general circulation in Switzerland.

### **United Arab Emirates (excluding the Dubai International Financial Centre)**

This Placement Document is strictly private and confidential and is being distributed to a limited number of qualified investors who are not natural persons and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the United Arab Emirates Securities or Commodities Authority (the SCA) or any other authorities in the United Arab Emirates (“**UAE**”). No marketing of the Equity Shares offered in the Issue has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to the Equity Shares may or will be consummated within the UAE. The Issue does not constitute a public offer of Equity Shares in the UAE in accordance with the Commercial Companies Law, Federal Law No. 2 of 2015 (as amended) or otherwise. As such, the Equity Shares offered in the Issue may not be offered or sold, directly or indirectly, to the public in the UAE.

### ***Dubai International Financial Centre***

This Placement Document relates to an exempt offer in the Dubai International Financial Centre (the “**DIFC**”) in accordance with the Markets Rules (MKT) (“**Markets Rules**”) adopted by the Dubai Financial Services Authority (the “**DFSA**”) pursuant to Markets Law DIFC Law No. 1 of 2012. The Equity Shares offered in the Issue may only be offered to Professional Clients other than natural Persons and this Placement Document may not be delivered to, or relied on by, any other person. The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not defined in this sub-section have the meaning given to those terms in the Markets Rules.

### **United Kingdom (in addition to the European Economic Area selling restrictions above)**

The Equity Shares offered in the Issue cannot be promoted in the United Kingdom to the general public. The contents of this Placement Document have not been approved by an authorised person within the meaning of Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Each of the BRLMs (a) may only communicate or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA), to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or (ii) fall within

any of the categories of persons described in article 49(2)(a) to (d) of the Financial Promotion Order or otherwise in circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) is required to comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Equity Shares, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in Equity Shares in, from or otherwise involving, the United Kingdom.

### **United States of America**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are not being offered or sold in the Issue in the United States. The Equity Shares are being offered and sold in the Issue only outside the United States in “offshore transactions” (as defined in Regulation S) in reliance on Regulation S. To help ensure that the offer and sale of the Equity Shares in the Issue was made in compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and undertakings set forth in “*Transfer Restrictions*” on page 213.

## TRANSFER RESTRICTIONS

*Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.*

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized stock exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “*Selling Restrictions*” on page 207.

### United States

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of the Equity Shares sold in the Issue, by accepting delivery of this Placement Document, will be deemed to:

- Represent and warrant to our Company, the BRLMs and their respective affiliates that it was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares was originated.
- Represent and warrant to our Company, the BRLMs and their respective affiliates that it did not purchase the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S).
- Acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities law of any state of the United States and undertake to our Company, the BRLMs and their respective affiliates that it will not offer, sell, pledge or otherwise transfer the Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- Represent and warrant to our Company, the BRLMs and their respective affiliates that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, agreements and acknowledgements on behalf of each such account.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- Agree to indemnify and hold our Company, the BRLMs and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Acknowledge that our Company, the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements.

## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of their affiliates or advisors.*

### The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

### Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the “**SCRA**”) and the Securities Contracts (Regulation) Rules, 1957 (the “**SCRR**”). On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the “**SEBI Act**”), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SCR (SECC) Rules**”), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

### Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognised stock exchange.

### Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company (except public sector undertakings) falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the stock exchange for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

### Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were



significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

### **Disclosures under the SEBI Listing Regulations**

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

### **Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

### **BSE**

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005, BSE was incorporated as a company under the Companies Act, 1956 in 2005. The BSE was listed on the NSE with effect from February 3, 2017.

### **NSE**

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

### **Internet-based Securities Trading and Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

### **Trading Hours**

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

## **Trading Procedure**

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or “**BOLT**”) facility in 1995. This totally automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or “**NEAT**”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

## **Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company’s shares / voting rights / control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

## **Insider Trading Regulations**

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an ‘insider’ from dealing in the securities of a listed company when in possession of unpublished price sensitive information (“**UPSI**”).

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities, listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for the purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Initial disclosures are required from promoters, members of the promoter group, key management personnel, directors as well as continual disclosures by every promoter, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company’s website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

## **Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

### **Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI

## DESCRIPTION OF THE EQUITY SHARES

*The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act, 2013. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.*

### **Share capital**

The authorized share capital of our Company is ₹ 250,000,000 divided into 110,000,000 Equity Shares of ₹ 2 each and 300,000 preference shares of ₹ 100 each. For further details, please see "*Capital Structure*" on page 73.

### **Dividends**

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous Fiscal(s) arrived at as laid down by the Companies Act, 2013 and remaining undistributed or out of both or out of money provided by the central government or a state government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in case of the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of our Company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by our Company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of the reserves of our Company after such withdrawal shall not fall below 15% of our Company's paid up share capital as per the most recent audited financial statement of our Company.

Our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Equity Share is issued on terms providing that it shall rank for dividends as from a particular date, such Equity Share shall rank for dividend accordingly. Our Board may deduct from any dividend payable to any member all sums of money, if any, payable by him to our Company on account of calls or otherwise in relation to the Equity Shares of our Company. No member shall be entitled to receive payment dividend in respect of his Equity Shares while any money may be due or owing from him to our Company and our Board may deduct from the dividend to any member all such sums of money so due from him to our Company. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer unless the registered holder of the Equity Shares authorises our Company to pay the dividend to the transferee.

According to the Articles of Association, dividends may be paid to the members according to their respective rights but the amount of dividends shall not exceed the amount recommended by our Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, our Board of the Directors may pay interim dividends as in the judgment of our Board of Directors, the position of our Company justifies, subject to the requirements of the Companies Act, 2013.

### **Capitalisation of Profits and issue of Bonus Shares**

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors of a company subject to approval of shareholders in a general meeting to issue fully paid up bonus shares to its members out of (a) the free reserves of our Company (b) the

securities premium account, or (c) the capital redemption reserve account. However, a company may capitalize its profits or reserves for issue of fully paid up bonus shares, provided: (a) it is authorised by articles, (b) it has been, on the recommendation of the board of directors, been authorised by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues such as contribution to provident fund, gratuity and bonus(e) there are no partly paid-up shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of equity shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations.

The Articles of Association provide that our Company may by a resolution passed in a general meeting of the shareholders, upon a recommendation by the Board, resolve to capitalise whole or any part of the amount for the time being standing to the credit of any of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and distribute amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions and that all or any part of such capitalized fund shall be applied on behalf of such shareholders in paying up any amounts for the time being unpaid on any Equity Shares held by such Shareholders and / or in paying up in full, unissued shares of our Company to be allotted and distributed, credited as fully paid up in the proportion aforesaid, provided that a securities premium account and a capital redemption reserve fund may only be applied in the paying of any unissued shares to be issued to members of our Company as fully paid bonus shares.

#### ***Pre-Emptive Rights and Alteration of Share Capital***

Subject to the provisions of the Companies Act, 2013, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act, 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

The Articles of Association authorise us to increase our authorised capital by issuing new shares consisting of equity and/or preference shares, as our Company may determine in a general meeting.

The Articles of Association provide that our Company, subject to compliance with requirements under the Companies Act, 2013 and the rules thereto, or any other applicable law in force in the general meeting, from time to time, may consolidate, divide or sub-divide its share capital. The Articles of Association also provide that our Company may issue shares with preferential or qualified or special rights, privileges or conditions..

#### ***General Meetings of shareholders***

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between two AGMs, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM when necessary or at the request of a Shareholder or Shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of our Company and every

director of our Company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act, 2013 have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

### ***Voting Rights***

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings. No proxy shall be entitled to vote on a show of hands unless such proxy is present.

### ***Registration of Transfers and Register of Members***

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act, 2013. Under the SEBI Listing Regulations, of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

### ***Transfer of Shares***

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. We have entered into an agreement for such depository services with the NSDL and the CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to

be reported to the stock exchange. The registrar and transfer agent shall keep a book in which every transfer or transmission of shares will be entered.

In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws.

### ***Liquidation Rights***

The Articles of Association of our Company provide that if our Company shall be wound up, whether voluntary or otherwise, the liquidator may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the contributories, as the liquidator shall think fit.

In the event of our winding up, if the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid up or which ought to have been paid up on the shares issued upon special terms and conditions. On winding up, preference shares issued by our Company, if any, shall rank in priority to Equity Shares but shall not be entitled to any further participation in profits or assets.

### ***Buy Back***

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI regulations issued in connection therewith.

## STATEMENT OF POSSIBLE TAX BENEFITS

### **The Board of Directors**

KEI Industries Limited  
D-90, Okhla Industrial Area, Phase-1  
New Delhi 110 020  
Delhi, India

Dear Sirs/Madams,

**Subject: Proposed Qualified Institutions Placement (“QIP” or the “Issue”) of equity shares of face value of ₹ 2 each (the “Equity Shares”) of KEI Industries Limited (the “Company”)**

1. We hereby confirm that the enclosed annexure, accurately and adequately states the possible tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 (“Act”) presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexure are not exhaustive. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the income-tax consequences and changing income-tax laws, each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer of qualified institutional placement for sale of equity shares by the Company.
3. Neither are we suggesting nor are we advising the investor to invest money based on this Annexure.
4. Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
5. We do not express any opinion or provide any assurance as to whether:
  - (i) the Company or its shareholders will continue to obtain these possible tax benefits in future; or
  - (ii) the conditions prescribed for availing the possible tax benefits, where applicable have been/would be met.
6. The enclosed statement is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the Preliminary Placement Document, the Placement Document and other documents or materials in relation to the Issue.

For Pawan Shubham & Co.

### **Chartered Accountants**

Firm Registration Number: 011573C  
Peer Review Number: 010799  
UDIN: 20544869AAAABI8936

CA Pawan Kumar Agarwal

Partner

(Membership Number: 092345)

Delhi, India,

Date: January 23, 2020



## **Annexure**

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961, ("IT ACT") AS AMENDED BY THE FINANCE (NO. 2) ACT, 2019 ("FA 2019"), THE TAXATION LAWS (AMENDMENT) ACT, 2019 ("TLA ACT 2019") AND OTHER DIRECT TAX LAWS PRESENTLY IN FORCE IN INDIA. THE SAME IS PREPARED IN ACCORDANCE WITH THE REQUIREMENT IN SCHEDULE VIII – CLAUSE (VII) (L) OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2018, AS AMENDED ('THE REGULATIONS')**

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

1. This statement sets out below the possible tax benefits available to the company, our shareholders and consequences for the company under the current tax laws presently in force in India. Several of these benefits are dependent on such shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of our shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the shareholders may or may not choose to fulfil;
2. This statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of shares. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. In respect of non-residents, the tax rates and the consequent taxation, mentioned in this section shall be further subject to any benefits available under the Double Taxation Avoidance Agreement (DTAA) if any, between India and the country in which the non-resident has fiscal domicile subject to amendments that would come into effect through Multi-Lateral Instrument signed and subsequently ratified by India and production of qualifying documents as may be required in order to avail such DTAA benefits; and
4. The under-mentioned tax benefits will be available only to the sole/first-named holder in case the Equity Shares are held by joint shareholders.

The law stated below is as per the Income-tax Act, 1961 as amended from time to time.

### **1. Levy of Income-tax**

Levy of income-tax and provisions under the Act are dependent on the residential status of the taxpayer. The provisions relevant for determination of the residential status of a taxpayer are summarized herein below:

#### **I. Residential Status**

Under the Act, "Non-Resident" means a person who is not a resident in India.

##### **a. Residential status of an individual**

As per the provisions of the Act, an individual is considered to be a resident in India during any FY if he or she is present in India for:

- i. a period or periods aggregating to 182 days or more in that FY; or
- ii. a period or periods aggregating to 60 days or more in that FY and for a period or periods aggregating to 365 days or more within the four preceding years; or In the case of a citizen of India or a person of Indian origin living outside India who comes on a visit to India in any previous year, the limit of 60 days under point (ii) above shall be read as 182 days.

##### **b. Residential status of a Company**

A Company is resident in India if it is formed and incorporated under the Companies Act, 1956/2013 or the place of effective management, in that year, is situated in India.

For this purpose, the place of effective management (POEM) means a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made. Circular 6/2017 issued by Central Board of Direct Taxes introduces a series of new sub-test to address unintended consequences of POEM, based on whether a company has active business outside India.

A company is considered to have active business outside India when (a) its passive income (understood as an aggregation of sale and purchase transactions between related parties, royalty, interest, dividend, capital gains) is less than 50% of its total income; and (b) the number of employees in India, value of assets in India and payroll expenses relating to Indian employees is less than fifty percent of the company's total employees, assets and payroll expenses, respectively. The determination of these factors is based on an average of the data pertaining to the relevant financial year and two previous years. A company having an active business outside India is presumed to be non-resident as long as majority of its board meetings are held abroad. For all other companies, the investigation of residence would involve identification of (a) persons who are responsible for management decisions and (b) place where decisions are actually made.

Companies having turnover or gross receipts less than INR 500 million will not come under the scrutiny of POEM.

**c. Residential status of a Hindu undivided family ('HUF'), firm or AOP –**

A HUF, firm or other association of persons or every other artificial person is resident in India except where, during that year, the control and management of its affairs is situated wholly outside India.

**II. Scope of taxation**

In general, a person who is Resident and Ordinary Resident "ROR" in India in a FY is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India, is subject to tax in India.

Income earned from the equity shares of the Company would be considered to accrue or arise in India and would be taxable in the hands of all categories of taxpayers irrespective of their residential status unless specifically exempt (e.g. Dividend received from Indian Companies up to Rs 1 million). However, a relief may be available under applicable Double Taxation Avoidance Agreement ('DTAA') to certain non-residents/ investors.

**2. Benefits available to the Company**

**I. Deduction under section 80JJAA of IT Act**

An assessee to whom section 44AB applies may claim a deduction equal to 30% of the additional employee cost incurred in the course of its business for 3 assessment years (AY) including the AY in which additional employees are taken on board, subject to the conditions.

Deduction under the said section shall be available to the assessee in the year of providing employment to the prescribed number of additional employees, subject to fulfillment of the conditions specified therein.

**II. Corporate Tax Rates**

- a. The tax rate is 30%. The surcharge on Income tax is 7% if the total income exceeds Rs.10.0 million and, 12% if the total income exceeds Rs.100.0 million. Health & Education cess (H&EC) is 4% on tax & surcharge.
- b. In case of companies having turnover of less than Rs. 4.00 billion in Financial Year 2017-18, the tax rate will be 25% plus surcharge and H&EC for Financial Year 2019-20.

- c. As per Taxation Laws (Amendment) Act, 2019 (“TLA Act 2019”), the Company has option to avail lower rate of 22% (plus surcharge @ 10% and H&EC @ 4% making 25.168% as effective tax rate) under newly inserted section 115BAA in which case, the Company will need to forego specified tax incentives. This option can be exercised for any assessment year beginning with assessment year 2020-21 onwards. Further, as per the aforementioned TLA Act 2019, the option of such reduced tax rates, once exercised for any previous year cannot be subsequently withdrawn for the same or any other previous year. The following specific tax incentives are not available for lower tax rate availed under Section 115BAA:
- i. Claiming any deduction especially available for units established in special economic zones under section 10AA
  - ii. Claiming additional depreciation under section 32 and investment allowance under section 32AD towards new plant and machinery made in notified backward areas in the states of Andhra Pradesh, Bihar, Telangana, and West Bengal
  - iii. Claiming deduction under section 33AB for tea, coffee and rubber manufacturing companies
  - iv. Claiming deduction towards deposits made towards site restoration fund under section 33ABA by companies engaged in extraction or production of petroleum or natural gas or both in India
  - v. Claiming a deduction for expenditure made for scientific research under section 35
  - vi. Claiming a deduction for the capital expenditure incurred by any specified business under section 35AD
  - vii. Claiming a deduction for the expenditure incurred on an agriculture extension project under section 35CCC or on skill development project under section 35CCD
  - viii. Claiming deduction under chapter VI-A in respect to certain incomes, which are allowed under section 80IA, 80IAB, 80IAC, 80IB and so on, except deduction under section 80JJAA
  - ix. Claiming a set-off of any loss carried forward from earlier years, if such losses were incurred in respect of the aforementioned deductions

### **III. Minimum Alternate Tax**

- a. A Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961, is imposed at 15% (plus the surcharge and H&EC) on the adjusted book profits, if the tax payable as per normal provisions is lower than MAT.
- b. The provisions of Section 115JB shall not apply if the taxpayer is a domestic company and has availed option for lower rate of tax under Section 115BAA or Section 115BAB, newly inserted by TLA Act 2019.

### **IV. General Tax Benefits to the Company**

Company is eligible to claim various other general tax benefit as per the provisions of Income Tax Act 1961 subject to satisfaction of condition prescribed therein.

## **3. General Tax Benefits Available to the Shareholders**

### **1. Resident Shareholders**

#### **1.1. Exemption and Taxability on Dividend Income received from Domestic Company**

Dividends earned from investment in shares of Indian Company are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Income tax Act, 1961 (hereinafter referred to as ‘the Act’). As a consequence, the company is required to pay Dividend Distribution Tax (DDT) at the rate of 20.555 % (after levy of appropriate surcharge and cess) on the total amount distributed or declared or paid as dividend.

However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

However, as per Section 115BBDA of the IT Act, in the case of a specified assessee, if aggregate of dividend income during the year is in excess of ten lakh rupees, then such dividend shall be chargeable to tax at the rate of 10% (plus applicable surcharge and cess) in the hands of the shareholder.

Specified person means a person other than:

- 1.1.1. a domestic company; or
- 1.1.2. fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of section 10(23C); or
- 1.1.3. a trust/institution registered under section 12AA.

## **1.2. Disallowance of expenditures incurred on exempted Income:**

Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend) is not a tax-deductible expenditure. However, disallowances can't exceed the exempt income.

## **1.3. Business Income**

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income in which case, the income on transfer of shares would be taxed as business income or loss in accordance with and subject to the provisions of the Act.

## **1.4. Allowance of Securities Transaction Tax (STT) paid by a shareholder:**

Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession". However, no deduction will be allowed in computing the income chargeable to tax as capital gains for such amount paid on account of STT as per Section 48 of the Act.

## **1.5. Set off and carry forward of losses.**

As per the provision of Section 71(3), if there is a loss under the head "Capital Gains", it cannot be set-off with the income under any other head. Section 74 provides that the short-term capital loss can be set-off against both Short-term and Long-term capital gain. But Long-term capital loss cannot be set-off against short-term capital gain. The unabsorbed short-term capital loss can be carried forward for next eight assessment years and can be set off against any capital gains in subsequent years. The unabsorbed Long-term capital loss can be carried forward for next eight assessment years and can be set off only against Long-term capital gains in subsequent years.

Further, as per Explanation to section 73, in case of a company, if any part of the business consists in the purchase and sale of shares, the loss incurred in such business is deemed to be speculative business loss which can be set off only against speculative business income and can be carried forward for a period of 4 years only (as against period of 8 years for normal business loss). This rule does not apply to a company (a) whose gross total income consists mainly of income which is chargeable under heads of income other than Business income; or (b) whose principal business is trading in shares or banking or granting of loans and advances.

## **1.6. Tax on Long-term Capital Gain:**

- 1.6.1. Long-term capital gains on listed equity shares arises where the equity shares in a company are held for a period of more than 12 months prior to the date of transfer of the shares in case of shares of a company listed on a Recognised Stock Exchange in India and the transaction is chargeable to Securities Transaction Tax.
- 1.6.2. Section 10(38) of the IT Act which exempted, Long Term Capital Gains (“LTCG”), i.e., gains from listed shares held for a period exceeding twelve months, arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. 1 April 2018.
- 1.6.3. As per section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax (“STT”) has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds Rs. 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.

Such LTCG will be computed without considering the indexation benefit. The cost of acquisition will be computed in accordance with the provisions of section 55 read with section 112A of the IT Act.

Further, Section 55(2)(ac) inserted by Finance Act 2018 further provides that cost of acquisition of specified capital asset referred to in section 112A acquired prior to 1 February 2018 shall be higher of:

- Cost of acquisition of such asset and
- Lower of –
  - (A) The Fair Market Value of such asset
  - (B) Full value of consideration received or accruing as a result of transfer of capital asset

- 1.6.4. In cases other than those covered u/s 112A, i.e. sale of equity shares on which STT is not paid either at the time of purchase or sale, the provisions of section 112 of the IT Act will apply. As per the said provision, LTCG will be taxable @ 10% (plus applicable surcharge and cess) without indexation and 20% with indexation (plus applicable surcharge and cess), whichever is lower.
- 1.6.5. Cost of acquisition and cost of improvement for computing Capital Gains will be computed in accordance with section 48 of the IT Act in cases other than those covered u/s 112A.

Section 48 of the Act provides that in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:

- i. Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index (only for Resident shareholder of unlisted company) notified by the Central Government; and
- ii. Expenditure incurred wholly and exclusively in connection with the transfer of shares.

## **1.7. Tax on Short-term Capital Gain:**

As per Section 111A of the IT Act, Short Term Capital Gains (“STCG”), i.e., gains from equity shares held for a period not exceeding twelve months, prior to the date of transfer would be taxable at a rate of 15% (plus applicable surcharge and cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. STCG arising from transfer of shares, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

## **1.8. Exemption from Capital Gains:**

Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 5 million are invested in “long term specified assets” (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

Section 54F of the Act exempts long-term capital gains on transfer of shares, held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within specified timelines.

### **1.9. Income from buy back of shares**

As per section 10(34A) of the Act, any income arising to the Company being a shareholder, on account of buy back of shares (listed or unlisted) by a company as referred to in section 115QA of the Act will be exempt from tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability. As per Section 115QA, any amount of distributed income by the company on buy-back of shares from a shareholder shall be charged to tax and such company shall be liable to pay additional income-tax at the rate of 23.296% (Inclusive of applicable surcharge and cess) on the distributed income.

However, in view of TLA Act 2019, such a company would not be liable to pay any buyback tax on shared (listed) if public announcement as per SEBI regulations in respect of the same was made prior to July 5, 2019.

### **1.10. Tax on property received without consideration or for inadequate consideration:**

Under section 56(2)(x) of the Act and subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

- i. where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds Rs.50,000/-, the whole FMV;
- ii. where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income-tax Rules, 1962 ("the Rules") provides for the method for determination of the FMV of various properties.

The Finance (No.2) Act, 2019 has amended Section 2(24)( xviii) to provide that income arising from any sum of money paid, or any property situate in India transferred, on or after 5th July, 2019 by a person resident in India to a person outside India shall be deemed to accrue or arise in India. This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

## **2. Non-Residents (Other than FIIs)**

The tax benefits / implications referred to in paragraphs 1.1 to 1.10 (except para 1.6) under the heading “General Tax Benefits Available to the Shareholders” will equally apply to the non-resident shareholders.

### **2.1 Benefit of Double Tax Avoidance Agreement (DTAA/ Tax Treaty):**

As per the provisions of Section 90, the Non-Resident shareholder has an option to be governed by the provisions of the tax treaty if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

Any person considering claiming benefits under any such DTAA will not be able to claim any benefits unless a tax resident certificate, containing such particulars as prescribed by the Central Board of Direct Taxes, is obtained by the non-resident from the Government of the country in which such person is a resident.

### **2.2 Tax on Long-term Capital Gain:**

- a. Long-term capital gains on listed equity shares arises where the equity shares in a company are held for a period of more than 12 months prior to the date of transfer of the shares in case of shares of a company listed on a Recognised Stock Exchange in India and the transaction is chargeable to Securities Transaction Tax.
- b. Section 10(38) of the IT Act which exempted, Long Term Capital Gains (“LTCG”) ), i.e., gains from listed shares held for a period exceeding twelve months, arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. 1 April 2018.
- c. As per section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax (“STT”) has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds Rs. 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.
- d. Such LTCG will be computed without considering the indexation benefit. The cost of acquisition will be computed in accordance with the provisions of section 55 read with section 112A of the IT Act.

Further, Section 55(2)(ac) inserted by Finance Act 2018 further provides that cost of acquisition of specified capital asset referred to in section 112A acquired prior to 1 February 2018 shall be higher of

- Cost of acquisition of such asset and
  - Lower of –
    - (A) The Fair Market Value of such asset
    - (B) Full value of consideration received or accruing as a result of transfer of capital asset
- e. In cases other than those covered u/s 112A, i.e. sale of equity shares on which STT is not paid either at the time of purchase or sale, the provisions of section 112 of the IT Act will apply. As per the said provision, LTCG will be taxable @ 10% (plus applicable surcharge and cess).
  - f. Cost of acquisition and cost of improvement for computing Capital Gains will be computed in accordance with section 48 of the IT Act in cases other than those covered u/s 112A.

In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company. Cost indexation benefits will not be available in such a case.

## 2.3 Taxability under MAT

As per section 115JB of the Act, a company is liable to pay Minimum Alternate Tax (MAT) at the rate of 15% (plus applicable surcharge and cess) on its ‘book profit’ if the tax payable as per normal provisions is lower than MAT. The dividend income which is exempt under section 10(34) can be reduced from the ‘book profit’. In case of foreign companies, LTCG under section 112A or section 112 or STCG under section 111A which are liable to tax at lower rate than MAT can be reduced from ‘book profit’. Further MAT does not apply to a foreign company which does not have permanent establishment or place of business in India requiring registration under Indian corporate laws.

## 2.4 Non – Resident Indians

A Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, 1961 which reads as under:

As per the provisions of section 115-I of the Act, NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year under section 139

of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly their total income for that assessment year will be computed in accordance with the other provisions of the Act. The said Chapter inter alia entitles NRIs to the benefits stated there under in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

In accordance with the provisions of section 115H of the Act, when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

**a. Filing of Return of Income in India:**

In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act, 1961.

**b. Benefit of Double Tax Avoidance Agreement (DTAA/ Tax Treaty):**

As per the provisions of Section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

**c. Tax on Long-term Capital Gain:**

In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus cess). Income by way of long-term capital gains in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10% (plus cess).

In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset and such specified assets is not converted or transferred into money within a period of three years from the date of acquisition.

**3. Foreign Institutional Investors (FIIs)**

**3.1 Exemption on Dividend Income received from Domestic Company:**

In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs). The dividend shall be chargeable to tax at the rate of 10%, if the aggregate amount of dividend received from a domestic company during the year exceeds Rs 1 million (Section 115BBDA).

However, it is pertinent to note that Section 14A of the IT Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the dividend income is not allowable expenditure.

As per section 94(7) of the IT Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.



Section 2(14) of IT Act defining capital asset, specifically includes any securities held by an FII which has invested in such securities in accordance with the SEBI Regulations

### **3.2 Tax on Long Term Capital Gains (“LTCG”):**

- a. Section 10(38) of the IT Act which exempted, Long Term Capital Gains (“LTCG”) ), i.e., gains from listed shares held for a period exceeding twelve months, arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. 1 April 2018.
- b. In accordance with section 115AD of the IT Act, FIIs will be taxed on income by way of LTCG arising from the transfer of shares held in the company at the rate of 10% (plus applicable surcharge and cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs.
- c. The CBDT has, vide Notification No. 9/2014 dated January 22, 2014, notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of section 115AD of the IT Act.
- d. In case of LTCG arising on long term capital assets referred to in section 112A, the gain will be chargeable to tax at 10% on income exceeding one lakh rupees. The said rate will be increased by applicable surcharge and cess. Such LTCG will be computed without considering the indexation benefit

### **3.3 Tax on Short Term Capital Gains (“STCG”):**

Under Section 115AD of the IT Act, STCG arising to an FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognized stock exchange in India and is chargeable to STT under section 111A of IT Act. The above rates are to be increased by applicable surcharge and cess.

### **3.4 Benefit of Double Tax Avoidance Agreement (DTAA/ Tax Treaty):**

As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of fiscal domicile of the nonresident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty, whichever is more beneficial. However, the non-resident investor will have to furnish a certificate of his being a resident in a country outside India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90(4) of IT Act.

### **3.5 No TDS on capital gain arising from the transfer of securities referred to in section 115AD:**

Under section 196D (2) of the Income-tax Act, 1961, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD. As per Section 115AD, the expression "securities" shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

### **3.6 Income from buy back of shares**

As per section 10(34A) of the Act, any income arising to the Company being a shareholder, on account of buy back of shares (listed or unlisted) by a company as referred to in section 115QA of the Act will be exempt from tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability. As per Section 115QA, any amount of distributed income by the company on buy-back of shares from a shareholder shall be charged to tax and such company shall be liable to pay additional income-tax at the rate of 23.296% (Inclusive of applicable surcharge and cess) on the distributed income.

However, in view of TLA Act 2019, such a company would not be liable to pay any buyback tax on shared (listed) if public announcement as per SEBI regulations in respect of the same was made prior to July 5, 2019.

### **3.7 Taxability under MAT**

The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

In case of foreign companies other than those excluded from the purview of section 115JB of the Act, income received by way of dividend (whether interim or final) which is exempt u/s. 10(34) of the IT Act, will be reduced while computing book profits.

### **3.8 Persons carrying on business or profession in shares and securities**

Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession". A non-resident taxpayer has an option to be governed by the provisions of the Income-tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the Act).

### **3.9 Tax on property received without consideration or for inadequate consideration:**

Under section 56(2)(x) of the Act and subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

- a. where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds Rs.50,000/-, the whole FMV;
- b. where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income-tax Rules, 1962 ("the Rules") provides for the method for determination of the FMV of various properties.

The Finance (No.2) Act, 2019 has amended Section 2(24)(xviiia) to provide that income arising from any sum of money paid, or any property situate in India transferred, on or after 5th July, 2019 by a person resident in India to a person outside India shall be deemed to accrue or arise in India. This amendment will take effect from 1st April, 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years.

## **4. Mutual Funds**

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

The Finance (No. 2) Act, 2019 has amended Section 115R, to provide that no additional income-tax shall be chargeable in respect of any amount of income distributed, on or after the 1st day of September, 2019, by a Mutual Fund of which all the unit holders are non-residents and which fulfills certain other specified conditions. This amendment will take effect, from September 1, 2019.

## 5. Venture Capital Companies/Funds

In terms of section 10(23FB) of the Act, income of:

- Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax.

Exemption available under the Act is subject to investment in domestic company whose shares are not listed, and which is engaged in certain 'specified' business/ industry.

As per section 115U of the IT Act, any income accruing or arising to or received by a person from his investment in venture capital funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had directly made the investments.

## 6. Investment Funds

- 6.1. Under section 10(23FBA) of the Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Venture Capital Funds, registered as category-I or category-II Alternative Investment Fund under the Securities and Exchange Board of India (Alternate Investment Fund) regulations, 2012 would be exempt from income tax, subject to conditions specified therein
- 6.2. As per Section 115UB(1) of the IT Act, any income accruing/arising/received by a person from his investment in the Investment Fund would be taxable in the hands of such person in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly by him.
- 6.3. Further, following amendments have been introduced vide FA 2019 w.e.f. 1 April 2020 with respect to carry forward of losses (other than loss under the head "Profit and gains of business or profession")
  - a) Of the entire loss of investment fund, losses of current year arising to investment fund as a result of computation under the head 'Profits and gains of business or profession' shall be allowed to be carried forward and shall be set off by the investment fund in accordance with the provisions of Chapter VI and balance loss shall be ignored.
  - b) Losses of current year other than loss referred to clause (i) to sub-section 2 of section 115UB, which cannot or are not wholly set-off against income under any other head of income, if any, shall be ignored for the purpose of section 115UB(1), if such loss has arisen in respect of a unit which has not been held by the unit holder for a period of at least 12 months;
  - c) Sub-section (2A) has been inserted to provide that loss, other than loss under the head 'Profits and gains from business or profession', if any, accumulated at the level of investment fund as on March 31, 2019, shall be deemed to be the loss of the unit holder in respect of the investment made by him and allowed to be carry forward and set off such loss in accordance with Chapter VI of the Act. Loss so allowed under sub-section (2A) in the hands of unit holder, shall not be available to the investment fund on or after 1st day of April 2019.
- 6.4. Under section 115UB (4), the total income of an Investment Fund would be charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.
- 6.5. Further, as per Section 115UB(6) of the IT Act, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.
- 6.6. Investment Funds have withholding tax obligation under section 194LBB while making distribution to unit holders at the rate of 10% where the payee is resident and at the rates in force where payee is nonresident.

## LEGAL PROCEEDINGS

*We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, tax proceedings, and labour disputes. These legal proceedings may have been initiated by us or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.*

*There is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy for Determining Materiality of Events" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board pursuant to its resolution dated December 9, 2015. However, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section of this Placement Document: (i) any outstanding criminal litigation filed against our Company, Subsidiary, or our Directors; (ii) all other outstanding litigation involving our Company or its Subsidiary where the amount involved exceeds ₹ 100.00 million (approximately 5% of the profit after tax of our Company based on the 2019 Ind AS Audited Consolidated Financial Statements) ("**Materiality Threshold**"); and (iii) any other litigation involving our Company and its Subsidiary wherein the amount involved cannot be determined or is below the Materiality Threshold, which may be considered material by our Company for the purposes of disclosure in this section of this Placement Document.*

*Further, other than as disclosed in this section, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company or our Subsidiary nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company and our Subsidiary; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by the Company, as of the date of this Placement Document; (iv) there are no material frauds committed against the Company in the last three years; (v) there has been no default in the annual filings of our Company under the Companies Act, 2013; and (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.*

*It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiary, and our Directors shall, unless otherwise decided by our Board, not be considered as litigation until such time that our Company or our Subsidiary, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.*

### **I. Litigation involving our Company**

#### *Criminal proceedings*

1. Our Company filed a first information report dated March 15, 2017 ("**FIR**"), against Rikken Instrumentation Limited, along with certain of its directors and employees ("**Accused**"). Through the FIR, it was alleged that the Accused had submitted fabricated documentation and thereby invoked a letter of credit, which was furnished by our Company for the supply of certain devices, for a sum of ₹ 6.12 million. It was alleged, further, that certain devices that had separately been supplied by the Accused were of inferior quality, as against those that were provided by the Accused at the time of their initial testing. As a result, it was alleged that the Accused were liable for the offences of cheating and dishonestly inducing delivery of property, forgery, and criminal conspiracy in terms of the Indian Penal Code, 1860. The matter is currently pending.
2. Our Company filed a complaint case under Section 200 of the Code of Criminal Procedure Code, 1973 against Kee Projects Limited (previously, Shree Conveyor Systems Private Limited) and certain of its directors, alleging the wrongful invocation of performance bank guarantees issued by our Company resulting in the offences of criminal breach of trust, cheating and dishonestly inducing delivery of property, and criminal conspiracy under the Indian Penal Code, 1860. The matter is currently pending.

3. Our Company filed a first information report dated August 8, 2019 with the Civil Lines Police Station against Shivkumar Tyagi for the sale of counterfeit 'KEI' branded electrical wires through his store, in violation of the provisions of the Trade Marks Act, 1999. The matter is currently pending.
4. Our Company, in the ordinary course of business, has initiated 87 proceedings involving an amount of ₹ 98.40 million under section 138 of the Negotiable Instruments Act, 1881.
5. A criminal complaint was filed seeking relief under Section 144 of the Code of Criminal Procedure Code, 1973 with the Sub-divisional Executive Magistrate at Arambagh, Hooghly by Kasheb Majumdar, along with certain others ("**Plaintiffs**"), against Haradhan Ghosh, a contractor of our Company, and our Company, among others. It was alleged that that Haradhan Ghosh, along with representatives of our Company, was responsible for erecting an electric pole which restricted the Plaintiffs' use of their property and had subsequently threatened and assaulted the Plaintiffs. The matter is currently pending.

#### *Other material litigation*

1. Our Company and certain of our Directors, which includes Anil Gupta, Archana Gupta, Pawan Bholusaria, Vijay Bhushan, Vikram Bhartia, and Rajeev Gupta, along with one of our former Directors, Sunil Gupta ("**Noticees**"), received a show cause notice dated June 9, 2017. The SEBI, pursuant to an investigation on the issuance of GDRs by our Company on September 16, 2005, alleged that our Company and our Board attempted to mislead investors in India by deliberately making false / misleading statements. It was alleged that our Company had misrepresented that the GDRs issued had been subscribed to by several investors, while they were actually subscribed to by one entity. It was alleged, further, that the security provided by our Company against the loan taken by the investor for subscribing to the GDRs, had not been adequately disclosed to the stock exchanges. As a result, it was alleged that the Noticees were in violation of the SEBI Act and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.

Our Company, through a letter dated January 30, 2019, proposed settlement terms to the SEBI to settle the alleged defaults and agreed pay a sum of ₹ 17.85 million. The SEBI passed an order on May 16, 2019 settling the adjudication proceedings as per the terms of the letter. Separately, through an order dated February 28, 2019, the SEBI settled the proceedings involving Anil Gupta, Archana Gupta, and Sunil Gupta, who each agreed to pay a sum of ₹ 13.60 million, and Pawan Bholusaria, Vijay Bhushan, Vikram Bhartia, Rajeev Gupta, who each agreed to pay ₹ 1.36 million as settlement amount. These sums have been paid by the respective Noticees. However, in its settlement orders, the SEBI reserved the right to commence or reopen proceedings against the Noticees, in the event that any of the representations provided during the settlement proceedings are subsequently discovered to be untrue, or if any clause, condition, undertaking, or waiver filed as part of the settlement proceedings is breached.

## **II. Litigation involving our Directors**

#### *Criminal litigation*

1. An application under Section 156(3) of the Code of Criminal Procedure, 1973 was filed by Satya Prakash Pandey ("**Complainant**") with the Additional Chief Judicial Magistrate, Gorakhpur, against one of our Directors, Vijay Bhushan, along with certain other persons ("**Accused**"), alleging that the Complainant was forcibly made to sign certain documents by the Accused. As a result, it was alleged that the Accused were responsible for the offence of putting a person in fear of injury in order to commit extortion under the provisions of the Indian Penal Code, 1860. Vijay Bhushan filed an application with the Allahabad High Court seeking the quashing of the application, along with the corresponding summoning order. The matter is currently pending.

## **III. Litigation involving our Subsidiary**

As on the date of this Placement Document, there is no outstanding litigation involving our Subsidiary.

## **IV. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and any direction issued by any such Ministry or Department or statutory authority upon conclusion of such litigation or legal action**

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Placement Document.

**V. Inquiries, inspections, or investigations under the Companies Act**

There have been no inquiries, inspections or investigations initiated or conducted against our Company or its Subsidiary under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or its Subsidiary.

**VI. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by the Company**

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

**VII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interest thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon**

There are no defaults in the payment of statutory dues (including provident fund, employees' state insurance, income-tax, custom duty and goods and service tax), repayment of debentures and interest thereon, repayment of deposit and interest thereon and repayment of loan from any bank or financial institution and interest thereon by our Company, as on date of this Placement Document.

**VIII. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder**

As on the date of this Placement Document, our Company has not defaulted in any annual filing under the Companies Act, 2013, as amended, or the rules made thereunder.

**IX. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations**

As on the date of this Placement Document, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

**X. Summary of reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Placement Document and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark**

No reservations, qualifications or adverse remarks have been given by our auditors in the last five Fiscals immediately preceding the year of circulation of this Placement Document.

## OUR STATUTORY AUDITORS

Pawan Shubham & Co., Chartered Accountants, our Statutory Auditors, as required by the Companies Act, 2013 have been appointed pursuant to our Shareholders' resolution passed at the annual general meeting held on July 19, 2017, for a period of five years. Pawan Shubham & Co., Chartered Accountants, have performed a review of the Interim Unaudited Financial Results in accordance with the Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by ICAI and have issued a review report dated January 20, 2020 on the Interim Unaudited Financial Results which is included in this Placement Document in "*Financial Statements*" on page 239.

Pawan Shubham & Co., Chartered Accountants, have also audited the Ind AS Audited Financial Statements, and their audit reports on those financial statements are included in this Placement Document in "*Financial Statements*" on page 239.

Jagdish Chand & Co., Chartered Accountants, our previous statutory auditors, have audited the 2017 Audited Financial Statements and their audit report on those financial statements are included in this Placement Document in "*Financial Statements*" on page 239.

## GENERAL INFORMATION

1. Our Company was formed pursuant to the conversion of a partnership firm, Krishna Electrical Industries, into a company. Our Company was incorporated as a public company with limited liability, on December 31, 1992, under the laws of the Republic of India, with a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Our Company's Registered and Corporate Office is located at D-90, Okhla Industrial Area, New Delhi - 110 020, India. The CIN of our Company is L74899DL1992PLC051527. The website of our Company is [www.kei-ind.com](http://www.kei-ind.com).
2. The Equity Shares are listed on the BSE, NSE, and CSE. The Issue was authorised and approved by the Board on November 12, 2019. The Shareholders of our Company have authorized the Issue pursuant to a special resolution dated January 15, 2020, passed by way of postal ballot.
3. Our Company has received in-principle approvals each dated January 23, 2020, from the BSE and the NSE in terms of Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue.
4. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on all Working Days, except Saturdays, during the Bidding Period between 10.00 A.M. to 1.00 P.M. (except public holidays) at our Registered and Corporate Office.
5. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations, wherever applicable, required in connection with the Issue.
6. Except as disclosed in this Placement Document, there are no legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which are, or might be, material in the context of the Issue or could have a material adverse effect on the position, business, operations, prospects or reputation of our Company. For further details, see "*Legal Proceedings*" on page 234.
7. Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the terms of the SEBI Listing Regulations, SCRA and SCRR.
8. The Floor Price for the Equity Shares under the Issue is ₹ 518.14 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 3.50% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the Shareholders of our Company accorded through their resolution passed by way of postal ballot on January 15, 2020.
9. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.
10. As on the date of this Placement Document, our Company has not made any default in annual filings of the Company under the Companies Act, 2013.
11. Except as disclosed in this Placement Document, there has been no material change in the financial or trading position of our Company since March 31, 2019, the date of the 2019 Ind AS Audited Consolidated Financial Statements included in this Placement Document.
12. Details of the Compliance Officer:

**Kishore Kunal**  
**Company Secretary and Compliance Officer**  
**KEI Industries Limited**  
D-90, Okhla Industrial Area,  
New Delhi - 110 020  
India  
**Telephone:** +91 (11) 2681 8840  
**E-mail:** [cs@kei-ind.com](mailto:cs@kei-ind.com)



## FINANCIAL STATEMENTS

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2017 Audited Financial Statements along with the audit report issued	F – 1 to F – 84
2018 Ind AS Audited Financial Statements along with the audit report issued	F – 85 to F – 263
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Interim Unaudited Financial Results along with the review report issued	F – 435 to F – 441

# Independent Auditors' Report

TO THE MEMBERS OF KEI INDUSTRIES LIMITED

## Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of KEI Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

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

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including

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

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

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report, to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2017 on its financial position in its financial statements – Refer Note No 35.1 to 35.4.
- ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2017.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2017.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company– Refer Note No 36.

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

(PRAVEEN KUMAR JAIN)

Place of signature: New Delhi

Date: 10<sup>th</sup> May, 2017

Partner

Membership No.: 085629

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of KEI Industries Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017.

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

1. We have audited the internal financial controls over financial reporting of KEI Industries Limited ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note

on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(PRAVEEN KUMAR JAIN)

Place of signature: New Delhi  
Date: 10<sup>th</sup> May, 2017

Partner  
Membership No.: 085629

#### Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of KEI Industries Limited on the Standalone financial statements as of and for the year ended 31<sup>st</sup> March, 2017.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. There are two parties covered in the register maintained under Section 189 of the Act, to which Company has given security deposits as per contractual obligations. (Refer Note 13).
- (a) In respect of the aforesaid deposits, the terms and conditions under which such deposits were granted are not prejudicial to the Company's interest.

- (b) Since it is a security deposit no schedule for repayment of deposit is applicable and no interest was charged.
- (c) In respect of the aforesaid deposit, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Value Added Tax/ Sales Tax, Entry Tax, Customs Duty and Excise Duty as at 31<sup>st</sup> March, 2017 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of the Due	Amount (₹ In Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	0.87	2011-12	Income Tax Appellate Tribunal
	Income Tax	0.32	2012-13	Income Tax Appellate Tribunal
Sales/ Entry Tax Act	Central Sales Tax	0.42	1999-2000	Tax Board
	West Bengal Tax on Entry of Goods into Local Areas Act, 2012	6.72	2013-14 to 2016-17	Hon'ble High Court
Central Excise Duty	Excise Duty	83.86	2010-11 & 2014-15	CESTAT
	Excise Duty	1.98	2007-08 & 2008-09	Commissioner (Appeals)
Finance Act	Service Tax	0.87	2014-15	Commissioner (Appeals)
	Service Tax	31.70	Various years for 2009-10 to 2014-15	CESTAT

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). Term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

(PRAVEEN KUMAR JAIN)

Partner

Membership No.: 085629

Place of signature: New Delhi

Date: 10<sup>th</sup> May, 2017

Balance Sheet As At 31<sup>st</sup> March, 2017

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

As per our Separate Report of even date attached

For JAGDISH CHAND &amp; CO.

Firm Registration No. 000129N

Chartered Accountants

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(RAJEEV GUPTA)

Executive Director (Finance) &amp; CFO

DIN: 00128865

(PRAVEEN KUMAR JAIN)

Partner

M.No- 085629

Place of Signing : New Delhi

Date : 10<sup>th</sup> May, 2017

(KISHORE KUNAL)

Company Secretary

M. No. A18495

Place of Signing : New Delhi

Date : 10<sup>th</sup> May, 2017

(ADARSH JAIN)

General Manager (Finance)

M No. 502048

Statement Of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2017

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

As per our Separate Report of even date attached

For JAGDISH CHAND &amp; CO.

Firm Registration No. 000129N

Chartered Accountants

(ANIL GUPTA)

Chairman-cum-Managing Director  
DIN: 00006422

(RAJEEV GUPTA)

Executive Director (Finance) & CFO  
DIN: 00128865

(PRAVEEN KUMAR JAIN)

Partner  
M.No- 085629

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

(KISHORE KUNAL)

Company Secretary  
M. No. A18495

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

(ADARSH JAIN)

General Manager (Finance)  
M No. 502048



Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2017

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

**Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2017 (Contd...)**

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

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

Note :

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

As per our Separate Report of even date attached

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

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

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

(PRAVEEN KUMAR JAIN)  
Partner  
M.No- 085629

(KISHORE KUNAL)  
Company Secretary  
M. No. A18495

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

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

## 1 Significant Accounting Policies

### (a) Basis of Preparation

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

### (b) Accounting Estimates

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

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

- i. Fixed assets are stated at cost or valuation less accumulated depreciation and impairment loss. The cost includes inward freight and other directly attributable expenses.
- ii. In respect of qualifying assets, all direct expenses relating to making the asset ready for its intended use, including interest on borrowed loan are capitalized. Financing Cost incurred on general borrowing used for projects is capitalized at weighted average cost. Amount of such borrowing is determined after setting off amount of internal accruals.
- iii. Cost of any software purchased initially along with the computer hardware is being capitalized along with cost of hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an asset. These assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.
- iv. Capital work-in-progress represents expenditure incurred in respect of assets under development and is carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure.

### (d) Depreciation and Amortization

- i. Cost of capitalized software is amortized over a period of five years from date of its acquisition. Leasehold Improvements are amortized over period of lease or estimated useful life whichever is shorter.
- ii. Depreciation on Fixed Assets is calculated on Straight Line Method in accordance with the provisions of Schedule II of the Companies Act, 2013 keeping 5% of cost as residual value. The useful life of fixed assets as defined in Part C of schedule II of the Companies Act, 2013 has been taken for all tangible assets except in respect of following assets, in whose case, life of the assets has been assessed as under based on technical advice, taking into account the nature of assets and the estimated usage of the asset etc.

Plant & Machinery (Other than Project Tools) 20 Years

Project Tools 5 Years

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

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

(e) Investments

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

(f) Inventories

- i. Finished Goods, Project Materials are valued at lower of cost or net realisable value.
- ii. Raw Materials are valued at cost or net realisable value whichever is lower.
- iii. Stock in Process is valued at lower of cost or net realisable value.
- iv. Stores, Spares and Consumables and Packing Materials are valued at cost.
- v. Scrap is valued at estimated realisable value.
- vi. Cost of Raw Materials is determined on First in First out (FIFO) basis. Cost of Packing Materials, Stores & Spares are determined on weighted average basis. Work in Process includes raw material costs and allocated production overheads. Cost of finished goods is determined by taking derived material costs, excise duty and other overheads.

(g) Revenue Recognition

- i. Sales are accounted for on dispatch of goods from factory to the customers. Sales are net of return and include excise duty wherever directly chargeable from customers, but exclude Sales tax/VAT.
- ii. Turnkey Projects
  - In the case of lump-sum Turnkey Contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work. Project income is net of VAT/ Service tax.
  - No profit is recognized till a minimum of 10% progress is achieved on the contract.
- iii. If total cost of a contract, based on technical & other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions of estimates is included in the statement of profit & loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue" to the extent amount has not been received from customer. Amount received in excess of work performed has been classified as " Income received in advance" in case where billing is in excess of contract revenue.
- iv. Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.

(h) Excise Duty

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

(i) Employee Benefits

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to fund maintained by LIC of India and administered through a separate irrevocable trust set up by the company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- ii. Liability in respect of leave encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.

- iii. Contributions with respect to Provident Fund, is recognized as an expense in the Profit and Loss Account of the year in which the related service is rendered.
- iv. In respect of employees stock options, the excess of intrinsic value on the date of grant over the exercise price is recognized as deferred compensation cost amortized over vesting period.
- (j) Foreign Currency Transactions
  - i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
  - ii. Foreign currency monetary items remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
  - iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
    - in so far as they relate to the acquisition of a depreciable capital assets are adjusted in cost of assets.
    - other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and are amortized over period of foreign currency monetary item or upto 31st March, 2020, whichever is earlier.
- (k) Miscellaneous Expenditure
 

Public issue expenditure/ 'FCCBs' issue expenditure is being written off against Securities / Share premium, net of taxes, in the year of issue.
- (l) Taxes on Income
 

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

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

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

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.
- (o) Provision for Contractual Obligations
 

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

Notes On Accounts For The Year Ended 31<sup>st</sup> March, 2017

## 2 Share Capital:

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
<u>Authorised</u>				
11,00,00,000 (Previous year 11,00,00,000) Equity Shares of ₹ 2/- each		220.00		220.00
3,00,000 (Previous year 3,00,000) Preference Shares of ₹ 100/- each		30.00		30.00
Total		250.00		250.00
<u>Issued, Subscribed &amp; paid-up</u>				
77,797,438 (Previous year 77,237,438) Equity shares of ₹ 2/- each fully paid		155.59		154.47
Total		155.59		154.47

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

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

## 2.2 Reconciliation of Number of Equity Shares:

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Nos.	(₹ in Millions)	Nos.	(₹ in Millions)
Balance as at the beginning of the year	77,237,438	154.47	77,237,438	154.47
Add: Issued during the Year	560,000	1.12	-	-
Balance as at the end of the year	77,797,438	155.59	77,237,438	154.47

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

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

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

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

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

### 3 Reserves & Surplus:

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

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

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

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

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

#### 4. Long - Term Borrowings:

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

##### 4.1 Nature of Security:

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

4.2 Finance Lease Obligations are secured against leased assets.

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

(₹ in Millions)

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
6M LIBOR+90 BPS	107.20	-	-	-
6M LIBOR+81 BPS	125.99	-	-	-
9.75%	75.00	75.00	75.00	56.25
10.50%	62.50	46.87	-	-
11.95%	37.50	37.50	28.13	-
12.35%	390.00	120.00	-	-
12.50%	37.50	28.12	-	-
Total	835.69	307.49	103.13	56.25

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



## 5 Deferred Tax Liability (Net):

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Deferred Tax Liabilities				
Arising on account of timing difference in				
---Depreciation		461.39		403.47
Deferred Tax Assets				
Arising on account of timing difference in				
---Expenses & Others		(34.19)		(41.03)
Total		427.20		362.44

## 6 Long Term Provisions:

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

## 7 Short Term Borrowings:

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Secured				
Working Capital Loans from Banks		3,489.60		1,962.27
Buyer's Credit		1,401.20		519.58
Unsecured				
Loans and Advances from Related Parties				
---Inter Corporate Deposits		0.80		2.60
Deposits from Others				
---Inter Corporate Deposits	5.50		5.50	
---Public Deposits	1.20	6.70	-	5.50
Total		4,898.30		2,489.95

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

## 8 Trade Payables:

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

8.1 In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 and the Companies Act 2013, the outstanding, Interest due thereon, interest paid etc to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In absence of information about registration of the enterprises under the above Act, the required information could not be furnished.

## 9 Other Current Liabilities:

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

9.1 No amount is due for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to Fund.

## 10 Short Term Provisions:

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

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

## 11 Fixed Assets:

## 11.1 Tangible Assets:

(₹ in Millions)

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

## 11.2 Intangible Assets:

(₹ in Millions)

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

## 11.3 Capital Work In Progress:

(₹ in Millions)

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

### Construction period expenses pending allocation

(₹ in Millions)

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

## 11.4

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

(₹ in Millions)

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

## 12 Non-Current Investments: (Long Term Investments)

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

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
670 ( Previous Year 670) Equity Shares of ₹ 1/- each fully paid				
--- PNB Gilts Limited	0.18		0.18	
8,000( Previous Year 8,000) Equity Shares of ₹ 10/- each fully paid				
--- Punjab National Bank	0.07		0.07	
11,000 ( Previous Year 11,000) Equity Shares of ₹ 2/- each fully paid				
---Dena Bank	0.07		0.07	
2,595 ( Previous Year 2,595 ) Equity Shares of ₹ 10/- each fully paid				
---ICICI Bank Limited	0.47		0.47	
4,500 ( Previous Year 4,500) Equity Shares of ₹ 2/- each fully paid				
---YES Bank Limited	0.01		0.01	
254 ( Previous Year 254 ) Equity Shares of ₹ 10/- each fully paid				
---Jaypee Infratech Limited	0.51		0.51	
5,000 ( Previous Year 5,000 )Equity Shares of ₹ 10/- each fully paid				
----Technofab Engineering Limited	27.27		27.27	
1,04,228 ( Previous Year 1,04,228 ) Equity Shares of ₹ 10/- each fully paid		28.62		28.62
Unquoted Mutual Funds				
---UTI-Opportunities Fund-Growth	0.30		0.30	
11,770.711 ( Previous Year 11,770.711 ) Units of ₹ 10/- each fully paid				
---L192D SBI PSU Fund-Regular Plan-Dividend	2.00		2.00	
2,12,944.872 ( Previous Year 2,12,944.872 ) Units of ₹ 10/- each fully paid				
---SBI Dual Advantage Fund- Growth	0.20		0.20	
20,000 ( Previous Year 20,000) Units of ₹ 10/- each fully paid		2.50		2.50
Equity Shares of Subsidiary Company				
---KEI CABLES AUSTRALIA PTY LTD , AUSTRALIA		0.00*		0.00*
100 (Previous Year 100) Equity Shares of 1 AUD each fully paid * ₹ ( 5,164)				
Total		31.12		31.12
Quoted Investments				
---Aggregate of Book Value		28.62		28.62
---Aggregate of Market Value		23.83		17.98
Unquoted Investments		2.50		2.50
---Aggregate of Book Value				

Company has formed a Joint Venture under name of Joint Venture of M/s KEI Industries Ltd New Delhi & M/s Brugg Kable AG Switzerland (JV). This JV is a Jointly Controlled Entity within the meaning of Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures". The JV is in form of a Association of Persons (AOP) and the Company is having 100% share in Profit / Loss of AOP. Company has not invested any amount as capital in JV.

## 11.2 Intangible Assets:

(₹ in Millions)

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

## 11.3 Capital Work In Progress:

(₹ in Millions)

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

### Construction period expenses pending allocation

(₹ in Millions)

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

## 11.4

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

(₹ in Millions)

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

## 12 Non-Current Investments: (Long Term Investments)

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

## 14 Inventories:

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

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

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

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

## 16 Cash and Bank Balances:

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

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

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

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

18 Other Current Assets:  
(Unsecured, Considered good)

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

19 Revenue from Operations (Gross):

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

Revenue from Operations includes in few cases, Excise Duty, VAT & Service Tax, wherever prices are inclusive of Taxes.



## 19.1 Details of Sales (Manufactured Goods):

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

## 19.2 Details of Sales (Traded Goods):

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

## 19.3 Income from Turnkey Projects:

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

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

## 20 Other Income:

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

## 21 Cost of Materials Consumed:

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

## 21.1 Particulars of Raw Materials consumed:

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Copper		7,115.96		6,163.73
PolyVinyl Chloride & Di-Octyl Phthalate		2,986.98		2,812.70
Galvanized / Stainless Steel Wires / Strips		1,167.35		917.73
Aluminium Wire Rod		3,380.00		3,146.95
Stainless Steel Rod		657.95		616.97
Lead Alloys		636.13		221.68
Others		418.11		293.87
Total		16,362.48		14,173.63
Less: Captive Use		11.87		5.98
Total		16,350.61		14,167.65

## 21.2 Turnkey Project Materials:

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

## 22 Purchases of Stock in Trade:

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

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Opening Stock				
--- Finished Goods	1,176.64		1,121.78	
--- Stock in Trade	6.80		12.50	
--- Work in Progress	1,935.77		2,437.91	
--- Scrap	11.61	3,130.82	13.97	3,586.16
Less : Closing Stock				
--- Finished Goods	1,778.31		1,176.64	
--- Stock in Trade	6.64		6.80	
--- Work in Progress	1,766.88		1,935.77	
--- Scrap	5.75	3,557.58	11.61	3,130.82
		(426.76)		455.34

## 24 Employee Benefits Expense:

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

## 24.1 Disclosures under Accounting Standard 15 "Employee Benefits":

## Defined Contribution Plan

Amount recognized as an expense in defined contribution plans:

(₹ in Millions)

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

## Defined Benefit Plans

The Company is having following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Unfunded)

(₹ in Millions)

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

(₹ in Millions)

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

## 24.2

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

## 24.3 Employee Stock Options:

- a) The Company had approved "KEI Employees Stock Option Scheme" (KEI ESOS 2015 or Scheme) for granting Employees Stock Options in the form of Equity Shares to eligible employees and the same was approved by special resolution passed by the members of the Company on September 16, 2015. The plan is administered under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company ("Committee") in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions for the time being in force. The Nomination and Remuneration Committee had granted 2,252,000 Options on September 23, 2015 which will vest over a period of four years from the date of grant in the following manner:

Vesting Particulars	Options vested
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	560,000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	564,000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	564,000
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	564,000

- b) The above said options can be exercised any time within a period of 30 days from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid scheme. During the year, Share Allotment Committee on September 24, 2016 had allotted 5,60,000 Equity Shares of face value ₹ 2/- each at an exercise price of ₹ 35/- per share to the eligible employees as per KEI Employees Stock Option Scheme (KEI ESOS 2015 or Scheme)

Details of options are as under:

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

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

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

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

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

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

- e) The Company has measured the stock-based compensation cost using the intrinsic value method. Had the Company used the fair value model to determine the compensation, its Profit after Tax and Earnings Per Share as reported would have changed to the amounts indicated below:

(₹ in Millions)

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

## 25 Finance Costs:

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

## 26 Sub Contractor expense for turnkey projects:

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

## 27 Other Expenses:

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

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

27.1 Represents excise duty borne by the company and difference between excise duty on opening stock and closing stock of finished goods.

27.2 Auditor's Remuneration\*:

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

\* Excludes service tax

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

27.4 Value of Imports on CIF basis:

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



## 27.5 Expenditure in Foreign Currency (on Accrual Basis):

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

## 27.6 Value of Imported and Indigenous materials consumed:

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

## 27.7 Remittance in foreign currency on account of dividends:

Particulars	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	
The year to which dividend relates		2015-16		2014-15
Amounts of dividend remitted (₹ in Millions)		2.00		0.61
Number of Non-Resident Shareholders / OCBs/FILs		342		313
Number of Equity Shares		3,996,035		1,532,262

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

## 27.8 Earnings in Foreign Exchange (on Accrual Basis):

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

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Profit after taxation (₹ in Millions)	986.35	622.02
Number of Equity shares at the beginning of the year	77,237,438	77,237,438
Add: Weighted average number of equity shares issued during the year	289,973	-
Weighted average number of Equity shares for Basic EPS	77,527,411	77,237,438
Add: Adjustment for Employee Stock Options outstanding	1,962,027	1,175,224
Weighted average number of equity shares for Diluted EPS	79,489,438	78,412,662
Basic Earnings Per Share (₹)	12.72	8.05
Diluted Earnings Per Share (₹)	12.41	7.93
Face Value Per Equity Share (₹)	2.00	2.00

## 29 In terms of provision of AS -7 on "Construction Contracts" for Lump Sum Turnkey Projects for contract in progress as on 31.03.2017

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

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

## a) Name of Related Parties :

## i) Subsidiary Company

KEI Cables Australia PTY Limited -- Wholly owned subsidiary ( w.e.f. 14/12/2015)

## ii) Jointly controlled entity

Joint Venture of M/s KEI Industries Ltd., New Delhi & Brugg Kabel A.G. Switzerland (Association of Persons)

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

Anil Gupta (HUF)

Projection Financial & Management Consultants Pvt. Ltd.

Shubh Laxmi Motels & Inns Pvt. Ltd.

Soubhagya Agency Pvt. Ltd.

Dhan Versha Agency Pvt. Ltd.

KEI Cables Pvt. Ltd.

KEI Power Ltd.

- iv) Key Managerial Personnel:  
 Shri Anil Gupta, Chairman-cum-Managing Director  
 Shri Rajeev Gupta, Executive Director Finance  
 Shri Kishore Kunal, Company Secretary
- v) Relatives of Key Managerial Personnel with whom transaction have taken place:  
 Shri Sunil Gupta  
 Smt. Archana Gupta (Director)  
 Smt. Varsha Gupta  
 Smt. Sumitra Devi Gupta  
 Smt. Shashi Gupta  
 Smt. Vimla Devi  
 Smt. Veena Agarwal  
 Shri Akshit Diviaj Gupta  
 Smt. Shweta Jha
- vi) Enterprises Over which person mentioned in (v) above are able to exercise significant control and transactions have taken place:  
 Sunil Gupta (HUF)  
 Ashwathama Constructions Pvt. Ltd.
- b) Transactions during the year

(₹ in Millions)

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

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

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

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

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

## c) Non Financial Transactions:

- Shri Anil Gupta has given personal guarantee to banks for Company's borrowings.
- The remuneration does not include Gratuity and Provision for leave encashment under Accounting Standard-15 (Revised), mediclaim and personal accident insurance premium, since same is not available for individual employees.
- The Company has given Performance Bank Gurantees of ₹ 61.61 Millions (Previous Year ₹ 59.31 Millions on behalf of Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel A.G. Switzerland.

## 31 Future lease obligation by way of lease rental:

(₹ in Millions)

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

## 31.1 Operating Leases-Other than non-cancellable:

The Company has entered into lease transactions during the current financial year mainly for leasing of factory/office/residential premises/Computers and company leased accommodations for its employees for periods up to 10 years. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit & Loss amount to ₹ 51.97 Millions (Previous year ₹ 40.55 Millions) for the leases which commenced on or after April 1, 2001.

## 32. Segment information pursuant to Accounting Standard (AS-17) "Segment Reporting":

## 32(a) Information about Primary Business Segments:

(₹ in Millions)

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

## 32(b) Information about Secondary Business Segment:

(₹ in Millions)

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

## 32(c) Notes :

- The Company is organised into business segments, namely:
  - Cables comprising of EHV, HT & LT Power Cables , Control and Instrumentation Cables, Winding Wires & Flexible and House Wires.
  - Stainless Steel Wire comprising of Stainless Steel Wire.
  - Turnkey projects etc.

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

- Segment Revenue in each of the above domestic business segments primarily includes sales, job work income and export incentives in the respective segments.

(₹ in Millions)

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



- iii) The Segment Revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India and earnings in India.
  - Revenue outside India includes sales to customers located outside India and earnings outside India.
- iv) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- 33 As per Accounting Standard-27, the interest and transactions in Joint Venture as defined in the Accounting Standard are given below:

(₹ in Millions)

Particulars	2016-17	2015-16
Name of the jointly Controlled entities	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel A.G. Switzerland	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel A.G. Switzerland
Capital Investment	-	-
Percentage of ownership interest	100%	100%
Country of Incorporation	India	India
Nature of work	Execution of civil and engineering project	Execution of civil and engineering project
Total Assets	10.52	75.39
Total Liabilities	8.66	71.87
Total Income	22.26	508.36
Total Expenditure	22.66	503.25
Contingent Liabilities	-	-
Capital commitment	-	-

- 34 (i) Amount payable in foreign currency:

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

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

## (ii) Amount receivable in foreign currency:

Particulars	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016		
	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency
Exports of Goods & Advance Paid	889.73	14.29	USD	479.66	7.18	USD
	30.42	0.44	EURO	86.60	1.21	EURO
	24.73	0.53	SGD	4.76	0.07	SGD
	66.69	1.36	AUD	10.26	0.20	AUD
	0.09	0.00**	CHF	0.97	0.01	CHF
	0.73	0.01	GBP	3.66	0.04	GBP
	2.00	3.44	JPY	-	-	JPY
Recoverable	-	-	SGD	0.67	0.01	SGD
	0.29	0.01	AUD	-	-	AUD
	0.82	0.05	AED	-	-	AED
Balance With Banks	1.90	0.04	SGD	2.28	0.05	SGD
	0.16	0.00 ***	USD	0.33	0.00*	USD
	1.87	0.11	AED	0.45	0.03	AED

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

## 35 Contingent Liabilities &amp; Commitments:

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

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

(₹ in Millions)

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

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

- 37 Previous Year's figures have been regrouped / rearranged wherever necessary.

As per our Separate Report of even date attached

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

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

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

(PRAVEEN KUMAR JAIN)  
Partner  
M.No- 085629

(KISHORE KUNAL)  
Company Secretary  
M. No. A18495

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

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

# Independent Auditors' Report

To the Members of KEI INDUSTRIES LIMITED

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of KEI INDUSTRIES LIMITED ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group") and its jointly controlled entity; comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group and of its jointly controlled entity, are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us other than the unaudited financial statements/ financial information as certified by the management and referred to in subparagraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group & its jointly controlled entity as at 31<sup>st</sup> March, 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

#### Other Matters

8. We did not audit the financial statements/ financial information of subsidiary, whose financial statements/ financial information reflect total assets of ₹ 0.29 Millions as at 31<sup>st</sup> March, 2017, total revenues of ₹ NIL and net cash inflows amounting to ₹ 0.29 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on unaudited financial statements of the subsidiary company.

#### Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Company, its subsidiary included in the Group and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial

reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group and jointly controlled entity – Refer Note No 34.1 to 34.4 of the Consolidated Financial Statements.

ii. The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31st March, 2017.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company, as applicable - Refer Note No 36 of the Consolidated Financial Statements.

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

(PRAVEEN KUMAR JAIN)

Partner

Place of signature: New Delhi

Date: 10<sup>th</sup> May, 2017

Membership No.: 085629

#### Annexure A to Independent Auditors' Report

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

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

1. We have audited the internal financial controls over financial reporting of KEI INDUSTRIES LIMITED ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act is not applicable to jointly controlled entity (Association of Persons) and subsidiary company which is a company not incorporated in India.

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

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

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of

the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject

to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(PRAVEEN KUMAR JAIN)

Place of signature: New Delhi  
Date: 10<sup>th</sup> May, 2017

Partner  
Membership No.: 085629



Consolidated Balance Sheet As At 31<sup>st</sup> March, 2017

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

As per our Separate Report of even date attached

For JAGDISH CHAND &amp; CO.

Firm Registration No. 000129N

Chartered Accountants

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(RAJEEV GUPTA)

Executive Director (Finance) &amp; CFO

DIN: 00128865

(PRAVEEN KUMAR JAIN)

Partner

M.No- 085629

Place of Signing : New Delhi

Date : 10<sup>th</sup> May, 2017

(KISHORE KUNAL)

Company Secretary

M. No. A18495

Place of Signing : New Delhi

Date : 10<sup>th</sup> May, 2017

(ADARSH JAIN)

General Manager (Finance)

M No. 502048

Consolidated Statement Of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2017

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

As per our Separate Report of even date attached

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

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

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

(PRAVEEN KUMAR JAIN)  
Partner  
M.No- 085629  
Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

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

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

Consolidated Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2017

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

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

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

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

Note :

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

As per our Separate Report of even date attached

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

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

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

(PRAVEEN KUMAR JAIN)  
Partner  
M.No- 085629

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

(KISHORE KUNAL)  
Company Secretary  
M. No. A18495

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

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

## 1 Significant Accounting Policies

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

### (a) Basis of Preparation:

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

### (b) Accounting Estimates:

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

## 1.2 Principles of Consolidation

### a) Basis of Accounting:

- i) The financial statements of the Subsidiary Company and joint venture in the consideration are drawn up to the same reporting date as of the Company for the purpose of consolidation.
- ii) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 – 'Consolidated Financial Statements' and Accounting Standard (AS) 27 – 'Financial Reporting of interest in joint venture' specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles.

### b) Principles of Consolidation:

b.1 The Consolidated Financial Statements have been prepared as per the following principles:

- i) The financial statements of the Company and its Subsidiary Company are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and unrealized profits or losses.
- ii) The Consolidated Financial Statements include the interest of the Company in joint venture, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the company's share of each asset, liability,

income and expense of jointly controlled entity is considered as a separate line item.

- iii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.
- iv) In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the prevailing at the end of the year. Any exchange difference arising on Consolidation is recognized in the Exchange Fluctuation Reserve.

- b.2 i) The Consolidated Financial Statements include the results of the following entities:

S.No	Name of Entity	Country of incorporation	Relationship	Ownership Interest
A	KEI Cables Australia PTY Limited	Australia	Subsidiary	100.00%
B	Joint Venture of KEI Industries Limited New Delhi & BruggKabel AG Switzerland ( Association of Person)	India	Joint Venture	100.00% Share of Profit & Loss

- b.2 ii) Financial statements of KEI Cables Australia PTY Limited, Australia are drawn in Australian Dollar (AUD).

### 1.3 Other Significant Accounting Policies

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

- i. Fixed assets are stated at cost or valuation less accumulated depreciation and impairment loss. The cost includes inward freight and other directly attributable expenses.
- ii. In respect of qualifying assets, all direct expenses relating to making the asset ready for its intended use, including interest on borrowed loan are capitalised. Financing Cost incurred on general borrowing used for projects is capitalised at weighted average cost. Amount of such borrowing is determined after setting off amount of internal accruals.
- iii. Cost of any software purchased initially along with the computer hardware is being capitalised along with cost of hardware. Any subsequent acquisition/up-gradation of software is being capitalised as an asset. These assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.
- iv. Capital work-in-progress represents expenditure incurred in respect of assets under development and is carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure.

- (b) Depreciation and Amortization:

- i. Cost of capitalized software is amortized over a period of five years from date of its acquisition. Leasehold Improvements are amortized over period of lease or estimated useful life whichever is shorter.
- ii. Depreciation on Fixed Assets is calculated on Straight Line Method in accordance with the provisions of Schedule II of the Companies Act, 2013 keeping 5% of cost as residual value. The useful life of fixed assets as defined in Part C of schedule II of the Companies Act, 2013 has been taken for all tangible assets except in respect of following assets, in whose case, life of the assets has been assessed as under based on technical advice, taking into account the nature of assets and the estimated usage of the asset etc.

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

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

- iv. Fixed Assets costing upto ₹ 5000/- each are fully depreciated in the year of its acquisition.
- (c) Investments:  
Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such decline is other than temporary in the opinion of the management.
- (d) Inventories:
  - i. Finished Goods, Project Materials are valued at lower of cost or net realisable value.
  - ii. Raw Materials are valued at cost or net realisable value, whichever is lower.
  - iii. Stock in Process is valued at lower of cost or net realisable value.
  - iv. Stores, Spares and Consumables and Packing Materials are valued at cost.
  - v. Scrap is valued at estimated realisable value.
  - vi. Cost of Raw Materials is determined on First in First out (FIFO) basis. Cost of Packing Materials, Stores & Spares are determined on weighted average basis. Work in Process includes raw material costs and allocated production overheads. Cost of finished goods is determined by taking derived material costs, excise duty and other overheads.
- (e) Revenue Recognition:
  - i. Sales are accounted for on dispatch of goods from factory to the customers. Sales are net of return and include excise duty wherever directly chargeable from customers, but exclude Sales tax/VAT.
  - ii. Turnkey Projects
    - In the case of lump-sum Turnkey Contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work. Project income is net of VAT/Service tax.
    - No profit is recognized till a minimum of 10% progress is achieved on the contract.
  - iii. If total cost of a contract, based on technical & other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions of estimates is included in the statement of profit & loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue" to the extent amount has not been received from customer. Amount received in excess of work performed has been classified as "Income received in advance" in case where billing is in excess of contract revenue.
  - iv. Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.
- (f) Excise Duty:  
Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in factory premises. CENVAT credit is accounted on accrual basis on purchases of materials.
- (g) Employee Benefits:
  - i. Liability in respect of Gratuity, a defined benefit plan, is being paid to fund maintained by LIC of India and administered through a separate irrevocable trust set up by the Company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
  - ii. Liability in respect of leave encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.

- iii. Contributions with respect to Provident Fund, is recognized as an expense in the Profit and Loss Account of the year in which the related service is rendered.
  - iv. In respect of employees stock options, the excess of intrinsic value on the date of grant over the exercise price is recognized as deferred compensation cost amortized over vesting period.
- (h) Foreign Currency Transactions:
- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
  - ii. Foreign currency monetary items remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
  - iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
    - in so far as they relate to the acquisition of a depreciable capital assets are adjusted in cost of assets.
    - other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and are amortized over period of foreign currency monetary item or upto 31st March, 2020, whichever is earlier.
- (i) Miscellaneous Expenditure:
- Public issue expenditure/ 'FCCBs' issue expenditure is being written off against Securities / Share premium, net of taxes, in the year of issue.
- (j) Taxes on Income:
- Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (k) Impairment of Fixed Assets:
- Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.
- Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.
- (l) Contingent Liabilities:
- Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.
- (m) Provision for Contractual Obligations:
- The provision for estimated liabilities on account of guarantees & warranties etc. in respect of lump-sum turnkey contracts awarded to the company are being made on the basis of assessment of risk and consequential probable liabilities on each such job made by the management.



CONSOLIDATED NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

## 2 Share Capital:

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
<b>Authorised</b>				
11,00,00,000 (Previous year 11,00,00,000) Equity Shares of ₹ 2/- each		220.00		220.00
3,00,000 (Previous year 3,00,000) Preference Shares of ₹ 100/- each		30.00		30.00
Total		250.00		250.00
<b>Issued, Subscribed &amp; paid-up</b>				
77,797,438 (Previous year 77,237,438) Equity shares of ₹ 2/- each fully paid		155.59		154.47
Total		155.59		154.47

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

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

## 2.2 Reconciliation of Number of Equity Shares:

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Nos.	(₹ in Millions)	Nos.	(₹ in Millions)
Balance as at the beginning of the year	77,237,438	154.47	77,237,438	154.47
Add: Issued during the Year	560,000	1.12	-	-
Balance as at the end of the year	77,797,438	155.59	77,237,438	154.47

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

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

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

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

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

#### 3 Reserves & Surplus:

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
<u>Capital Reserve</u>				
Balance as at the beginning of the year		28.00		28.00
Securities Premium Account				
Balance as at the beginning of the year	726.06		726.06	
Add: On allotment of Equity Shares upon exercise of options by the employees	54.18	780.24	-	726.06
<u>General Reserve</u>				
Balance as at the beginning of the year		21.10		21.10
<u>Surplus</u>				
Balance as at the beginning of the year	2,707.58		2,128.56	
Add: Net Profit for the year	983.02		625.50	
Less: Appropriations				
---Proposed Dividend on Equity Shares	-		38.62	
---Dividend Distribution Tax on Proposed Dividend	-	3,690.60	7.86	2,707.58
(Refer Note 3.1)				
Exchange Fluctuation Reserve				
Balance at the beginning of the year	0.00*		-	
Add: during the year	0.01	0.01	0.00*	0.00*
* ₹ (518)				
Foreign Currency Monetary Item				
Translation Difference Account (FCMITDA)				
Balance as at the beginning of the year	(6.28)		(19.69)	
Add: Additions during the Year	(2.31)		(15.71)	
Less: Written off during the Year	8.59	-	29.12	(6.28)
(Refer Note 3.2)				
Employee Stock Options Outstanding				
Balance as at the beginning of the year	38.79		-	
Add: Employee Compensation Expense during the year	56.08		38.79	
Less: Transfer to Securities Premium Account upon exercise of stock options	35.70	59.17	-	38.79
Total		4,579.12		3,515.25

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

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

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

4. Long - Term Borrowings:

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

4.1 Nature of Security:

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

4.2 Finance Lease Obligations are secured against leased assets.

4.3 Maturity Profile and rate of interest of Secured Term Loans are as set out below: (₹ in Millions)

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
6M LIBOR+90 BPS	107.20	-	-	-
6M LIBOR+81 BPS	125.99	-	-	-
9.75%	75.00	75.00	75.00	56.25
10.50%	62.50	46.87	-	-
11.95%	37.50	37.50	28.13	-
12.35%	390.00	120.00	-	-
12.50%	37.50	28.12	-	-
Total	835.69	307.49	103.13	56.25

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

## 5 Deferred Tax Liability (Net):

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Deferred Tax Liabilities				
Arising on account of timing difference in				
---Depreciation		461.39		403.47
Deferred Tax Assets				
Arising on account of timing difference in				
---Expenses & Others		(34.19)		(41.03)
Total		427.20		362.44

## 6 Long Term Provisions:

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

## 7 Short Term Borrowings:

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Secured				
Working Capital Loans from Banks		3,489.60		1,962.27
Buyer's Credit		1,401.20		519.58
Unsecured				
Loans and Advances from Related Parties				
---Inter Corporate Deposits		0.80		2.60
Deposits from Others				
---Inter Corporate Deposits	5.50		5.50	
---Public Deposits	1.20	6.70	-	5.50
Total		4,898.30		2,489.95

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

## 8 Trade Payables:

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

8.1 In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 and the Companies Act 2013, the outstanding, Interest due thereon, interest paid etc to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In absence of information about registration of the enterprises under the above Act, the required information could not be furnished.

## 9 Other Current Liabilities:

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

9.1 No amount is due for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to Fund.

## 10 Short Term Provisions:

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

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

## 11 Fixed Assets:

## 11.1 Tangible Assets:

(₹ in Millions)

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

## 11.2 Intangible Assets:

(₹ in Millions)

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

## 11.3 Capital Work In Progress:

(₹ in Millions)

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

## Construction period expenses pending allocation

(₹ in Millions)

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

## 11.4

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

(₹ in Millions)

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

12 Non-Current Investments:  
(Long Term Investments)

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

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



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

Particulars	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)		As at 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Capital Advances		11.98		190.35
Security Deposits:				
Related Parties				
--- Projection Financial & Management Consultants Private Limited	2.40		2.40	
--- Anil Gupta HUF (Refer Note 13.1)	0.15		0.15	
Others	29.74	32.29	27.21	29.76
Loans & Advances to workers & staff		3.38		2.10
Total		47.65		222.21

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

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

(₹ in Millions)

Name	As at 31 <sup>st</sup> March, 2017	Maximum Balance 2016-17	As at 31 <sup>st</sup> March, 2016	Maximum Balance 2015-16
Projection Financial & Management Consultants Private Limited	2.40*	2.40	2.40*	2.40
Anil Gupta HUF	0.15*	0.15	0.15*	0.15

\* Security deposit for premises taken on rent by the Company.

b) Investments by the Loanee in the shares of the Company ₹ 127.82 millions (Previous Year ₹ 127.82 millions)

(₹ in Millions)

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

## 14 Inventories:

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

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

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

## 16 Cash and Bank Balances:

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

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

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

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

18 Other Current Assets:  
(Unsecured, Considered good)

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

19 Revenue from Operations (Gross):

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

Revenue from Operations includes in few cases ,Excise Duty,VAT & Service Tax, wherever prices are inclusive of Taxes.

## 19.1 Details of Sales (Manufactured Goods):

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

## 19.2 Details of Sales (Traded Goods):

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

## 19.3 Income from Turnkey Projects:

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

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

## 20 Other Income:

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

## 21 Cost of Materials Consumed:

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

## 21.1 Particulars of Raw Materials consumed:

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Copper		7,115.96		6,163.73
PolyVinyl Chloride & Di-Octyl Phthalate		2,986.98		2,812.70
Galvanized / Stainless Steel Wires / Strips		1,167.35		917.73
Aluminium Wire Rod		3,380.00		3,146.95
Stainless Steel Rod		657.95		616.97
Lead Alloys		636.13		221.68
Others		418.11		293.87
Total		16,362.48		14,173.63
Less: Captive Use		11.87		5.98
Total		16,350.61		14,167.65

## 21.2 Turnkey Project Materials:

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

## 22 Purchases of Stock in Trade:

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

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	
Opening Stock				
--- Finished Goods	1,176.64		1,121.78	
--- Stock in Trade	6.80		12.50	
--- Work in Progress	1,935.77		2,437.91	
--- Scrap	11.61	3,130.82	13.97	3,586.16
Less : Closing Stock				
--- Finished Goods	1,778.31		1,176.64	
--- Stock in Trade	6.64		6.80	
--- Work in Progress	1,766.88		1,935.77	
--- Scrap	5.75	3,557.58	11.61	3,130.82
		(426.76)		455.34

## 24 Employee Benefits Expense:

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

## 24.1 Disclosures under Accounting Standard 15 "Employee Benefits":

## Defined Contribution Plan

Amount recognized as an expense in defined contribution plans:

(₹ in Millions)

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

## Defined Benefit Plans

The Company is having following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Unfunded)

(₹ in Millions)

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

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

## 24.2

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

## 24.3 Employee Stock Options:

- a) The Company had approved "KEI Employees Stock Option Scheme" (KEI ESOS 2015 or Scheme) for granting Employees Stock Options in the form of Equity Shares to eligible employees and the same was approved by special resolution passed by the members of the Company on September 16, 2015. The plan is administered under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company ("Committee") in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions for the time being in force. The Nomination and Remuneration Committee had granted 2,252,000 Options on September 23, 2015 which will vest over a period of four years from the date of grant in the following manner:

Vesting Particulars	Options vested
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	560,000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	564,000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	564,000
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	564,000

- b) The above said options can be exercised any time within a period of 30 days from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid scheme. During the year, Share Allotment Committee on September 24, 2016 had allotted 5,60,000 Equity Shares of face value ₹ 2/- each at an exercise price of ₹ 35/- per share to the eligible employees as per KEI Employees Stock Option Scheme (KEI ESOS 2015 or Scheme)

Details of options are as under:

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



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

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

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

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

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

- e) The Company has measured the stock-based compensation cost using the intrinsic value method. Had the Company used the fair value model to determine the compensation, its Profit after Tax and Earnings Per Share as reported would have changed to the amounts indicated below:

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

## 25 Finance Costs:

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

## 26 Sub Contractor expense for turnkey projects:

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

## 27 Other Expenses:

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

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

27.1 Represents excise duty borne by the Company and difference between excise duty on opening stock and closing stock of finished goods

27.2 Auditor's Remuneration\*:

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

\* Excludes Service Tax

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

27.4 Value of Imports on CIF basis:

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

## 27.5 Expenditure in Foreign Currency (on Accrual Basis):

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

## 27.6 Value of Imported and Indigenous materials consumed:

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

## 27.7 Remittance in foreign currency on account of dividend:

Particulars	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)		Year Ended 31 <sup>st</sup> March, 2016 (₹ in Millions)	
The year to which dividend relates		2015-16		2014-15
Amounts of dividend remitted (₹ in Millions)		2.00		0.61
Number of Non-Resident Shareholders / OCBs/FILs		342		313
Number of Equity Shares		3,996,035		1,532,262

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

## 27.8 Earnings in Foreign Exchange (on Accrual Basis):

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

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Profit after taxation (₹ in Millions)	983.02	625.50
Number of Equity shares at the beginning of the year	77,237,438	77,237,438
Add: Weighted average number of equity shares issued during the year	289,973	-
Weighted average number of Equity shares for Basic EPS	77,527,411	77,237,438
Add: Adjustment for Employee Stock Options outstanding	1,962,027	1,175,224
Weighted average number of equity shares for Diluted EPS	79,489,438	78,412,662
Basic Earnings Per Share (₹)	12.68	8.10
Diluted Earnings Per Share (₹)	12.37	7.98
Face Value Per Equity Share (₹)	2.00	2.00

## 29 In terms of provision of AS -7 on "Construction Contracts" for Lump Sum Turnkey Projects for contract in progress as on 31.03.2017:

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

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

## a) Name of Related Parties :

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

Anil Gupta (HUF)  
 Projection Financial & Management Consultants Private Limited  
 Shubh Laxmi Motels & Inns Private Limited  
 Soubhagya Agency Private Limited  
 Dhan Versha Agency Private Limited  
 KEI Cables Private Limited  
 KEI Power Limited

## ii) Venturer of Joint Venture

Brugg Kabel A.G. Switzerland

## iii) Key Managerial Personnel:

Shri Anil Gupta, Chairman-cum-Managing Director

Shri Rajeev Gupta, Executive Director Finance

Shri Kishore Kunal, Company Secretary

iv) Relatives of Key Managerial Personnel with whom transaction have taken place:

Shri Sunil Gupta

Smt. Archana Gupta (Director)

Smt. Varsha Gupta

Smt. Sumitra Devi Gupta

Smt. Shashi Gupta

Smt. Vimla Devi

Smt. Veena Agarwal

Shri Akshit Diviaj Gupta

Smt. Shweta Jha

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

Sunil Gupta (HUF)

Ashwathama Constructions Private Limited

b) Transactions during the year

(₹ in Millions)

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

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

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



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

## c) Non Financial Transactions:

- Shri Anil Gupta has given personal guarantee to banks for Company's borrowings.
- The remuneration does not include Gratuity and Provision for leave encashment under Accounting Standard-15 (Revised), mediclaim and personal accident insurance premium, since same is not available for individual employees.

## 31 Future lease obligation by way of lease rental:

(₹ in Millions)

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

### 31.1 Operating Leases-Other than non-cancellable:

The Company has entered into lease transactions during the current financial year mainly for leasing of factory/office/residential premises/Computers and company leased accommodations for its employees for periods up to 10 years. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit & Loss amount to ₹ 51.97 Millions (Previous year ₹ 41.02 Millions) for the leases which commenced on or after April 1, 2001.

### 32. Segment information pursuant to Accounting Standard (AS-17) "Segment Reporting":

#### 32(a) Information about Primary Business Segments:

(₹ in Millions)

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

#### 2(b) Information about Secondary Business Segment:

(₹ in Millions)

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

### 32(c) Notes :

#### i) The Company is organised into business segments, namely:

- Cables comprising of EHV, HT & LT Power Cables, Control and Instrumentation Cables, Winding Wires & Flexible and House Wires.
- Stainless Steel Wire comprising of Stainless Steel Wire.
- Turnkey projects etc

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

- ii) Segment Revenue in each of the above domestic business segments primarily includes sales, job work income and export incentives in the respective segments.

(₹ in Millions)

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

- iii) The Segment Revenue in the geographical segments considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India and earnings in India.
  - Revenue outside India includes sales to customers located outside India and earnings outside India.
- iv) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

- 33 (i) Amount payable in foreign currency:

Particulars	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016		
	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency
Imports of Goods & Advance Received	156.37	2.39	USD	120.58	1.81	USD
	6.04	0.09	EURO	62.40	0.82	EURO
	4.77	0.06	GBP	1.28	0.01	GBP
	16.07	0.25	CHF	44.96	0.65	CHF
	0.50	0.01	AUD	-	-	AUD
	0.03	0.00***	SGD	0.65	0.01	SGD
Working Capital Loan (Buyer's Credit & PCFC)	1,401.20	21.51	USD	765.12	11.49	USD
Term Loan	233.18	3.58	USD	363.30	5.45	USD
Royalty/Know How/Licence Fees	18.65	0.27	EURO	8.85	0.12	EURO
Expenses Payable	31.21	0.48	USD	22.24	0.33	USD
	7.74	0.16	SGD	1.99	0.04	SGD
	0.41	0.00	GBP	0.89	0.01	GBP
	1.61	0.09	AED	0.84	0.05	AED
	0.20	0.00**	AUD	0.05	0.00*	AUD
	0.17	0.00****	EURO	-	-	EURO
Statutory Dues Payable	0.62	0.01	SGD	-	-	SGD

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

## (ii) Amount receivable in foreign currency:

Particulars	As at 31 <sup>st</sup> March, 2017			As at 31 <sup>st</sup> March, 2016		
	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency	(₹ in Millions)	Amount in Foreign Currency (in Millions)	Foreign Currency
Exports of Goods & Advance Paid	889.73	14.29	USD	479.66	7.18	USD
	30.42	0.44	EURO	86.60	1.21	EURO
	24.73	0.53	SGD	4.76	0.07	SGD
	66.69	1.36	AUD	10.26	0.20	AUD
	0.09	0.00**	CHF	0.97	0.01	CHF
	0.73	0.01	GBP	3.66	0.04	GBP
	2.00	3.44	JPY	-	-	JPY
Recoverable	-	-	SGD	0.67	0.01	SGD
	0.82	0.05	AED	-	-	AED
Balance With Banks	1.90	0.04	SGD	2.28	0.05	SGD
	0.16	0.00***	USD	0.33	0.00*	USD
	1.87	0.11	AED	0.45	0.03	AED

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

## 34 Contingent Liabilities &amp; Commitments:

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

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

S. No	Name of the Entity	Own-ership Interest	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
			As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)
1	Parent		99.97%	4733.06	100.34%	986.35
2	Subsidiary					
	Foreign					
	KEI Cables Australia PTY LTD	100%	0.00%	(0.21)	-0.02%	(0.16)
3	Joint Venture					
	(as per proportionate consolidation)					
	Indian					
	Joint Venture of M/s KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland ( Association of Persons)	100%	0.04%	1.86	-0.32%	(3.17)
	<b>TOTAL</b>		<b>100.00%</b>	<b>4734.71</b>	<b>100.00%</b>	<b>983.02</b>

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

(₹ in Millions)

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

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

## 37 Previous Year's figures have been regrouped / rearranged wherever necessary.

As per our Separate Report of even date attached

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

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

(PRAVEEN KUMAR JAIN)  
Partner  
M.No- 085629

(KISHORE KUNAL)  
Company Secretary  
M. No. A18495

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

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

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

Place of Signing : New Delhi  
Date : 10<sup>th</sup> May, 2017

# Independent Auditor's Report

## TO THE MEMBERS OF KEI INDUSTRIES LIMITED

### Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **KEI Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 and the transition date opening balance sheet as at 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 dated 10<sup>th</sup> May, 2017 and 21<sup>st</sup> 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 matter.

### Report on Other Legal and Regulatory Requirements

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

received from the directors of the Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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;
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31<sup>st</sup> March, 2018.
    - 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 31<sup>st</sup> 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**CA Pawan Kumar Agarwal**  
**Partner**  
**Place of signature: New Delhi**  
**Date : 17<sup>th</sup> May, 2018**      **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 31<sup>st</sup> March, 2018.

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

1. We have audited the internal financial controls over financial reporting of KEI Industries Limited ("the Company") as of 31<sup>st</sup> March, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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



## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

8. In our opinion, 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 31<sup>st</sup> 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 : 17<sup>th</sup> 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 31<sup>st</sup> 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.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or

Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been regular in

depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, 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 31<sup>st</sup> 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 Tax Act	Central Sales Tax	0.67	1999-2000	Tax Board
	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 non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

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

## Balance Sheet As At 31<sup>st</sup> March, 2018

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018 (₹ in Millions)	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)	As at 1 <sup>st</sup> April, 2016 (₹ in Millions)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(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	28.30	27.28	20.50
(ii) Loans	7	40.67	33.10	28.64
(iii) Other	8	2.60	36.62	18.61
(e ) Other Non-Current Assets	9	118.79	13.99	192.68
		<b>4,489.98</b>	<b>4,194.54</b>	<b>3,833.16</b>
<b>Current Assets</b>				
(a) Inventories	10	5,555.88	4,989.24	4,224.68
(b) Financial Assets				
(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
		<b>17,676.15</b>	<b>14,761.60</b>	<b>11,360.50</b>
<b>TOTAL</b>		<b>22,166.13</b>	<b>18,956.14</b>	<b>15,193.66</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(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>6,045.32</b>	<b>4,609.13</b>	<b>3,629.57</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(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
		<b>1,922.27</b>	<b>1,167.32</b>	<b>1,994.09</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(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	24	798.70	881.38	1,136.85
(c) Provisions	25	111.29	86.86	63.68
(d) Current Tax Liability (Net)	26	33.51	14.13	31.73
		<b>14,198.54</b>	<b>13,179.69</b>	<b>9,570.00</b>
<b>TOTAL</b>		<b>22,166.13</b>	<b>18,956.14</b>	<b>15,193.66</b>
Significant Accounting Policies And Notes on Financial Statements	1 to 55			

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**

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(ADARSH KUMAR JAIN)**

Sr. General Manager (Finance)

M.No. 502048

**Statement Of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2018**

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

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) &amp; CFO

DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018**(KISHORE KUNAL)**

GM (Corporate) &amp; Company Secretary

M.No. FCS-9429

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018**(ADARSH KUMAR JAIN)**

Sr. General Manager (Finance)

M.No. 502048

## Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2018

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

**Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2018 (Contd...)**

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

**Note :**

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

As per our Separate Report of even date attached

**For 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**

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(KISHORE KUNAL)**

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

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(ADARSH KUMAR JAIN)**

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



## STATEMENT OF CHANGES IN EQUITY

### A. Equity Share Capital

Particulars	Balance as at 1 <sup>st</sup> April, 2016	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2017	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2018
Nos. of Shares	77,237,438	560,000	77,797,438	564,000	78,361,438
Amount in Millions	154.47	1.12	155.59	1.13	156.72

### B. Other Equity

(₹ in Millions)

Particulars	Reserve and Surplus				Other Comprehensive Income		Total
	Capital Reserve	Security Premium	General Reserve	Accumulated Profit & Loss	Re-Measurement of the Net defined benefit Plans	Equity Instruments through other Comprehensive Income	
<b>2016-17</b>							
Balance as at 1 <sup>st</sup> April, 2016	28.00	726.06	21.09	2,680.32	(6.27)	(10.62)	3,475.10
Addition during the year	-	-	-	938.28	(2.32)	-	935.96
Other Comprehensive Income for the Year	-	-	-	-	(7.43)	6.76	(0.67)
<b>Total comprehensive income for the year 2016-17</b>	-	-	-	<b>938.28</b>	<b>(7.43)</b>	<b>6.76</b>	<b>935.29</b>
Employee Stock Compensation cost for the year	-	-	-	-	-	-	62.56
Dividend Paid (including dividend distribution Tax) for 2015-16 approved by Shareholders in Annual General Meeting held on 6 <sup>th</sup> September, 2016	-	-	-	(46.48)	-	-	(46.48)
Amortisation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA) during the year	-	-	-	-	-	-	-
Securities Premium on allotment of Equity Share (ESOP) during the year	-	58.31	-	-	(39.83)	-	18.48
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>28.00</b>	<b>784.37</b>	<b>21.09</b>	<b>3,572.12</b>	<b>(14.18)</b>	<b>(3.86)</b>	<b>4,453.54</b>
<b>2017-18</b>							
Addition during the year	-	-	-	1,445.56	-	-	1,445.56
Other Comprehensive Income for the Year	-	-	-	-	(7.23)	1.26	(5.97)
<b>Total comprehensive income for the year 2017-18</b>	-	-	-	<b>1,445.56</b>	<b>(7.23)</b>	<b>1.26</b>	<b>1,439.59</b>
Employee Stock Compensation cost for the year	-	-	-	-	-	-	33.04
Dividend Paid (including dividend distribution Tax) for 2016-17 approved by Shareholders in Annual General Meeting held on 19 <sup>th</sup> July, 2017	-	-	-	(56.18)	-	-	(56.18)
Securities Premium on allotment of Equity Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>28.00</b>	<b>843.09</b>	<b>21.09</b>	<b>4,961.50</b>	<b>(21.41)</b>	<b>(2.60)</b>	<b>5,888.60</b>

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

Place of Signing : New Delhi  
Date : 17<sup>th</sup> May, 2018

**(KISHORE KUNAL)**

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

Place of Signing : New Delhi  
Date : 17<sup>th</sup> May, 2018

**(ADARSH KUMAR JAIN)**

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



## Summary of Significant Accounting Policies and Other Explanatory Statements for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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. 1<sup>st</sup> April, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind AS, as at 1<sup>st</sup> April, 2016 and of the Profit/(Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2018 were authorized and approved for issue by the Board of Directors on 17<sup>th</sup> 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)
<b>Land</b>	
- Lease Hold (Finance Lease)	As per Lease Agreement
- Perpetual Lease	Treated as Freehold Land
<b>Buildings</b>	
- 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
<b>Plant and Machinery</b>	10 - 20 Years
<b>Project Tools</b>	05 Years
<b>Furniture and Fittings</b>	05 - 10 Years
<b>Motor Vehicles</b>	
- Hire Purchase & Owned	08 - 10 Years
<b>Office Equipment</b>	05 Years
<b>Computers</b>	
- 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

**i. 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.

**iii. 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

(₹ in Millions)

Particulars		2017-18	2016-17
(xvii)	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	5.00	2.50
	Smt. Shweta Jha	1.85	1.75
		6.85	4.25
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	-	250.00
	Shri Akshit Diviaj Gupta, Whole Time Director 10 <sup>th</sup> May, 2017	-	0.42
		-	250.42
	<b>Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place</b>		
	Sunil Gupta (HUF)	4.00	-
		4.00	-
	<b>Deposits/Unsecured Loan paid during the year</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	3.00	1.50
	Soubhagya Agency Private Limited	-	1.80
		3.00	3.30
(xviii)	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta (Expired on 9 <sup>th</sup> June, 2017)	0.65	-
	Shri Sunil Gupta	2.50	-
	Smt. Shweta Jha	1.75	-
		4.90	-
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	45.00	-
	Shri Kishore Kunal, Company Secretary	1.20	-
	Shri Akshit Diviaj Gupta, Whole Time Director 10 <sup>th</sup> May, 2017	0.42	-
		46.62	-
	<b>Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place</b>		
	Sunil Gupta (HUF)	2.50	-
		2.50	-
	<b>Credit balance outstanding as at the year end</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	18.50	3.00
	KEI Cables Private Limited	0.80	0.80
		19.30	3.80
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta (Expired on 9 <sup>th</sup> June, 2017 )	-	0.65
	Shri Sunil Gupta	5.00	2.50
	Smt. Shweta Jha	1.85	1.75
		6.85	4.90

## 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

- i. **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 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.

## 2.11. 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 ('₹'), 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 1<sup>st</sup> 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:
  - 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.



## 2.28. 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 1<sup>st</sup> 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 28<sup>th</sup> 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 1<sup>st</sup> 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 28<sup>th</sup> 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 1<sup>st</sup> April 2018.

The Company will adopt the standard on 1<sup>st</sup> April 2018 by using the Cumulative effect method and accordingly comparatives for the year ending or ended 31<sup>st</sup> 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
<b>Gross Carrying Amount</b>											
Deemed Cost as at 1 <sup>st</sup> 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
<b>At 31<sup>st</sup> March, 2017</b>	<b>3.66</b>	<b>317.45</b>	<b>1,048.89</b>	<b>55.15</b>	<b>2,685.65</b>	<b>63.98</b>	<b>9.58</b>	<b>15.46</b>	<b>39.82</b>	<b>62.69</b>	<b>4,302.33</b>
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
<b>At 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>317.45</b>	<b>1,071.79</b>	<b>78.52</b>	<b>2,919.55</b>	<b>74.53</b>	<b>10.49</b>	<b>28.18</b>	<b>53.79</b>	<b>69.97</b>	<b>4,627.93</b>
<b>Depreciation and Impairment</b>											
<b>At 1<sup>st</sup> April, 2016</b>	-	-	-	-	-	-	-	-	-	-	-
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
<b>At 31<sup>st</sup> March, 2017</b>	<b>-</b>	<b>3.57</b>	<b>34.75</b>	<b>20.41</b>	<b>182.92</b>	<b>12.08</b>	<b>3.21</b>	<b>2.72</b>	<b>10.95</b>	<b>6.97</b>	<b>277.58</b>
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
<b>At 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>7.14</b>	<b>73.22</b>	<b>38.26</b>	<b>392.45</b>	<b>25.02</b>	<b>5.95</b>	<b>7.20</b>	<b>24.45</b>	<b>14.74</b>	<b>588.43</b>
<b>Net book value</b>											
<b>At 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>310.31</b>	<b>998.57</b>	<b>40.26</b>	<b>2,527.10</b>	<b>49.51</b>	<b>4.54</b>	<b>20.98</b>	<b>29.34</b>	<b>55.23</b>	<b>4,039.50</b>
<b>At 31<sup>st</sup> March, 2017</b>	<b>3.66</b>	<b>313.88</b>	<b>1,014.14</b>	<b>34.74</b>	<b>2,502.73</b>	<b>51.90</b>	<b>6.37</b>	<b>12.74</b>	<b>28.87</b>	<b>55.72</b>	<b>4,024.75</b>
<b>At 1<sup>st</sup> April, 2016</b>	<b>3.66</b>	<b>317.45</b>	<b>890.42</b>	<b>55.15</b>	<b>1,874.30</b>	<b>40.50</b>	<b>16.28</b>	<b>6.82</b>	<b>20.43</b>	<b>37.19</b>	<b>3,262.20</b>

**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 (31<sup>st</sup> March, 2017: ₹ 10.92/- Millions, 31<sup>st</sup> March, 2016 ₹ Nil).

**(c)** Property, Plant & Equipment pledged as security Note no. 18 & 21.

#### 4. Capital Work in Progress:

(₹ in Millions)

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

4.1 (a) Contractual commitments for the acquisition of Property, Plant & Equipment is ₹ 132.92 Millions (31<sup>st</sup> March, 2017: ₹ 70.33 Millions, 31<sup>st</sup> 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	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Building	-	8.18	-
Plant & Equipment	-	32.74	-
Construction Period Expenses Pending allocation	<b>6.76</b>	-	21.59
<b>Total</b>	<b>6.76</b>	<b>40.92</b>	<b>21.59</b>

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

#### 5. Other Intangible Assets:

(₹ in Millions)

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

(₹ in Millions)

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

## 6. Non-Current Investments:

(₹ in Millions)

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

(₹ in Millions)

Particulars		As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
---	Punjab National Bank 11000 (31 <sup>st</sup> March, 2017 : 11000, 1 <sup>st</sup> April, 2016 : 11000) Equity Shares of ₹ 2 each fully paid	1.05	1.66	0.93
---	Dena Bank 2595 (31 <sup>st</sup> March, 2017 : 2595, 1 <sup>st</sup> April, 2016 : 2595) Equity Shares of ₹ 10 each fully paid	0.05	0.10	0.07
---	ICICI Bank Limited 4950 (31 <sup>st</sup> March, 2017 : 4500, 1 <sup>st</sup> April, 2016 : 4500) Equity Shares of ₹ 2 each fully paid	1.38	1.25	1.06
---	YES Bank Limited 1270 (31 <sup>st</sup> March, 2017 : 254, 1 <sup>st</sup> April, 2016 : 254) Equity Shares of ₹ 2 (31 <sup>st</sup> March, 2017 : ₹ 10 31 <sup>st</sup> March, 2016 : ₹ 10) each fully paid	0.39	0.39	0.22
---	Jaypee Infratech Limited 5000 (31 <sup>st</sup> March, 2017 : 5000, 1 <sup>st</sup> April, 2016 : 5000) Equity Shares of ₹ 10 each fully paid	0.04	0.05	0.04
---	Technofab Engineering Limited 104228 (31 <sup>st</sup> March, 2017 : 104228, 1 <sup>st</sup> April, 2016 : 104228) Equity Shares of ₹ 10 each fully paid	21.90	19.86	15.32
<b>Total Equity Investments (FVOCI)</b>		<b>25.26</b>	23.94	17.97
<b>*** Mutual Funds Unquoted</b>				
---	UTI-Opportunities Fund-Growth 11770.711 (31 <sup>st</sup> March, 2017 : 11770.711, 1 <sup>st</sup> 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 (31 <sup>st</sup> March, 2017 : 212944.872, 1 <sup>st</sup> April, 2016 : 212944.872 ) Units of ₹ 10 each fully paid	2.36	2.48	1.77
---	SBI Dual Advantage Fund- Growth NIL (31 <sup>st</sup> March, 2017 : 20000, 1 <sup>st</sup> April, 2016 : 20000) Units of ₹ 10 each fully paid	-	0.24	0.23
<b>Total Investments in Mutual Funds (FVOCI)</b>		<b>3.03</b>	3.33	2.52
<b>Aggregate book value of quoted Investments</b>		<b>28.62</b>	28.62	28.62
<b>Aggregate Market value of quoted Investments</b>		<b>25.26</b>	23.94	17.97
<b>Aggregate value of unquoted Investments</b>		<b>3.04</b>	3.34	2.53
<b>Aggregate amount of impairment in value of Investments</b>		-	-	-

**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".

**7. Non-Current Loans:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Unsecured, considered good</b>			
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
<b>Total</b>	<b>40.67</b>	<b>33.10</b>	<b>28.64</b>

**Break-up for Related Parties:****7.1 Non-Current Security Deposit to Related Parties:**

(₹ in Millions)

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

\* 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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Unsecured, considered good</b>			
Kishore Kunal*	0.46	0.76	0.67
<b>Total</b>	<b>0.46</b>	<b>0.76</b>	<b>0.67</b>

\* 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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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):**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Projection Financial & Management Consultants Private Limited	<b>114.20</b>	114.20	114.20
Anil Gupta HUF	<b>13.62</b>	13.62	13.62
<b>Total</b>	<b>127.82</b>	127.82	127.82

**8. Other Non-Current Financial Assets:** (₹ in Millions)

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

**9. Other Non-Current Assets:** (₹ in Millions)

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

**10. Inventories:** (₹ in Millions)

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



**10.1 Break-up for Goods-in-Transit:****(₹ in Millions)**

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

**10.2 Finished Goods held at Net Realisable Value:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Finished Goods	<b>85.22</b>	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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Trade receivables			
--- Receivables from Related Parties	<b>141.74</b>	-	52.00
--- Others	<b>10,226.02</b>	8,403.57	6,311.49
<b>Total</b>	<b>10,367.76</b>	8,403.57	6,363.49
Less: Impairment Allowance	<b>161.90</b>	157.81	113.87
<b>Total</b>	<b>10,205.86</b>	8,245.76	6,249.62
<b>Break-up for Trade Receivables:-</b>			
<b>Particulars</b>			
Secured, Considered Good	-	-	-
Unsecured, Considered Good	<b>10,226.02</b>	8,403.57	6,311.49
Doubtful	-	-	-
Less: Impairment Allowance	<b>161.90</b>	157.81	113.87
<b>Total</b>	<b>10,064.12</b>	8,245.76	6,197.62
<b>Break-up for Related Parties:</b>			
<b>Particulars</b>			
Receivables from Joint Venture of KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland	-	-	52.00
Receivables from KEI Cables Australia PTY Limited	<b>141.74</b>	-	-
<b>Total</b>	<b>141.74</b>	-	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 entirety 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Total Transferred Receivables	<b>2,185.97</b>	1,011.21	689.59
Associated Secured Borrowing (Refer Note No. 21)	<b>2,185.97</b>	1,011.21	689.59

## 12. Cash and Cash Equivalents:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>594.50</b>	<b>321.03</b>	<b>23.04</b>

### 12.1

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>168.78</b>	<b>12.06</b>	<b>16.03</b>

### 13.1

(₹ in Millions)

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

## 14. Current Loans:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Unsecured, Considered Good</b>			
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
<b>Total</b>	<b>13.89</b>	<b>10.10</b>	<b>10.13</b>

### 14.1 Current Loans to Related Party:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Unsecured Considered Good</b>			
Kishore Kunal*	0.29	0.27	0.13
<b>Total</b>	<b>0.29</b>	<b>0.27</b>	<b>0.13</b>

\* Against salary

**15. Other Current Assets:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>1,137.24</b>	<b>1,183.41</b>	<b>837.00</b>

**15.1 Break-up of Advance to Related Party:**

(₹ in Millions)

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

**16. Equity Share Capital:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Authorised</b>			
110000000 (31 <sup>st</sup> March, 2017 : 110,000,000 1 <sup>st</sup> April, 2016 : 110,000,000) Equity Shares of ₹ 2/- each	220.00	220.00	220.00
300,000 (31 <sup>st</sup> March, 2017 : 300,000 1 <sup>st</sup> April, 2016 : 300,000) Preference Shares of ₹ 100/- each	30.00	30.00	30.00
<b>Total</b>	<b>250.00</b>	<b>250.00</b>	<b>250.00</b>
<b>Issued, Subscribed &amp; Paid-up</b>			
78,361,438 (31 <sup>st</sup> March, 2017 : 77,797,438 1 <sup>st</sup> April, 2016 : 77,237,438) Equity shares of ₹ 2/- each fully paid	156.72	155.59	154.47
<b>Total</b>	<b>156.72</b>	<b>155.59</b>	<b>154.47</b>

**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:

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	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 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> 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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
	Nos. of shares	Nos. of shares	Nos. of shares
<b>Options available under ESOS</b>			
-- 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	-
-- <b>Options available at the close of the year</b>	<b>1,128,000</b>	<b>1,692,000</b>	<b>2,252,000</b>

For terms and other details refer Note No. 42

**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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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)
<b>Total</b>	<b>5,888.60</b>	<b>4,453.54</b>	<b>3,475.10</b>

**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:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>(i) Secured</b>			
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
<b>(ii) Unsecured</b>			
Deposits			

(₹ in Millions)

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

### 18.1 Nature of Security and Repayment Terms of Term Loan:

(₹ in Millions)

Sl. No.	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016	Rate of interest	Terms of repayment of term loan outstanding as at 31 <sup>st</sup> 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	<b>101.42</b>	138.93	147.77	1 year MCLR (8.30%) + Spread (1.85%)	Repayable in 5 Years upto October 2020
4	<b>233.97</b>	231.53	235.20	6 month LIBOR + 90bps, 6 month LIBOR + 81bps	Drawn in three tranche, repayable in January 2019 and February 2019
5	<b>107.21</b>	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	<b>280.37</b>	298.37	-	9.75% (Fixed Rate)	Repayable in 5 Years including moratorium period of 12 months upto December 2021
10	<b>365.46</b>	-	-	9.10%+Spread (0.50%)	Repayable in 3 Years upto May 2020
11	<b>212.32</b>	-	-	1 year MCLR (9.10%) + Spread (0.50%)	Repayable in 5 Years upto June 2022
12	<b>455.72</b>	-	-	4.40%(Fixed Rate)	Repayable in 3 Years including moratorium period of 6 months upto December 2020
13	<b>514.72</b>	-	-	3 MONTH LIBOR + 190 bps	Repayable in 5 Years including moratorium period of 12 months upto December 2022
<b>Total</b>	<b>2,271.19</b>	<b>1,867.56</b>	<b>2,386.80</b>		
Less:	<b>910.99</b>	1,192.78	817.61	Current Maturities of Long Term Borrowings (Note 23)	
<b>Total</b>	<b>1,360.20</b>	<b>674.78</b>	<b>1,569.19</b>	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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Employee benefits			
---Provision for Leave Encashment	<b>67.21</b>	50.63	40.02
	<b>67.21</b>	50.63	40.02

**20. Deferred Tax Liability (Net):****(₹ in Millions)**

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

**20.1 Movement in Deferred Tax Assets:****(₹ in Millions)**

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
<b>As at 1<sup>st</sup> April, 2016</b>	<b>39.40</b>	<b>3.57</b>	<b>49.69</b>	<b>5.35</b>	<b>98.01</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	15.21	-	(2.86)	1.88	<b>14.23</b>
-- Other Comprehensive Income	-	3.94	-	-	<b>3.94</b>
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2017</b>	<b>54.61</b>	<b>7.51</b>	<b>46.83</b>	<b>7.23</b>	<b>116.18</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.96	-	4.62	0.13	<b>6.71</b>
-- Other Comprehensive Income	-	3.88	-	-	<b>3.88</b>
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>56.57</b>	<b>11.39</b>	<b>51.45</b>	<b>7.36</b>	<b>126.77</b>

## 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
<b>As at 1<sup>st</sup> April, 2016 (Charged)/credited :</b>	403.47	14.04	<b>417.51</b>
-- Profit and Loss	57.20	(5.35)	<b>51.85</b>
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2017 (Charged)/credited :</b>	<b>460.67</b>	<b>8.69</b>	<b>469.36</b>
-- Profit and Loss	55.22	0.63	<b>55.85</b>
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>515.89</b>	<b>9.32</b>	<b>525.21</b>

## 20.3 Unused Tax Credit:

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	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)	-	-	121.51	2025-26	206.39	2025-26

## 21. Current Borrowings:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>(i) Secured:</b>			
Working Capital Loans from Banks	<b>2,266.79</b>	3,489.60	1,962.27
Buyer's Credit	<b>1,377.63</b>	1,401.20	519.58
Factoring Arrangements	<b>2,185.97</b>	1,011.21	689.59
<b>(ii) Unsecured:</b>			
Loans from Related Parties			
--- Loans from Related Party *	<b>205.00</b>	250.00	-
---Inter Corporate Deposits	<b>0.80</b>	0.80	2.60
Deposits from Others			
---Inter Corporate Deposits	<b>5.50</b>	5.50	5.50
---Public Deposits	-	1.20	-
<b>Total</b>	<b>6,041.69</b>	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 1<sup>st</sup> pari-passu charge by way of hypothecation on the entire current assets including raw material stock in process finished goods consumable stores & spares and receivables of the Company 1<sup>st</sup> pari-passu charge on present and future fixed assets at SP 920-922, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar (Rajasthan) and movable fixed assets at D-90, Okhla Industrial Area, Phase I, New Delhi, 2<sup>nd</sup> pari-passu charge by equitable mortgage of property of the Land and Building at 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa, (D & N H), Plot No. A 280-284, Chopanki, 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>6,272.00</b>	<b>4,805.22</b>	<b>4,321.66</b>

**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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>941.35</b>	<b>1,232.59</b>	<b>836.54</b>

**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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>798.70</b>	<b>881.38</b>	<b>1,136.85</b>

## 25. Current Provisions:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>111.29</b>	<b>86.86</b>	<b>63.68</b>

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

(₹ in Millions)

Particulars	Leave encashment	Gratuity	Warranty Provision
<b>As at 1<sup>st</sup> April, 2017</b>	<b>57.51</b>	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
<b>As at 31<sup>st</sup> March, 2018</b>	<b>76.75</b>	<b>82.89</b>	<b>18.86</b>

#### 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 eligible 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:

(₹ in Millions)

Particulars	Expense recognised in 2017-18	Expense recognised in 2016-17
Contributory Provident Fund & Employees Pension Scheme 1995	40.58	23.67

**a) The amounts recognised in the Balance Sheet is as under:****(₹ in Millions)**

Particulars	Period	Gratuity	Leave Encashment
Present value of obligations as at the end of year	2017-18	171.11	76.75
	2016-17	137.39	57.51
Fair value of plan assets as at the end of the year	2017-18	88.22	-
	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
	2016-17	13.45	9.86
Interest Cost on Defined Benefit Obligation	2017-18	9.89	4.14
	2016-17	8.08	3.40
Interest Income on Plan Assets	2017-18	5.42	-
	2016-17	4.63	-
Net Actuarial (Gain) / Loss recognized in the period	2017-18	4.48	-
	2016-17	3.45	-
Expenses recognized in Statement of Profit and Loss	2017-18	22.66	23.84
	2016-17	16.90	15.16

**c) Expenses recognized in Other Comprehensive Income is as under:****(₹ in Millions)**

Particulars	Period	Gratuity	Leave Encashment
Actuarial (Gains)/Loss on Defined Benefit Obligation	2017-18	11.65	-
	2016-17	12.09	-
Actuarial (Gains)/Loss on Asset	2017-18	(0.54)	-
	2016-17	(0.72)	-
Actuarial Gain/(Loss) recognized in Other Comprehensive Income	2017-18	11.11	-
	2016-17	11.37	-

**d) Movements in the present value of the Defined Benefit Obligations:****(₹ in Millions)**

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
Acquisition Adjustment	2017-18	-	-
	2016-17	-	-

(₹ in Millions)

Particulars	Period	Gratuity	Leave Encashment
Interest Cost	2017-18	9.89	4.14
	2016-17	8.08	3.40
Current Service Cost	2017-18	18.19	14.96
	2016-17	13.45	9.86
<b>Actuarial (Gains)/Losses arising from:</b>			
Changes in Demographic Assumptions	2017-18	Nil	Nil
	2016-17	Nil	Nil
Changes in Financial Assumptions	2017-18	6.74	2.53
	2016-17	3.11	1.10
Experience Adjustments	2017-18	4.90	2.21
	2016-17	8.98	0.80
Past Service Cost	2017-18	-	-
	2016-17	-	-
Benefits Paid	2017-18	(6.01)	(4.60)
	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
Fair Value of plan assets as on beginning of year	2017-18	75.22	-
	2016-17	61.74	-
Interest Income	2017-18	5.42	-
	2016-17	4.63	-
Re-measurement Gain/(Loss) - return on plan assets (excluding amounts included in net interest expense)	2017-18	0.54	-
	2016-17	0.72	-
Contributions from the Employer	2017-18	13.05	-
	2016-17	12.14	-
Benefits paid	2017-18	(6.01)	-
	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:**

(₹ in Millions)

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%
Retirement Age	2017-18	58 yrs	58 yrs
	2016-17	58 yrs	58 yrs

(₹ in Millions)

Particulars	Period	Gratuity	Leave Encashment
Mortality rates	2017-18	As per Indian Assured Lives Mortality (2006-08) Table	
	2016-17		
Age		Withdrawal Rate	Withdrawal Rate
Up to 30 Years	2017-18	3.00%	3.00%
	2016-17	3.00%	3.00%
From 31 to 44 years	2017-18	2.00%	2.00%
	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

(₹ in Millions)

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
	2016-17	7.13	6.40
3	2017-18	5.01	6.65
	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
	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:

Particulars	As at 31 <sup>st</sup> March, 2018	
	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 Managed by Insurer	2017-18	82.89	Nil
	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): (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Tax expense comprises of:</b>			
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
	121.51	90.18	124.62
	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 31<sup>st</sup> March, 2017 : ₹ 90.18 Millions, In 31<sup>st</sup> March, 2016 ₹ 124.62 Millions).

**27. Revenue From Operations (Gross):****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Sale of Products				
---Manufactured Goods	<b>25,938.26</b>		22,986.17	
---Traded Goods	<b>10.83</b>	<b>25,949.09</b>	17.44	23,003.61
Income from Turnkey Projects (Refer note 27.3)		<b>8,672.21</b>		5,050.30
Job Work		<b>3.91</b>		4.45
Other operating Revenues				
--- Export Benefits	<b>42.23</b>		18.88	
--- Unadjusted Credit balances written back	<b>28.69</b>		4.42	
--- Scrap	<b>268.06</b>	<b>338.98</b>	242.59	265.89
<b>Total</b>		<b>34,964.19</b>		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 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Cables		<b>18,746.61</b>		17,409.09
Stainless Steel Wires		<b>1,167.85</b>		1,128.24
Winding Wire, Flexible & House Wires		<b>6,023.80</b>		4,448.84
<b>Total</b>		<b>25,938.26</b>		22,986.17

**27.2 Details of Sales (Traded Goods):****(₹ in Millions)**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Miscellaneous		<b>10.83</b>		17.44
<b>Total</b>		<b>10.83</b>		17.44

**27.3 Income from Turnkey Projects:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Income from Turnkey Projects		<b>8,672.21</b>		5,050.30
<b>Total</b>		<b>8,672.21</b>		5,050.30

## 28. Other Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 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
<b>Total</b>		<b>92.99</b>		<b>100.67</b>

## 29. Cost of Materials Consumed:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>Raw Materials Consumed</b>				
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
<b>Turnkey Project Materials</b>				
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
<b>Total</b>		<b>24,422.77</b>		<b>18,686.70</b>

## 30. Purchases of Stock in Trade:

(₹ in Millions)

Class of Goods	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Miscellaneous		14.34		15.96
<b>Total</b>		<b>14.34</b>		<b>15.96</b>

## 31. Changes in Inventory of Finished Goods, Work in Progress and Stock in trade:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>Opening Stock</b>				
--- 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
<b>Less : Closing Stock</b>				
--- 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
<b>Total</b>		<b>(326.19)</b>		<b>(426.75)</b>



**32. Employee Benefits Expense:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> 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
<b>Total</b>		<b>1,467.92</b>		<b>1,117.27</b>

For Managerial remuneration refer Related Party Disclosure Note no. 46.

**33. Finance Costs:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Interest expenses		884.47		945.07
Other borrowing costs		228.57		299.18
<b>Total</b>		<b>1,113.04</b>		<b>1,244.25</b>

**34. Depreciation and Amortisation Expense:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Depreciation on Property, Plant & Equipment		313.01		278.13
Amortisation on Other Intangible Assets		9.29		5.91
<b>Total</b>		<b>322.30</b>		<b>284.04</b>

**35. Sub Contractor Expenses for Turnkey Projects:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Sub Contractor's Expenses		1,085.54		579.29
<b>Total</b>		<b>1,085.54</b>		<b>579.29</b>

**36. Excise Duty:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Excise Duty on Sales		505.50		1661.10
Excise Duty on Stock/Transfers*		(129.30)		378.59
<b>Total</b>		<b>376.20</b>		<b>2,039.69</b>

\*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 Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 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 (Refer Note 37.1)		4.40		4.55
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 (Refer Note 37.3)		12.65		7.68
FCMITDA written off		-		8.59
<b>Total</b>		<b>4,539.66</b>		<b>3,621.96</b>

#### 37.1 Auditor's Remuneration:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> 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
<b>Total</b>		<b>4.40</b>		<b>4.55</b>

**37.2** Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 18.84 Millions (31<sup>st</sup> March, 2017 ₹ 11.40 Millions).

**37.3 Amount spent during the year on:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
i) Construction/Acquisition of any assets	-	-
ii) On purpose other than (i) above	12.65	7.68
<b>Total</b>	<b>12.65</b>	<b>7.68</b>

**38. Income Tax Expense:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
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
<b>Deferred tax</b>		
(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>(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate</b>		
Profit from operations before income tax expense	2,041.60	1,262.51
India Tax Rate	34.608%	34.608%
<b>Tax effect of amounts which are not deductible (allowable) in calculating taxable income :</b>		
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
<b>Other items :</b>		
Deduction under various sections of Income Tax Act, 1961	24.42	99.39
	398.01	427.90
<b>Tax effect of amounts which are deductible (allowable) in calculating taxable income :</b>		
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
<b>Other items :</b>		
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
<b>Total Net Taxable Income</b>	<b>1,931.19</b>	<b>1,088.23</b>
<b>Tax at India tax rate</b>	<b>668.35</b>	<b>376.62</b>
<b>Actual Tax Expense booked</b>	<b>668.35</b>	<b>376.62</b>
<b>Effective Tax Rate</b>	<b>32.74%</b>	<b>29.83%</b>

### 39. Other Comprehensive Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>Items that will not be reclassified to profit or loss :</b>				
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
<b>Items that will be reclassified to profit or loss:</b>				
Net gain on hedge of a net investment		-		-
Income tax effect		-		-
Exchange differences on translation of foreign operations		-		-
Income tax effect		-		-
<b>Total</b>		<b>(5.97)</b>		<b>(0.67)</b>

### 40. Earnings Per Equity Share ('EPS') pursuant to Ind AS-33 has been calculated as follows:

#### (A) Earnings Per Equity Share:

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 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 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> 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
<b>Weighted average number of Equity shares for Basic EPS</b>		<b>78,087,937</b>		<b>77,527,411</b>
Add: Adjustment for Employee Stock Options outstanding		1,401,501		1,962,027
<b>Weighted average number of equity shares for Diluted EPS</b>		<b>79,489,438</b>		<b>79,489,438</b>

### 41. In terms of provision of Ind AS -11 on "Construction Contracts" for Lump Sum Turnkey Projects for contract in progress as on 31<sup>st</sup> March, 2018:

- The aggregate amount of cost incurred and recognised profit upto 31<sup>st</sup> March, 2018 ₹ 16,137.26 Millions, (31<sup>st</sup> March, 2017: ₹ 12,765.05 Millions).
- The amount of advances received ₹ 237.04 Millions (31<sup>st</sup> March, 2017: ₹ 270.88 Millions).
- The amount of retention ₹ 1,607.22 Millions (31<sup>st</sup> March, 2017: ₹ 1,269.51 Millions).
- Gross amount due to customers ₹ 1,710.75 Millions (31<sup>st</sup> March, 2017: ₹ 14.40 Millions).
- Gross amount due from customers ₹ 652.78 Millions (31<sup>st</sup> 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
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	560,000	35.00	1.04
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	564,000	35.00	2.04
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	564,000	35.00	3.04
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	564,000	35.00	4.04
<b>Total Options Granted at an exercise price of ₹ 35.00 per option</b>			

- 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:

Particulars	KEI ESOS 2015	
	2017-18	2016-17
Date of Grant	<b>23.09.2015</b>	23.09.2015
Options outstanding at the beginning of the year	<b>1,692,000</b>	2,252,000
Options Granted during the year	<b>Nil</b>	Nil
Option forfeited during the year	<b>Nil</b>	Nil
Option vested	<b>564,000</b>	560,000
Option exercised	<b>564,000</b>	560,000
Option expired during the year	<b>Nil</b>	Nil
Options outstanding at the end of the year	<b>1,128,000</b>	1,692,000
Weighted Average Share Price at the date of exercise of Options (₹ per share)	<b>312.68</b>	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	
	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)

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
<b>Total:</b>	<b>34.09</b>	<b>43.76</b>	<b>3.94</b>	<b>6.17</b>	<b>30.15</b>	<b>37.59</b>

- 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: (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>44.1</b> Claims against Company not acknowledged as 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

(₹ in Millions)

<b>44.2</b>	Guarantees against Performance/Security/EMD		<b>7,895.13</b>		7,699.95
<b>44.3</b>	Other money for which Company is contingently liable:				
	a) Unutilised Letter of Credits		<b>615.53</b>		121.35
	b) Outstanding LC Discounted		<b>884.19</b>		669.48
<b>44.4</b>	<b>Commitments:</b>				
	Estimated amount of contracts remaining to be executed on Capital Account		<b>132.92</b>		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:

Particulars	Country of Incorporation	Portion of ownership interest as at			Method used to account for the Investment
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016	
KEI Cables Australia PTY Limited	Australia	90%	100%	100%	Cost

- c) Company's investment in Joint Venture is as under:

Particulars	Country of Incorporation	Portion of ownership interest as at			Method used to account for the investment
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016	
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 Incorporation	Ownership Interest		
	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 Incorporation	Ownership Interest		
	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. 10<sup>th</sup> 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 9<sup>th</sup> June, 2017 )  
Smt. Shashi Gupta  
Smt. Vimla Devi  
Smt. Veena Agarwal  
Smt. Shweta Jha  
Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10<sup>th</sup> 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**

(₹ in Millions)

Particulars		2017-18	2016-17
(i)	<b>Investment in Subsidiary Company equity shares</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited ₹ 3988 (Previous Year NIL)	-	-
		-	-
(ii)	<b>Sales</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	914.39	-
		914.39	-
	<b>Jointly Controlled entity</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	-	4.18
		-	4.18
(iii)	<b>Discount On Sales</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	3.05	-
		3.05	-



(₹ in Millions)

Particulars		2017-18	2016-17
(iv)	<b>Purchase - Project Material</b>		
	<b>Jointly Controlled entity</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	-	2.36
		-	2.36
(v)	<b>Purchase - Fixed Assets</b>		
	<b>Jointly Controlled entity</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	-	2.52
		-	2.52
(vi)	<b>Reimbursement of Expenses Paid</b>		
	<b>Jointly Controlled entity</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	0.62	5.23
		0.62	5.23
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	5.50	-
		5.50	-
(vii)	<b>Reimbursement of Expenses Received</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	0.38	-
		0.38	-
(viii)	<b>Advance Given</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	0.95	0.29
		0.95	0.29
	<b>Jointly Controlled entity</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	7.76	18.90
		7.76	18.90
(ix)	<b>Loan Given</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal, Company Secretary	-	0.50
		-	0.50
(x)	<b>Advance Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	1.29	0.29
		1.29	0.29
	<b>Jointly Controlled entity</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	0.91	-
	<b>Total</b>	0.91	-

(₹ in Millions)

Particulars		2017-18	2016-17
(xi)	<b>Loan Outstanding</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal, Company Secretary	0.75	1.03
		0.75	1.03
(xii)	<b>Maximum balance of advance given during the year</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	1.31	0.29
		1.31	0.29
	<b>Jointly Controlled entity</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	1.78	23.54
		1.78	23.54
(xiii)	<b>Maximum balance of loan given during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal, Company Secretary	1.02	1.19
		1.02	1.19
(xiv)	<b>Debtors Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	141.74	-
		141.74	-
(xv)	<b>Interest expense on deposits/ Unsecured Loan</b>		
	<b>Other related parties in the group where common control exists</b>		
	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
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta (Expired on 9 <sup>th</sup> June, 2017)	0.02	0.07
	Shri Sunil Gupta	0.35	0.13
	Smt. Shweta Jha	0.17	0.03
		0.54	0.23
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal, Company Secretary	0.05	-
	Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10 <sup>th</sup> May, 2017	0.02	0.04
		0.07	0.04
	<b>Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place</b>		
	Sunil Gupta (HUF)	0.31	0.28
		0.31	0.28
(xvi)	<b>Deposits/Unsecured Loan received during the year</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	18.50	-
		18.50	-

(₹ in Millions)

Particulars		2017-18	2016-17
(xvii)	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	5.00	2.50
	Smt. Shweta Jha	1.85	1.75
		6.85	4.25
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	-	250.00
	Shri Akshit Diviaj Gupta, Whole Time Director 10 <sup>th</sup> May, 2017	-	0.42
		-	250.42
	<b>Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place</b>		
	Sunil Gupta (HUF)	4.00	-
		4.00	-
	<b>Deposits/Unsecured Loan paid during the year</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	3.00	1.50
	Soubhagya Agency Private Limited	-	1.80
		3.00	3.30
(xviii)	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta (Expired on 9 <sup>th</sup> June, 2017)	0.65	-
	Shri Sunil Gupta	2.50	-
	Smt. Shweta Jha	1.75	-
		4.90	-
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	45.00	-
	Shri Kishore Kunal, Company Secretary	1.20	-
	Shri Akshit Diviaj Gupta, Whole Time Director 10 <sup>th</sup> May, 2017	0.42	-
		46.62	-
	<b>Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place</b>		
	Sunil Gupta (HUF)	2.50	-
		2.50	-
	<b>Credit balance outstanding as at the year end</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	18.50	3.00
	KEI Cables Private Limited	0.80	0.80
		19.30	3.80
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta (Expired on 9 <sup>th</sup> June, 2017 )	-	0.65
	Shri Sunil Gupta	5.00	2.50
	Smt. Shweta Jha	1.85	1.75
		6.85	4.90

(₹ in Millions)

Particulars		2017-18	2016-17
(xix)	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	205.00	250.00
	Shri Akshit Diviaj Gupta, Whole Time Director 10 <sup>th</sup> May, 2017	-	0.42
		205.00	250.42
	<b>Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place</b>		
	Sunil Gupta (HUF)	4.00	2.50
		4.00	2.50
	<b>Rent paid for use of assets</b>		
	<b>Other related parties in the group where common control exists</b>		
	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
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt. Archana Gupta, Director	0.96	0.96
	Shri Sunil Gupta	14.40	11.80
		15.36	12.76
(xx)	<b>Outstanding of Security Deposit Given</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	1.65	1.46
		1.80	1.61
(xxi)	<b>Managerial remuneration</b>		
	<b>Key Managerial Personnel</b>		
	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 <sup>th</sup> May, 2017	4.32	-
		162.83	90.88
(xxii)	<b>Employee Benefits Expenses</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal, Company Secretary	14.43	5.86
		14.43	5.86
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Akshit Diviaj Gupta, Whole Time Director 10 <sup>th</sup> May, 2017	0.24	1.89
		0.24	1.89
(xxiii)	<b>Expenses Payable</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	4.21	24.64
	Shri Rajeev Gupta, Executive Director Finance	0.58	0.05

(₹ in Millions)

Particulars		2017-18	2016-17
(xxiv)	Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10 <sup>th</sup> May, 2017	1.72	0.08
	Shri Kishore Kunal, Company Secretary	0.17	0.14
		6.68	24.91
	<b>Director's Meeting Fees</b>		
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
(xxv)	Smt. Archana Gupta, Director	0.65	0.40
		0.65	0.40
	<b>Dividend Paid</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	2.79	2.33
(xxvi)	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
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	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
(xxvii)	Smt. Vimla Devi	0.04	0.03
	Smt. Veena Agarwal ₹300/- (Previous Year NIL)	0.00	-
		0.54	0.45
	<b>Enterprises Over which person mentioned in a (v) above are able to exercise significant control and transactions have taken place</b>		
	Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-)	0.00	0.00
		0.00	0.00
	<b>Key Managerial Personnel</b>		
	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
(xxviii)		8.34	7.80
	<b>Equity Share Allotment ( ESOS Scheme)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta, Executive Director Finance	0.30	0.30
	Shri Kishore Kunal, Company Secretary	0.08	0.08
(xxix)		0.38	0.38
	<b>Security Premium on share allotment (ESOS Scheme)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta, Executive Director Finance	4.95	4.95
	Shri Kishore Kunal, Company Secretary	1.39	1.39
(xxx)		6.34	6.34

(₹ in Millions)

Particulars		2017-18	2016-17
(xxviii)	<b>Defined Benefit Obligation for Gratuity Benefit Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	<b>36.06</b>	34.23
	Shri Rajeev Gupta, Executive Director Finance	<b>4.39</b>	3.69
	Shri Kishore Kunal, Company Secretary	<b>0.58</b>	0.40
	Shri Akshit Diviaj Gupta, Whole Time Director w.e.f. 10 <sup>th</sup> May, 2017	<b>0.07</b>	0.03
		<b>41.10</b>	38.35
(xxix)	<b>Defined Benefit Obligation for Leave Encashment Benefit Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	-	-
	Shri Rajeev Gupta, Executive Director Finance	<b>1.32</b>	1.20
	Shri Kishore Kunal, Company Secretary	<b>0.50</b>	0.39
	Shri Akshit Diviaj Gupta, Whole Time Director 10 <sup>th</sup> May, 2017	<b>0.09</b>	0.02
		<b>1.91</b>	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.

### 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 31, 2018 and March 31, 2017-

Particulars	Cables		Stainless Steel Wire		Turnkey Projects		Unlocated		Inter Segment Elimination		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Revenue (Gross)</b>												
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)	-	-
<b>Total Revenue</b>	<b>27,265.32</b>	<b>22,718.63</b>	<b>1,182.56</b>	<b>1,139.05</b>	<b>9,561.48</b>	<b>6,754.40</b>			<b>(3,045.17)</b>	<b>(2,287.83)</b>	<b>34,964.19</b>	<b>28,324.25</b>
<b>Result</b>												
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
<b>Profit Before Taxation</b>	<b>2,955.50</b>	<b>2,654.65</b>	<b>70.60</b>	<b>77.04</b>	<b>1,038.42</b>	<b>617.73</b>	<b>(1,996.81)</b>	<b>(2,082.09)</b>	<b>(26.11)</b>	<b>(4.82)</b>	<b>2,041.60</b>	<b>1,262.51</b>
Taxation											596.04	324.23
Net Profit											1,445.56	938.28
<b>Other Information</b>												
Segment Assets	14,736.95	13,672.01	624.71	525.78	5,727.34	4,149.68	1,077.13	608.67			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	609.69
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):

Segment Revenue by location of customers	Domestic		Overseas		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>External Revenue (Gross)</b>	<b>30,422.12</b>	<b>24,531.06</b>	<b>4,542.07</b>	<b>3,793.19</b>	<b>34,964.19</b>	<b>28,324.25</b>
<b>Addition to Non-Current Assets</b>	<b>550.27</b>	<b>803.45</b>	<b>1.19</b>	<b>-</b>	<b>551.46</b>	<b>803.45</b>

### 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:

Particulars	Note Reference	31 <sup>st</sup> March, 2018				31 <sup>st</sup> March, 2017				1 <sup>st</sup> April, 2016		
		FVPL	FVOCI	Amortized Cost	Fair Value	FVPL	FVOCI	Amortized Cost	Fair Value	FVPL	FVOCI	Amortized Cost
<b>Financial Assets</b>												
Investments	6											
- 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	-	-	43.20	43.20	-	-	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	-	-	594.50	594.50	-	-	321.03	321.03	-	-	23.04
Bank Balances other than Cash and Cash equivalents:	13	-	-	168.78	168.78	-	-	12.06	12.06	-	-	16.03
Other Financial Assets	8			2.60	2.60			36.62	36.62			18.61
<b>Total financial assets</b>		-	<b>28.29</b>	<b>11,026.30</b>	<b>11,054.80</b>	-	<b>27.27</b>	<b>8,658.67</b>	<b>8,685.94</b>	-	<b>20.49</b>	<b>6,346.07</b>
<b>Financial Liabilities</b>												
Borrowings	18 & 21	7,498.31	-	-	7,498.31	6,923.02	-	-	6,923.02	4,814.11	-	-
Trade payables	22	-	-	6,272.00	6,272.00	-	-	4,805.22	4,805.22	-	-	4,321.66
Other Financial Liabilities:	23	-	-	941.35	941.35	-	-	1,232.59	1,232.59	-	-	836.54
<b>Total Financial Liabilities</b>		<b>7,498.31</b>	-	<b>7,213.35</b>	<b>14,711.66</b>	<b>6,923.02</b>	-	<b>6,037.81</b>	<b>12,960.83</b>	<b>4,814.11</b>	-	<b>5,158.20</b>

- (i) 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.
- (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 31 <sup>st</sup> March, 2018	Note Reference	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments at FVOCI	6				
- Equity Instruments		25.26	-	-	<b>25.26</b>
- Mutual funds		-	3.03	-	<b>3.03</b>
Loans	7 & 14			54.56	<b>54.56</b>
<b>Total financial assets</b>		<b>25.26</b>	<b>3.03</b>	<b>54.56</b>	<b>82.85</b>
<b>Financial liabilities</b>					
Borrowings	18 & 21	-	-	7,498.31	<b>7,498.31</b>
Other Financial Liabilities	23	-	-	941.35	<b>941.35</b>
<b>Total Financial liabilities</b>		-	-	<b>8,439.66</b>	<b>8,439.66</b>

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 <sup>st</sup> March, 2017	Note Reference	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments at FVOCI	6				
- Equity Instruments		23.94	-	-	<b>23.94</b>
- Mutual funds		-	3.33	-	<b>3.33</b>
Loans	7 & 14			43.20	<b>43.20</b>
<b>Total financial assets</b>		<b>23.94</b>	<b>3.33</b>	<b>43.20</b>	<b>70.47</b>
<b>Financial liabilities</b>					
Borrowings	18 & 21	-	-	6,923.02	<b>6,923.02</b>
Other Financial Liabilities	23	-	-	1,232.59	<b>1,232.59</b>
<b>Total Financial liabilities</b>		-	-	<b>8,155.61</b>	<b>8,155.61</b>

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 1 <sup>st</sup> April, 2016	Note Reference	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments at FVOCI	6				
- Equity Instruments		17.97	-	-	<b>17.97</b>
- Mutual funds		-	2.52	-	<b>2.52</b>
Loans	7 & 14			38.77	<b>38.77</b>
<b>Total financial assets</b>		<b>17.97</b>	<b>2.52</b>	<b>38.77</b>	<b>59.26</b>
<b>Financial liabilities</b>					
Borrowings	18 & 21	-	-	4,814.11	<b>4,814.11</b>
Other Financial Liabilities	23	-	-	836.54	<b>836.54</b>
<b>Total Financial liabilities</b>		-	-	<b>5,650.65</b>	<b>5,650.65</b>

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:**

Particulars	As at 31 <sup>st</sup> March, 2018			As at 31 <sup>st</sup> March, 2017			As at 1 <sup>st</sup> April, 2016		
	₹ 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 & Advance Received	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
	-	-	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
	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
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
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:**

Particulars	As at 31 <sup>st</sup> March, 2018			As at 31 <sup>st</sup> March, 2017			As at 1 <sup>st</sup> April, 2016		
	₹ 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 & Advance Paid	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
	344.52	6,977,002	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
	-	-	SGD	-	-	SGD	0.67	12,455	SGD
Recoverable	1.28	26,000	AUD	0.29	6,000	AUD	-	-	AUD
	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
	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)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> 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

- 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.
- Company reviews its investment at regular intervals in order to minimise price risk arising from investments in Equity Shares & Mutual Funds.
- 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 profit before tax		Impact on Other Components of Equity before tax	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> 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

- 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> 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
<b>Total borrowings</b>	<b>8,421.19</b>	<b>8,128.47</b>	<b>5,641.14</b>

Refer Note No. 18.1 for maturities of Company borrowings

#### 50.1.7. 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)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> 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
Moderate Credit Risk	Trade Receivables	Life time expected credit loss
High Credit Risk	Trade Receivables and other Financial Assets	Life time expected credit loss or fully

(₹ in Millions)

Credit rating	Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
A: Low credit risk	Cash and Cash Equivalents, other Bank Balances and other Financial Assets	765.88	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 31 <sup>st</sup> 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

(₹ in Millions)

As at 31 <sup>st</sup> 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

(₹ in Millions)

As at 1 <sup>st</sup> 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 31 <sup>st</sup> 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)	11	9,582.50	692.42	37.57	55.27	10,367.76
Expected Credit Losses (Loss Allowance Provision)		-	155.92	1.34	4.64	161.90
Carrying Amount of Trade Receivables (Net of Impairment)		<b>9,582.50</b>	<b>536.50</b>	<b>36.23</b>	<b>50.63</b>	<b>10,205.86</b>

(₹ in Millions)

As at 31 <sup>st</sup> 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)	11	7,728.25	409.89	160.03	105.40	8,403.57
Expected Credit Losses (Loss Allowance Provision)		-	90.12	39.98	27.71	157.81
Carrying Amount of Trade Receivables (Net of Impairment)		<b>7,728.25</b>	<b>319.77</b>	<b>120.05</b>	<b>77.69</b>	<b>8,245.76</b>

(₹ in Millions)

As at 1 <sup>st</sup> 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)	11	5,925.21	218.49	123.18	96.61	6,363.49
Expected Credit Losses (Loss Allowance Provision)		-	40.43	37.19	36.25	113.87
Carrying Amount of Trade Receivables (Net of Impairment)		<b>5,925.21</b>	<b>178.06</b>	<b>85.99</b>	<b>60.36</b>	<b>6,249.62</b>

## Reconciliation of Loss Provision – Trade Receivables

(₹ in Millions)

Reconciliation of Loss Allowance	Loss allowance
<b>Impairment Loss allowance as on 1<sup>st</sup> April, 2016</b>	113.87
Impairment Loss Recognised as on	43.94
Reversal	
<b>Impairment Loss allowance as on 31<sup>st</sup> March, 2017</b>	157.81
Impairment Loss Recognised	4.09
Reversal	
<b>Loss Allowance as on 31<sup>st</sup> March, 2018</b>	161.90

### C: High Credit Risk Nil:

- 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.
- Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017.
- Cash flow from operating activities provides funds to service financial liabilities on a day-to-day basis.
- 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.
- Following table analyse Company's financial liabilities into relevant maturity grouping based on their contractual maturity for all non derivative financial liabilities.

(₹ in Millions)

As at 31 <sup>st</sup> 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

(₹ in Millions)

As at 31 <sup>st</sup> 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	-	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 1 <sup>st</sup> 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
31 <sup>st</sup> March, 2018	1.24	0.85
31 <sup>st</sup> March, 2017	1.12	0.74
1 <sup>st</sup> 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

(₹ in Millions)

Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> 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 <sup>st</sup> 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 1<sup>st</sup> April, 2016 (At the date of Transition):

(₹ in Millions)

Particulars		Previous (GAAP)	Adjustments	IND AS
<b>I. ASSETS</b>				
<b>1 Non-Current Assets</b>				
(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	-	18.61
(e) Other Non-Current Assets		190.35	2.33	192.68
		<b>3,844.67</b>	<b>(11.51)</b>	<b>3,833.16</b>
<b>2 Current Assets</b>				
(a) Inventories		4,224.68	-	4,224.68
(b) Financial Assets		-		
(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	-	837.00
		<b>10,784.62</b>	<b>575.88</b>	<b>11,360.50</b>
<b>Total Assets</b>		<b>14,629.29</b>	<b>564.37</b>	<b>15,193.66</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share Capital		154.47	-	154.47
(b) Other Equity		3,511.76	(36.66)	3,475.10
		<b>3,666.23</b>	<b>(36.66)</b>	<b>3,629.57</b>
<b>2 Liabilities</b>				
<b>(i) Non-Current Liabilities</b>				
(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
		<b>2,283.95</b>	<b>(289.86)</b>	<b>1,994.09</b>
<b>3 Current Liabilities</b>				
(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	-	1,136.85
(c) Provisions		79.05	(15.37)	63.68
(d) Current Tax Liability (Net)		31.73	-	31.73
		<b>8,679.11</b>	<b>890.89</b>	<b>9,570.00</b>
<b>Total Equity and Liabilities</b>		<b>14,629.29</b>	<b>564.37</b>	<b>15,193.66</b>

Reconciliation of Balance Sheet as at 31<sup>st</sup> March, 2017

(₹ in Millions)

Particulars		Previous (GAAP)	Adjustments	IND AS
<b>ASSETS</b>				
<b>1</b>	<b>Non-Current Assets</b>			
	(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
		<b>4,201.07</b>	<b>(6.53)</b>	<b>4,194.54</b>
<b>2</b>	<b>Current Assets</b>			
	(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
		<b>13,908.71</b>	<b>852.89</b>	<b>14,761.60</b>
	<b>Total Assets</b>	<b>18,109.78</b>	<b>846.36</b>	<b>18,956.14</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share Capital	155.59	-	155.59
	(b) Other Equity	4,578.96	(125.42)	4,453.54
		<b>4,734.55</b>	<b>(125.42)</b>	<b>4,609.13</b>
<b>2</b>	<b>Liabilities</b>			
<b>(i)</b>	<b>Non-Current Liabilities</b>			
	(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
		<b>2,119.11</b>	<b>(951.79)</b>	<b>1,167.32</b>
<b>(ii)</b>	<b>Current Liabilities</b>			
	(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
		<b>11,256.12</b>	<b>1,923.57</b>	<b>13,179.69</b>
	<b>Total Equity and Liabilities</b>	<b>18,109.78</b>	<b>846.36</b>	<b>18,956.14</b>

## Reconciliation of Profit or Loss for the year ended 31<sup>st</sup> March 2017

(₹ in Millions)

Particulars		Previous (GAAP)	Adjustments	IND AS
	<b>Revenue :</b>			
I.	Revenue from operations	28,356.45	(32.20)	28,324.25
II.	Other income	99.63	1.04	100.67
III.	<b>Total Income (I + II)</b>	<b>28,456.08</b>	<b>(31.16)</b>	<b>28,424.92</b>
IV.	<b>Expenses:</b>			
	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
	<b>Total Expenses (IV)</b>	<b>27,118.35</b>	<b>44.06</b>	<b>27,162.41</b>
V.	<b>Profit/loss Before exceptional items and Tax (I - IV)</b>	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 Entitlement	(90.18)	-	(90.18)
	<b>Total Tax Expense (VIII)</b>	<b>351.38</b>	<b>(27.15)</b>	<b>324.23</b>
IX	<b>Profit Before Tax</b>	<b>986.35</b>	<b>(48.07)</b>	<b>938.28</b>
X	<b>Other Comprehensive Income</b>	-	<b>(0.67)</b>	<b>(0.67)</b>
	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			
XI	<b>Total Comprehensive Income for the period (IX+X) (Comprehensive profit and other comprehensive income for the period)</b>	<b>986.35</b>	<b>(48.74)</b>	<b>937.61</b>

## 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 31<sup>st</sup> March, 2017 and 1st April, 2016

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Total Equity (Shareholder's Funds) as per Previous GAAP</b>	4,734.55	3,666.23
<b>Adjustments:</b>		
<b>Amortised Cost</b>		
-- Term Loan	13.75	30.24
-- Security Deposits	(0.33)	(0.25)
-- Loans to staff and workers	(0.74)	(0.47)
<b>Impairment Allowance</b>		
-- Trade Receivables :	(157.81)	(113.87)
<b>Other Adjustments for :</b>		
-- 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
<b>Adjustment for :</b>	-	38.62
-- Proposed Dividend	-	7.86
-- Tax on Proposed Dividend		
<b>Tax Impact on Above Adjustments</b>	66.49	39.36
<b>Total Adjustments in Reserve and Surplus</b>	<b>4,627.17</b>	<b>3,646.94</b>
<b>Other Comprehensive Income</b>		
-- Remeasurement of defined benefit obligation to OCI (Net of Tax)	(14.19)	(17.37)
-- Fair value of Investment through OCI	(3.85)	
<b>Total Adjustments in OCI</b>	<b>(18.04)</b>	<b>(17.37)</b>
<b>Total Equity as per Ind AS</b>	<b>4,609.13</b>	<b>3,629.57</b>

# Reconciliation of Total Comprehensive Income for the year ended on 31<sup>st</sup> March, 2017

(₹ in Millions)

Particulars	For the year ended on 31 <sup>st</sup> March, 2017	
<b>Profit After Tax as per previous GAAP</b>		986.35
<b>Adjustments:</b>		
<b>Amortised Cost</b>		
-- Term Loan	(16.49)	
-- Security Deposits	(0.08)	
-- Loans to staff and workers	(0.27)	(16.84)
<b>Impairment Allowance</b>		
-- Trade Receivables	(43.94)	(43.94)
<b>Other Adjustments for :</b>		
-- 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		
<b>Total Adjustments in Profit and Loss</b>		27.14
<b>Other Comprehensive Income</b>		938.28
<b>Item not to be reclassified to P&amp;L</b>		
-- 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)
<b>Total Adjustments in OCI</b>		
<b>Total Comprehensive Income for the year ended 31<sup>st</sup> March, 2017</b>		<b>937.61</b>

# Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended on 31<sup>st</sup> March, 2017

(₹ in Millions)

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	<b>1,370.67</b>	-	<b>1,370.67</b>
Cash and Cash Equivalents as at 1 <sup>st</sup> April, 2016	(1,639.24)	-	(1,639.24)
Cash and Cash Equivalents as at 31 <sup>st</sup> 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 1<sup>st</sup> April, 2017, with transition date of 1<sup>st</sup> April, 2016. These financial statements for year ended 31<sup>st</sup> March, 2018 are the first financial statements Company has prepared under Ind AS. For all periods up to and including the year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2018, together with comparative information as at and for year ended 31<sup>st</sup> March, 2017 and opening Ind AS Balance Sheet as at 1<sup>st</sup> 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 1<sup>st</sup> April, 2016 and financial statements as at and for year ended 31<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> April, 2016 (refer Note no. 52).
- ii. Reconciliation of Equity as at 31<sup>st</sup> March, 2017 (refer Note no. 52).
- iii. Reconciliation of Statement of Profit and Loss for year ended 31<sup>st</sup> March, 2017 (refer Note no. 52).
- iv. Adjustments to Statement of Cash Flows for year ended 31<sup>st</sup> March, 2017 (refer Note 52).

### **53.1.4 NOTES TO RECONCILIATION OF BALANCE SHEET AS AT 1<sup>st</sup> APRIL, 2016 AND 31<sup>st</sup> MARCH, 2017 AND TOTAL COMPREHENSIVE INCOME FOR YEAR ENDED 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 decreased by ₹ 3.57 Millions. Consequently, total Equity decreased by ₹ 3.57 Millions as at 31<sup>st</sup> March, 2017 (1<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2017. This decreased other reserves by ₹ 3.85 Millions as at 31<sup>st</sup> March, 2017 (1<sup>st</sup> 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 31<sup>st</sup> March, 2017 decreased by ₹ 43.94 Millions. Consequently, total equity decreased by ₹ 157.81 Millions as at 31<sup>st</sup> March, 2017 (1<sup>st</sup> 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 31<sup>st</sup> March, 2017 have been reduced by ₹ 13.75 Millions. (1<sup>st</sup> April, 2016 ₹ 30.24 Millions) with a corresponding adjustment to retained earnings. Total equity increased by an equivalent amount. Profit for year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 have been increased by ₹ 1.48 Millions (1<sup>st</sup> April, 2016: NIL). Profit for year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 have been increased by ₹ 1011.21 Millions (1<sup>st</sup> 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 1<sup>st</sup> April, 2016 & 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 decreased by ₹ 5.41 Millions and total equity decreased by ₹ 17.81 Millions as at 31<sup>st</sup> March, 2017 (1<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> April, 2016. There was no impact as at 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 by ₹ 1661.10 Millions. There is no impact on total equity and profit as at 31<sup>st</sup> March, 2017 & 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 by ₹ 130.44 Million. There is no impact on total equity and profit as at 31<sup>st</sup> March, 2017 & 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 by ₹ 98.24 Million. There is no impact on total equity and profit as at 31<sup>st</sup> March, 2017 & 1<sup>st</sup> 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-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 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 & 1<sup>st</sup> 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 31<sup>st</sup> March, 2017. There is no impact on total equity as at 31<sup>st</sup> March, 2017 & 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 (1<sup>st</sup> April, 2016 ₹ 2.33 Million). Total profit for the year 31<sup>st</sup> March, 2017 decreased by ₹ 0.08 Millions and Total equity as at 31<sup>st</sup> March, 2017 decreased by ₹ 0.33 Millions (₹ 0.25 Millions as on 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 (1<sup>st</sup> April, 2016 ₹ 0.47 Million). Total Profit for the year 31<sup>st</sup> March, 2017 decreased by ₹ 0.27 Million and Total equity as at 31<sup>st</sup> March, 2017 decreased by ₹ 0.74 Million (₹ 0.47 Millions as on 1<sup>st</sup> 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 1<sup>st</sup> 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 ₹ 1.00 per share on face value of ₹ 2.00 per share (previous year ₹0.60 per share on face value of ₹ 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 ₹ 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

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(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. We have audited 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

2. 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.

6. 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March 2017, which includes its share of loss in joint venture and the related transition date opening balance sheet as at 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 dated 10<sup>th</sup> May, 2017 and 21<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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:
- i. 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2018.

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

**CA Pawan Kumar Agarwal**

**Place of signature: New Delhi**

**Partner**

**Date : 17<sup>th</sup> 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**

1. In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended 31<sup>st</sup> 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.
5. 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 31<sup>st</sup> 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 : 17<sup>th</sup> May, 2018** **Membership Number:092345**



**Consolidated Balance Sheet As At 31<sup>st</sup> March, 2018**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2018 (₹ in Millions)	As at 31 <sup>st</sup> March, 2017 (₹ in Millions)	As at 1 <sup>st</sup> April, 2016 (₹ in Millions)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(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	8	2.60	36.62	18.61
(e) Other Non-Current Assets	9	118.79	13.99	192.68
		4,491.67	4,196.39	3,836.68
<b>Current Assets</b>				
(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	168.78	12.06	16.03
(iv) Loans	14	13.89	10.10	10.13
(c) Other Current Assets	15	1,137.55	1,183.12	837.00
		17,707.33	14,761.60	11,360.51
<b>TOTAL</b>		22,199.00	18,957.99	15,197.19
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	16	156.72	155.59	154.47
(b) Other Equity	17	5,890.23	4,455.19	3,478.57
		6,046.95	4,610.78	3,633.04
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(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
		1,921.03	1,167.32	1,994.09
<b>Current Liabilities</b>				
(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
		14,231.02	13,179.89	9,570.06
<b>TOTAL</b>		22,199.00	18,957.99	15,197.19
Significant Accounting Policies And Notes on Financial Statements	1 to 57			

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) &amp; CFO

DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

M.No. 092345

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018**(KISHORE KUNAL)**

GM (Corporate) &amp; Company Secretary

M.No. FCS-9429

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018**(ADARSH KUMAR JAIN)**

Sr. General Manager (Finance)

M.No. 502048

## Consolidated Statement of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2018

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2018 (₹ in Millions)	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)
<b>Revenue</b>			
Revenue from Operations (Gross)	27	35,031.19	28,324.25
Other Income	28	92.99	100.67
<b>Total Income</b>		<b>35,124.18</b>	<b>28,424.92</b>
<b>Expenses</b>			
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 and Stock-in-trade	31	(326.19)	(426.75)
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
<b>Total Expenses</b>		<b>33,079.25</b>	<b>27,162.57</b>
<b>Profit/ (loss) before share of profit /(loss) of joint venture and tax</b>		<b>2,044.93</b>	<b>1,262.35</b>
Share of profit/ (loss) of joint venture (net of tax)		(0.15)	(1.67)
<b>Profit Before Tax</b>		<b>2,044.78</b>	<b>1,260.68</b>
<b>Tax Expense</b>	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	0.17
<b>Profit for the Year</b>		<b>1,447.82</b>	<b>936.45</b>
<b>Other Comprehensive Income</b>	39		
--- Item 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		(3.53)	0.01
--- Income Tax on above * ₹ 1960/-		1.23	(0.00*)
<b>Other Comprehensive Income for the year net of Tax</b>		<b>(8.27)</b>	<b>(0.66)</b>
<b>Total Comprehensive Income for the year net of Tax (Comprising Profit/Loss and Other Comprehensive Income)</b>		<b>1,439.55</b>	<b>935.79</b>
<b>Profit/(Loss) attributable to</b>			
Owners of the Parent		1,447.58	936.45
Non-Controlling Interests		0.24	-
<b>Other Comprehensive Income attributable to</b>			
Owners of the Parent		(8.04)	(0.66)
Non-Controlling Interests		(0.23)	-
<b>Total Comprehensive Income attributable to</b>			
Owners of the Parent		1,439.54	935.79
Non-Controlling Interests		0.01	-
		<b>1,439.55</b>	<b>935.79</b>
Earnings per Equity Share attributable to equity holder of parent:			
Earnings per Equity Share:	40		
Equity shares of face value ₹ 2/- each			
--- Basic (₹)		18.54	12.08
--- Diluted (₹)		18.21	11.78
Significant Accounting Policies And Notes on Financial Statements	1 to 57		

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**

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(ADARSH KUMAR JAIN)**

Sr. General Manager (Finance)

M.No. 502048

**Consolidated Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2018**

Particulars		Year Ended 31 <sup>st</sup> March, 2018 (₹ in Millions)	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax and Extraordinary items	<b>2,044.93</b>	1,262.35
	<b>Adjustments for :</b>		
	Depreciation and Amortisation expense	<b>322.30</b>	284.04
	Dividend received	<b>(0.04)</b>	(0.04)
	Interest Income	<b>(6.48)</b>	(5.10)
	Interest / Finance Charges	<b>1,118.69</b>	1,244.25
	Share based payment expenses	<b>33.04</b>	62.56
	Provision for leave encashment/ Gratuity	<b>28.85</b>	17.00
	Provision for Expected Credit Loss (ECL)	<b>4.09</b>	43.94
	Provision for warranty	<b>1.05</b>	5.41
	Fair Value adjustment due to security deposit/Loan to staff	<b>0.18</b>	0.35
	FCMITDA written off	-	8.59
	Fixed Assets written off	<b>3.58</b>	1.71
	Exchange Fluctuation	<b>(3.53)</b>	0.01
	Loss on sales of Fixed Assets	<b>1.36</b>	0.36
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,548.02</b>	2,925.43
	<b>Working capital adjustments :</b>		
	(Increase)/Decrease in Trade & Other Receivables	<b>(1,953.42)</b>	(2,390.71)
	(Increase)/Decrease in Inventories	<b>(566.64)</b>	(764.57)
	Increase/(Decrease) in Trade and other Payables	<b>1,406.86</b>	245.86
	<b>Cash Generated from operations</b>	<b>2,434.82</b>	16.01
	Direct Taxes paid	<b>(527.52)</b>	(304.22)
	<b>Net Cash from Operating Activities</b>	<b>1,907.30</b>	(288.21)
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets and other capital expenditure	<b>(655.82)</b>	(625.06)
	Sale of Fixed Assets	<b>8.15</b>	6.52
	Sale of Investments	<b>0.25</b>	-
	Investments in subsidiary	-	-
	Interest Income	<b>6.48</b>	5.10
	Dividend Received	<b>0.04</b>	0.04
	Investments/proceeds from deposits with banks	<b>(122.49)</b>	(13.98)
	<b>Net Cash from Investing Activities</b>	<b>(763.39)</b>	(627.38)

## Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2018 (Contd...)

Particulars		Year Ended 31 <sup>st</sup> March, 2018 (₹ in Millions)	Year Ended 31 <sup>st</sup> March, 2017 (₹ in Millions)
<b>(C)</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Proceeds from long term borrowings (Banks)	<b>1,729.51</b>	4.26
	Proceeds from long term borrowings (Others)	-	312.23
	Repayment of long term borrowings (Banks)	<b>(437.12)</b>	(348.07)
	Repayment of long term borrowings (Others)	<b>(888.75)</b>	(490.00)
	Proceeds from finance lease	<b>6.10</b>	20.89
	Repayment of finance lease	<b>(13.54)</b>	(15.02)
	Interest expenses / Finance Charges	<b>(1,118.69)</b>	(1,244.25)
	Inter corporate & other deposits (Net of repayments)	<b>(31.85)</b>	270.14
	Working capital demand Loan from banks	<b>101.19</b>	3,803.24
	Issue of Equity Share Capital (including premium) upon exercise of ESOS; including ₹ 926/- issue of shares to NCI	<b>19.74</b>	19.60
	Contribution from non-controlling interest	<b>0.00</b>	-
	Dividend paid to equity share holders	<b>(46.68)</b>	(38.62)
	Dividend Distribution Tax	<b>(9.50)</b>	(7.86)
	<b>Net Cash from Financing Activities</b>	<b>(689.59)</b>	2,286.54
	<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>454.32</b>	1,370.95
	Cash & Cash Equivalents as at 1 <sup>st</sup> April (Opening Balance)	<b>(268.28)</b>	(1,639.23)
	Cash & Cash Equivalents as at 31 <sup>st</sup> March (Closing Balance)	<b>186.04</b>	(268.28)
	<b>Cash &amp; Cash Equivalents for the purpose of Cash Flow</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
	Cash and Cash Equivalents (Refer Note no. 12)	<b>602.83</b>	321.32
	Less: Bank Overdraft	<b>(416.79)</b>	(589.60)
	<b>Total</b>	<b>186.04</b>	(268.28)

### Note :

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

As per our Separate Report of even date attached

### For 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**

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(ADARSH KUMAR JAIN)**

Sr. General Manager (Finance)

M.No. 502048

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## A. Equity Share Capital

Particulars	Balance as at 1 <sup>st</sup> April, 2016	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2017	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2018
No.s of Shares	77,237,438	560,000	77,797,438	564,000	78,361,438
Amount in Millions	154.47	1.12	155.59	1.13	156.72

## B. Other Equity

Particulars	Attributable to Equity Shareholders of Parent Company							Non Con- trolling Interest	Total Other Equity			
	Reserve and Surplus			Other Comprehensive Income								
	Capital Reserve	Security Premium	General Reserve	Accu- mulated Profit & Loss	FCMITDA	ESOP	Re-Mea- surement of the Net defined benefit Plans			Foreign Currency Trans- lation Reserve (FCTR)	Equity In- struments through other Compre- hensive Income	Total
<b>2016-17</b>												
Balance as at 1 <sup>st</sup> 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)	-	(7.43)	0.00	6.76	934.13	-	934.13
Other Comprehensive Income for the Year	-	-	-	-	-	-	(7.43)	0.01	6.76	(0.66)	-	(0.66)
<b>Total Comprehensive Income for the year 2016-17</b>	-	-	-	<b>936.45</b>	<b>(2.32)</b>	<b>-</b>	<b>(7.43)</b>	<b>0.01</b>	<b>6.76</b>	<b>933.47</b>	<b>-</b>	<b>933.47</b>
Employee Stock Compensation cost for the year	-	-	-	-	-	62.56	-	-	-	62.56	-	62.56
Dividend Paid ( including dividend distribution Tax ) for 2015-16 approved by Shareholders in Annual General Meeting held on 6 <sup>th</sup> 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 allotment of Equity Share (ESOP) during the year	58.31	-	-	-	-	(39.83)	-	-	-	18.48	-	18.48
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>28.00</b>	<b>784.37</b>	<b>21.09</b>	<b>3,573.76</b>	<b>-</b>	<b>66.00</b>	<b>(14.18)</b>	<b>0.01</b>	<b>(3.86)</b>	<b>4,455.19</b>	<b>-</b>	<b>4,455.19</b>
<b>2017-18</b>												-
Addition during the year	-	-	-	1,447.58	-	-	(7.23)	(2.05)	1.26	1,445.53	0.24	1,445.77
Other Comprehensive Income for the Year	-	-	-	-	-	-	(7.23)	(2.05)	1.26	(5.97)	(0.23)	(6.20)
<b>Total Comprehensive Income for the year 2016-17</b>	-	-	-	<b>1,447.58</b>	<b>-</b>	<b>-</b>	<b>(7.23)</b>	<b>(2.05)</b>	<b>1.26</b>	<b>1,439.56</b>	<b>0.01</b>	<b>1,439.57</b>
Employee Stock Compensation cost for the year	-	-	-	(56.18)	-	33.04	-	-	-	33.04	-	33.04
Dividend Paid ( including dividend distribution Tax ) for 2016-17 approved by Shareholders in Annual General Meeting held on 19 <sup>th</sup> July, 2017	-	-	-	-	-	-	-	-	-	(56.18)	-	(56.18)
Securities Premium on allotment of Equity Share (ESOP) during the year	58.72	-	-	-	(40.11)	-	-	-	-	18.61	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>28.00</b>	<b>843.09</b>	<b>21.09</b>	<b>4,965.16</b>	<b>-</b>	<b>58.93</b>	<b>(21.40)</b>	<b>(2.04)</b>	<b>(2.60)</b>	<b>5,890.23</b>	<b>0.01</b>	<b>5,890.23</b>

As per our Separate Report of even date attached

**For PAWAN SHUBHAM & CO.**

Chartered Accountants

Firm Registration No: 0111573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018

**(ADARSH KUMAR JAIN)**

Sr. General Manager (Finance)

M.No. 502048

## Summary of Significant Accounting Policies and Other Explanatory Statements for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 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.

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 31<sup>st</sup> 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. 1<sup>st</sup> April, 2016. In accordance with Ind AS 101, the Group has presented reconciliations of Shareholders' equity under Previous GAAP and Ind AS, as at 1<sup>st</sup> April, 2016 and of the Profit/(Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2018 were authorized and approved for issue by the Board of Directors on 17<sup>th</sup> May, 2018.



## 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, intra-group 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)
<b>Land</b>	
- Lease Hold (Finance Lease)	As per Lease Agreement
- Perpetual Lease	Treated as Freehold Land
<b>Buildings</b>	
- 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
<b>Plant and Machinery</b>	10 - 20 Years
<b>Project Tools</b>	05 Years
<b>Furniture and Fittings</b>	05 - 10 Years
<b>Motor Vehicles</b>	
- Hire Purchase & Owned	08 - 10 Years
<b>Office Equipment</b>	05 Years
<b>Computers</b>	
- 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

- i. **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 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.
- 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 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

- i. **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 certainty 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 ('₹'), 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 1<sup>st</sup> 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 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.

#### **2.22. 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 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.

## **2.31. 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 1<sup>st</sup> 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 28<sup>th</sup> 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 1<sup>st</sup> 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 28<sup>th</sup> 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 1<sup>st</sup> April, 2018.

The Company will adopt the standard on 1<sup>st</sup> April, 2018 by using the Cumulative effect method and accordingly comparatives for the year ending or ended 31<sup>st</sup> 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
<b>Gross Carrying Amount</b>											
Deemed Cost as at 1 <sup>st</sup> 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
<b>At 31<sup>st</sup> March, 2017</b>	<b>3.66</b>	<b>317.45</b>	<b>1,048.89</b>	<b>55.15</b>	<b>2,685.65</b>	<b>63.98</b>	<b>9.58</b>	<b>15.46</b>	<b>39.82</b>	<b>62.69</b>	<b>4,302.33</b>
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
<b>At 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>317.45</b>	<b>1,071.79</b>	<b>78.52</b>	<b>2,919.55</b>	<b>74.53</b>	<b>10.49</b>	<b>28.18</b>	<b>53.79</b>	<b>69.97</b>	<b>4,627.93</b>
<b>Depreciation and Impairment</b>											
<b>At 1<sup>st</sup> April, 2016</b>	-	-	-	-	-	-	-	-	-	-	-
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
<b>At 31<sup>st</sup> March, 2017</b>	<b>-</b>	<b>3.57</b>	<b>34.75</b>	<b>20.41</b>	<b>182.92</b>	<b>12.08</b>	<b>3.21</b>	<b>2.72</b>	<b>10.95</b>	<b>6.97</b>	<b>277.58</b>
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
<b>At 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>7.14</b>	<b>73.22</b>	<b>38.26</b>	<b>392.45</b>	<b>25.02</b>	<b>5.95</b>	<b>7.20</b>	<b>24.45</b>	<b>14.74</b>	<b>588.43</b>
<b>Net book value</b>											
<b>At 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>310.31</b>	<b>998.57</b>	<b>40.26</b>	<b>2,527.10</b>	<b>49.51</b>	<b>4.54</b>	<b>20.98</b>	<b>29.34</b>	<b>55.23</b>	<b>4,039.50</b>
<b>At 31<sup>st</sup> March, 2017</b>	<b>3.66</b>	<b>313.88</b>	<b>1,014.14</b>	<b>34.74</b>	<b>2,502.73</b>	<b>51.90</b>	<b>6.37</b>	<b>12.74</b>	<b>28.87</b>	<b>55.72</b>	<b>4,024.75</b>
<b>At 1<sup>st</sup> April, 2016</b>	<b>3.66</b>	<b>317.45</b>	<b>890.42</b>	<b>55.15</b>	<b>1,874.30</b>	<b>40.50</b>	<b>16.28</b>	<b>6.82</b>	<b>20.43</b>	<b>37.19</b>	<b>3,262.20</b>

**3.1**

- 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.
- Addition to Property, Plant & Equipment includes capitalisation on account of exchange gain (net) ₹ Nil (31<sup>st</sup> March, 2017: ₹ 10.92 Millions, 31<sup>st</sup> March, 2016 ₹ Nil).
- Property, Plant & Equipment pledged as security. Note no. 18 & 21.

#### 4. Capital Work in Progress:

(₹ in Millions)

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

4.1 (a) Contractual commitments for the acquisition of Property, Plant & Equipment is ₹ 132.92 Millions (31<sup>st</sup> March, 2017: ₹ 70.33 Millions, 31<sup>st</sup> 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 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> April, 2016
Building	-	8.18	-
Plant & Equipment	-	32.74	-
Construction Period Expenses Pending allocation	<b>6.76</b>	-	21.59
<b>Total</b>	<b>6.76</b>	40.92	21.59

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

#### 5. Other Intangible Assets:

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>Opening balance at 1<sup>st</sup> April, 2016</b>	<b>17.17</b>	<b>17.17</b>
Addition during the year	16.00	<b>16.00</b>
Adjustment	-	-
<b>Closing balance at 31<sup>st</sup> March, 2017</b>	<b>33.17</b>	<b>33.17</b>
Addition during the year	12.34	<b>12.34</b>
Adjustment	-	-
<b>Closing balance at 31<sup>st</sup> March, 2018</b>	<b>45.51</b>	<b>45.51</b>

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>Amortisation and Impairment</b>		
Opening balance at 1 <sup>st</sup> April, 2016	-	-
Amortisation	5.91	<b>5.91</b>
Impairment		
Closing balance at 31 <sup>st</sup> March, 2017	<b>5.91</b>	<b>5.91</b>
Amortisation	9.29	<b>9.29</b>
Impairment	-	-
Closing balance at 31 <sup>st</sup> March, 2018	<b>15.20</b>	<b>15.20</b>
<b>Net book value</b>		
At 31 <sup>st</sup> March, 2018	<b>30.31</b>	<b>30.31</b>
At 31 <sup>st</sup> March, 2017	<b>27.26</b>	<b>27.26</b>
At 1 <sup>st</sup> April, 2016	<b>17.17</b>	<b>17.17</b>

## 6. Non-Current Investments:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>1 Investments Equity Instruments (Quoted and Unquoted)</b>			
a) Others ** (Investments at fair value through OCI (fully paid))	<b>25.26</b>	23.94	17.97
<b>Total Investments in Equity Instruments</b>	<b>25.26</b>	23.94	17.97
<b>2 Investments Mutual Funds (Unquoted) (Investments at fair value through OCI)</b>			
a) Investments in Mutual Funds***	<b>3.03</b>	3.33	2.52
<b>Total Investments in Mutual Funds</b>	<b>3.03</b>	3.33	2.52
<b>3 Investment in Joint Venture (Unquoted) (Investments at Equity Method)</b>			
a) Investments in Joint Venture of KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland (refer note 6.1)	<b>1.70</b>	1.86	3.53
<b>Total Investments</b>	<b>29.99</b>	29.13	24.02
<b>** Equity Shares (Quoted)</b>			
--- State Bank of India 670 (31 <sup>st</sup> March, 2017 : 670, 1 <sup>st</sup> April, 2016 : 670 ) Equity Shares of ₹ 1 each fully paid	<b>0.17</b>	0.20	0.13
--- PNB Gilts Limited 8000 (31 <sup>st</sup> March, 2017 : 8000, 1 <sup>st</sup> April, 2016 : 8000 ) Equity Shares of ₹ 10 each fully paid	<b>0.28</b>	0.43	0.20
--- Punjab National Bank 11000 (31 <sup>st</sup> March, 2017 : 11000, 1 <sup>st</sup> April, 2016 : 11000) Equity Shares of ₹ 2 each fully paid	<b>1.05</b>	1.66	0.93

(₹ in Millions)

Particulars		As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
---	Dena Bank 2595 (31 <sup>st</sup> March, 2017 : 2595, 1 <sup>st</sup> April, 2016 : 2595) Equity Shares of ₹ 10 each fully paid	<b>0.05</b>	0.10	0.07
---	ICICI Bank Limited 4950 (31 <sup>st</sup> March, 2017 : 4500, 1 <sup>st</sup> April, 2016 : 4500) Equity Shares of ₹ 2 each fully paid	<b>1.38</b>	1.25	1.06
---	YES Bank Limited 1270 (31 <sup>st</sup> March, 2017 : 254, 1 <sup>st</sup> April, 2016 : 254) Equity Shares of ₹ 2 (31 <sup>st</sup> March, 2017 ₹ 10 31 <sup>st</sup> March , 2016 ₹ 10) each fully paid	<b>0.39</b>	0.39	0.22
---	Jaypee Infratech Limited 5000 (31 <sup>st</sup> March, 2017 : 5000, 1 <sup>st</sup> April, 2016 : 5000) Equity Shares of ₹ 10 each fully paid	<b>0.04</b>	0.05	0.04
---	Technofab Engineering Limited 104228 (31 <sup>st</sup> March, 2017 : 104228, 1 <sup>st</sup> April, 2016 : 104228) Equity Shares of ₹ 10 each fully paid	<b>21.90</b>	19.86	15.32
<b>Total Equity Investments (FVOCI)</b>		<b>25.26</b>	23.94	17.97
<b>*** Mutual Funds (Unquoted)</b>				
---	UTI-Opportunities Fund-Growth 11770.711 (31 <sup>st</sup> March, 2017 : 11770.711, 1 <sup>st</sup> April, 2016 : 11770.711) Units of ₹ 10 each fully paid	<b>0.67</b>	0.61	0.52
---	L192D SBI PSU Fund-Regular Plan-Dividend 212944.872 (31 <sup>st</sup> March, 2017 : 212944.872, 1 <sup>st</sup> April, 2016 : 212944.872) Units of ₹ 10 each fully paid	<b>2.36</b>	2.48	1.77
---	SBI Dual Advantage Fund- Growth NIL (31 <sup>st</sup> March, 2017 : 20000, 1 <sup>st</sup> April, 2016 : 20000) Units of ₹ 10 each fully paid	-	0.24	0.23
<b>Total investments in Mutual Funds (FVOCI)</b>		<b>3.03</b>	3.33	2.52
<b>Aggregate value of quoted investments</b>		<b>28.62</b>	28.62	28.62
<b>Aggregate Market value of quoted investments</b>		<b>25.26</b>	23.94	17.97
<b>Aggregate value of unquoted investments</b>		<b>3.03</b>	3.33	2.52
<b>Aggregate amount of impairment in value of investments</b>		-	-	-

**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".

**7. Non-Current Loans:****(₹ in Millions)**

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

**Break-up for Related Parties:****7.1 Non-Current Security Deposit to Related Parties:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Unsecured, Considered good			
Projection Financial & Management Consultants Private Limited *	<b>1.65</b>	1.46	1.30
Anil Gupta HUF *	<b>0.15</b>	0.15	0.15
<b>Total</b>	<b>1.80</b>	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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Unsecured, Considered good</b>			
Kishore Kunal*	<b>0.46</b>	0.76	0.67
<b>Total</b>	<b>0.46</b>	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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Projection Financial & Management Consultants Private Limited	<b>1.65</b>	1.46	1.30
Anil Gupta HUF	<b>0.15</b>	0.15	0.15

**(ii) Maximum Outstanding Balance during the year (At Cost)****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Projection Financial & Management Consultants Private Limited	<b>2.40</b>	2.40	2.40
Anil Gupta HUF	<b>0.15</b>	0.15	0.15

#### 7.4 Investments by Loanee in Equity shares of Company

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Projection Financial & Management Consultants Private Limited	<b>114.20</b>	114.20	114.20
Anil Gupta HUF	<b>13.62</b>	13.62	13.62
<b>Total</b>	<b>127.82</b>	127.82	127.82

#### 8. Other Non-Current Financial Assets:

(₹ in Millions)

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

#### 9. Other Non-Current Assets:

(₹ in Millions)

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

#### 10. Inventories:

(₹ in Millions)

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



**10.1 Break-up for Goods-In-Transit:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
--- Finished Goods	<b>723.53</b>	195.35	-
--- Raw Materials	<b>410.44</b>	85.93	217.87
--- Stores & Spares	<b>0.89</b>	2.31	2.17
--- Packing Materials	-	1.38	1.71
<b>Total</b>	<b>1,134.86</b>	284.97	221.75

**10.2 Finished Goods held at Net Realisable Value:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
--- Finished goods	<b>85.22</b>	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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Trade receivables			
--- Receivables from Related Parties		-	52.00
--- Others	<b>10,390.30</b>	8,403.57	6,311.49
<b>Total</b>	<b>10,390.30</b>	8,403.57	6,363.49
Less: Impairment Allowance	<b>161.90</b>	157.81	113.87
<b>Total</b>	<b>10,228.40</b>	8,245.76	6,249.62
<b>Break-up for Trade Receivables:</b>			
<b>Particulars</b>			
Secured, Considered Good	-	-	-
Unsecured, Considered Good	<b>10,390.30</b>	8,403.57	6,311.49
Doubtful	-	-	-
Less: Impairment Allowance	<b>161.90</b>	157.81	113.87
<b>Total</b>	<b>10,228.40</b>	8,245.76	6,197.62
<b>Break-up for Related Parties:</b>			
<b>Particulars</b>			
Receivables from Joint Venture of KEI Industries Ltd, New Delhi & Brugg Kabel AG, Switzerland	-	-	52.00
<b>Total</b>	-	-	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 entirety 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Total Transferred Receivables	<b>2,185.97</b>	1,011.21	689.59
Associated Secured borrowing (Refer Note No. 21)	<b>2,185.97</b>	1,011.21	689.59

**12. Cash and Cash Equivalents:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Cash in Hand	<b>3.65</b>	3.80	4.89
Balances with Banks			
--- Current Accounts	<b>456.67</b>	317.51	15.55
--- Fixed Deposits with less than 3 Month Maturity	<b>142.51</b>	0.01	2.61
<b>Total</b>	<b>602.83</b>	321.32	23.05

**12.1 Finished Goods held at Net Realisable Value:** (₹ in Millions)

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

**13.1** (₹ in Millions)

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

**14. Current Loans:** (₹ in Millions)

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

**14.1 Current Loans to Related Party:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Unsecured, Considered Good</b>			
Kishore Kunal*	0.29	0.27	0.13
<b>Total</b>	<b>0.29</b>	<b>0.27</b>	<b>0.13</b>

\* Against salary

**15. Other Current Assets:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>1,137.55</b>	<b>1,183.12</b>	<b>837.00</b>

**15.1 Break-up of Advance to Related Party:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Recoverable from Joint Venture	0.91	-	3.18
<b>Total</b>	<b>0.91</b>	<b>-</b>	<b>3.18</b>

**16. Equity Share Capital:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Authorised</b>			
110,000,000 (31 <sup>st</sup> March, 2017 : 110,000,000, 1 <sup>st</sup> April, 2016 : 110,000,000) Equity Shares of ₹ 2/- each	220.00	220.00	220.00
300,000 (31 <sup>st</sup> March, 2017 : 300,000, 1 <sup>st</sup> April, 2016 : 300,000) Preference Shares of ₹ 100/- each	30.00	30.00	30.00
<b>Total</b>	<b>250.00</b>	<b>250.00</b>	<b>250.00</b>
<b>Issued, Subscribed &amp; paid-up</b>			
78,361,438 (31 <sup>st</sup> March, 2017 : 77,797,438, 1 <sup>st</sup> April, 2016 : 77,237,438) Equity shares of ₹ 2/- each fully paid	156.72	155.59	154.47
<b>Total</b>	<b>156.72</b>	<b>155.59</b>	<b>154.47</b>

### 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:

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	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 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> 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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
	Nos. of shares	Nos. of shares	Nos. of shares
<b>Options available under ESOS</b>			
-- 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	-
<b>-- Options available at the close of the year</b>	<b>1,128,000</b>	<b>1,692,000</b>	<b>2,252,000</b>

For terms and other details refer note no 42

**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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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)
<b>Total</b>	<b>5,890.23</b>	<b>4,455.19</b>	<b>3,478.57</b>

**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:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>(i) Secured</b>			
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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>(ii) Unsecured</b>			
Deposits			
-- Public Deposits	<b>48.81</b>	52.99	35.22
-- Deposits from Related Parties	<b>29.35</b>	7.82	3.35
Loans from Related Parties	-	3.00	4.50
<b>Total</b>	<b>1,456.62</b>	763.51	1,634.57

### 18.1 Nature of Security and Repayment Terms of Term Loan:

(₹ in Millions)

Sl. No.	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	1 <sup>st</sup> 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
<b>Total</b>	<b>2,271.19</b>	<b>1,867.56</b>	<b>2,386.80</b>		
Less:	910.99	1,192.78	817.61	Current Maturities of Long Term Borrowings (Note 23)	
<b>Total</b>	<b>1,360.20</b>	<b>674.78</b>	<b>1,569.19</b>	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.

**19. Non Current Provisions:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Employee benefits			
---Provision for Leave Encashment	<b>67.21</b>	50.63	40.02
	<b>67.21</b>	50.63	40.02

**20. Deferred Tax Liability (Net):****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Deferred Tax Liability :</b>			
Additional depreciation/amortisation on PPE and Other Intangible Assets	<b>515.89</b>	460.67	403.47
Other timing differences	<b>9.32</b>	8.69	14.04
<b>Total Deferred Tax Liabilities</b>	<b>525.21</b>	469.36	417.51
<b>Deferred Tax Asset :</b>			
Liabilities / provisions that are deducted for tax purposes when paid	<b>51.45</b>	46.83	49.69
Provision for doubtful debts/impairment allowance	<b>56.57</b>	54.61	39.40
Defined benefit obligations	<b>11.39</b>	7.51	3.57
Other timing differences	<b>8.60</b>	7.23	5.35
<b>Total Deferred Tax Assets</b>	<b>128.01</b>	116.18	98.01
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(397.20)</b>	(353.18)	(319.50)

**20.1 Movement in Deferred Tax Assets:****(₹ in Millions)**

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
<b>As at 1<sup>st</sup> April, 2016</b>	<b>39.40</b>	<b>3.57</b>	<b>49.69</b>	<b>5.35</b>	<b>98.01</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	15.21	-	(2.86)	1.88	<b>14.23</b>
-- Other Comprehensive Income * ₹ (1980)/-	-	3.94	-	(0.00)*	<b>3.94</b>
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2017</b>	<b>54.61</b>	<b>7.51</b>	<b>46.83</b>	<b>7.23</b>	<b>116.18</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.96	-	4.62	0.13	<b>6.71</b>
-- Other Comprehensive Income	-	3.88	-	1.24	<b>5.12</b>
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>56.57</b>	<b>11.39</b>	<b>51.45</b>	<b>8.60</b>	<b>128.01</b>

## 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
<b>As at 1<sup>st</sup> April, 2016</b>	403.47	14.04	<b>417.51</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	57.20	(5.35)	<b>51.85</b>
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2017</b>	<b>460.67</b>	<b>8.69</b>	<b>469.36</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	55.22	0.63	<b>55.85</b>
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>515.89</b>	<b>9.32</b>	<b>525.21</b>

## 20.3 Unused Tax Credit:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	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:

(₹ in Millions)

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

\* For Loans From Related Party Refer Note No. 45



**21.1** Working Capital facilities from banks are secured by 1<sup>st</sup> pari-passu charge by way of hypothecation on the entire current assets including raw material stock in process finished goods consumable stores & spares and receivables of the Company 1<sup>st</sup> pari-passu charge on present and future fixed assets at SP 920-922, RIICO Industrial Area, Phase-III, Bhiwadi, Distt. Alwar, (Rajasthan) and movable fixed assets at D-90, Okhla Industrial Area, Phase-I, New Delhi, 2<sup>nd</sup> pari-passu charge by equitable mortgage of property of the Land and Building at 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa, (D & N H), Plot No. A 280-284, Chopanki, 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>6,284.66</b>	<b>4,805.42</b>	<b>4,321.72</b>

**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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>941.35</b>	<b>1,232.59</b>	<b>836.54</b>

**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 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>817.60</b>	<b>881.38</b>	<b>1,136.85</b>

## 25. Current Provisions:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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
<b>Total</b>	<b>111.29</b>	<b>86.86</b>	<b>63.68</b>

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

(₹ in Millions)

Particulars	Leave Encashment	Gratuity	Warranty Provision
<b>As at 1<sup>st</sup> April, 2017</b>	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
<b>As at 31<sup>st</sup> March, 2018</b>	<b>76.75</b>	<b>82.89</b>	<b>18.86</b>

#### 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 eligible 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:

(₹ in Millions)

Particulars	Expense recognised in 2017-18	Expense recognised in 2016-17
Contributory Provident Fund & Employees Pension Scheme 1995	40.58	23.67

**a) The amounts recognised in the Balance Sheet is as under:** (₹ in Millions)

Particulars	Period	Gratuity	Leave Encashment
Present value of obligations as at the end of year	2017-18	171.11	76.75
	2016-17	137.39	57.51
Fair value of plan assets as at the end of the year	2017-18	88.22	-
	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
	2016-17	13.45	9.86
Interest Cost on Defined Benefit Obligation	2017-18	9.89	4.14
	2016-17	8.08	3.40
Interest Income on Plan Assets	2017-18	5.42	-
	2016-17	4.63	-
Net Actuarial (Gain) / Loss recognized in the period	2017-18	4.48	-
	2016-17	3.45	-
Expenses recognized in Statement of Profit and Loss	2017-18	22.66	23.84
	2016-17	16.90	15.16

**c) Expenses recognized in Other Comprehensive Income is as under:** (₹ in Millions)

Particulars	Period	Gratuity	Leave Encashment
Actuarial (Gains)/Loss on Defined Benefit Obligation	2017-18	11.65	-
	2016-17	12.09	-
Actuarial (Gains)/Loss on Asset	2017-18	(0.54)	-
	2016-17	(0.72)	-
Actuarial Gain/(Loss) recognized in Other Comprehensive Income	2017-18	11.11	-
	2016-17	11.37	-

**d) Movements in the present value of the Defined Benefit Obligations:** (₹ in Millions)

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
Acquisition Adjustment	2017-18	-	-
	2016-17	-	-

(₹ in Millions)

Particulars	Period	Gratuity	Leave Encashment
Interest Cost	2017-18	9.89	4.14
	2016-17	8.08	3.40
Current Service Cost	2017-18	18.19	14.96
	2016-17	13.45	9.86
<b>Actuarial (Gains)/Losses arising from:</b>			
Changes in Demographic Assumptions	2017-18	Nil	Nil
	2016-17	Nil	Nil
Changes in Financial Assumptions	2017-18	6.74	2.53
	2016-17	3.11	1.10
Experience Adjustments	2017-18	4.90	2.21
	2016-17	8.98	0.80
Past Service Cost	2017-18	-	-
	2016-17	-	-
Benefits Paid	2017-18	(6.01)	(4.60)
	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
Fair Value of plan assets as on beginning of year	2017-18	75.22	-
	2016-17	61.74	-
Interest Income	2017-18	5.42	-
	2016-17	4.63	-
Re-measurement Gain/(Loss) – return on plan assets (excluding amounts included in net interest expense)	2017-18	0.54	-
	2016-17	0.72	-
Contributions from the employer	2017-18	13.05	-
	2016-17	12.14	-
Benefits paid	2017-18	(6.01)	-
	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:**

(₹ in Millions)

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
Retirement Age	2017-18	58 yrs	58 yrs
	2016-17	58 yrs	58 yrs
Mortality Rates	2017-18	As per Indian Assured Lives Mortality (2006-08) Table	
	2016-17		
Age		Withdrawal Rate	Withdrawal Rate
Up to 30 Years	2017-18	3.00%	3.00%
	2016-17	3.00%	3.00%
From 31 to 44 years	2017-18	2.00%	2.00%
	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:

(₹ in Millions)

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
	2016-17	7.13	6.40
3	2017-18	5.01	6.65
	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
	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:

Particulars	As at 31 <sup>st</sup> March, 2018	
	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 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	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): (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> 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 31<sup>st</sup> March, 2017 : ₹ 90.18 Millions, In 31<sup>st</sup> March, 2016 ₹ 124.62 Millions).

**27. Revenue From Operations (Gross):****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Sale of Products				
--- Manufactured Goods	<b>26,005.26</b>		22,986.17	
--- Traded Goods	<b>10.83</b>	<b>26,016.09</b>	17.44	23,003.61
Income from Turnkey Projects (Refer note 27.3)		<b>8,672.21</b>		5,050.30
Job Work		<b>3.91</b>		4.45
Other operating Revenues				
--- Export Benefits	<b>42.23</b>		18.88	
--- Unadjusted Credit balances written back	<b>28.69</b>		4.42	
--- Scrap	<b>268.06</b>	<b>338.98</b>	242.59	265.89
<b>Total</b>		<b>35,031.19</b>		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 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Cables		<b>18,813.61</b>		17,409.09
Stainless Steel Wires		<b>1,167.85</b>		1,128.24
Winding Wire, Flexible & House Wires		<b>6,023.80</b>		4,448.84
<b>Total</b>		<b>26,005.26</b>		22,986.17

**27.2 Details of Sales (Traded Goods):****(₹ in Millions)**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Miscellaneous		<b>10.83</b>		17.44
<b>Total</b>		<b>10.83</b>		17.44

**27.3 Income from Turnkey Projects:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Income from Turnkey Projects		<b>8,672.21</b>		5,050.30
<b>Total</b>		<b>8,672.21</b>		5,050.30

## 28. Other Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 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
<b>Total</b>		<b>92.99</b>		<b>100.67</b>

## 29. Cost of Materials Consumed:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>Raw Materials Consumed</b>				
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
<b>Turnkey Project Materials</b>				
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
		<b>24,422.77</b>		<b>18,686.70</b>

## 30. Purchases of Stock in Trade:

(₹ in Millions)

Class of Goods	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>Miscellaneous</b>		15.12		15.96
<b>Total</b>		<b>15.12</b>		<b>15.96</b>

## 31. Changes in Inventory of Finished Goods, Work in Progress and Stock in trade:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>Opening Stock</b>				
--- 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
<b>Less : Closing Stock</b>				
--- 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
<b>Total</b>		<b>(326.19)</b>		<b>(426.75)</b>



**32. Employee Benefits Expense:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> 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
<b>Total</b>		<b>1,467.92</b>		<b>1,117.27</b>

For Managerial Remuneration refer Related Party Disclosure Note No. 45

**33. Finance Costs:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Interest expenses		884.47		949.56
Other borrowing costs		234.22		294.69
<b>Total</b>		<b>1,118.69</b>		<b>1,244.25</b>

**34. Depreciation and Amortisation Expense:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Depreciation on Property, Plant & Equipment		313.01		278.13
Amortisation on Other Intangible Assets		9.29		5.91
<b>Total</b>		<b>322.30</b>		<b>284.04</b>

**35. Sub-Contractor Expenses for Turnkey Projects:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Sub-Contractor's Expenses		1,085.54		579.29
<b>Total</b>		<b>1,085.54</b>		<b>579.29</b>

**36. Excise Duty:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
Excise Duty on Sales		505.50		1,661.10
Excise Duty on Stock/Transfers *		(129.30)		378.59
<b>Total</b>		<b>376.20</b>		<b>2,039.69</b>

\*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 Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 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	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 (Refer Note 37.1)		4.40		4.55
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 (Refer Note 37.3)		12.65		7.68
FCMITDA written off		-		8.59
<b>Total</b>		<b>4,596.91</b>		<b>3,622.12</b>

#### 37.1 Auditor's Remuneration:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> 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
<b>Total</b>		<b>4.40</b>		<b>4.55</b>

**37.2** Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 18.84 Millions (31<sup>st</sup> March, 2017 : ₹ 11.40 Millions).

**37.3 Amount spent during the year on:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
i) Construction/Acquisition of any assets		-		-
ii) On purpose other than (i) above		12.65		7.68
<b>Total</b>		<b>12.65</b>		<b>7.68</b>

**38. Income Tax Expense:****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>(a) Income tax expense</b>				
<b>Current tax</b>				
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
<b>Deferred tax</b>				
(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>(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate</b>				
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%
<b>Tax effect of amounts which are not deductible (allowable) in calculating taxable income :</b>				
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
<b>Other items :</b>				
Deduction under various sections of Income Tax Act, 1961		24.57		99.55
<b>Total</b>		398.16		428.06
<b>Tax effect of amounts which are deductible (allowable) in calculating taxable income :</b>				
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		
<b>Other items :</b>				
Corporate Social Responsibility Expenditure/Donation		7.51		3.52
Investment allowance				120.48
Allowed under various sections of Income Tax Act, 1961		15.24		13.70
<b>Total</b>		511.74		602.18
<b>Total Net Taxable Income</b>		1,931.35		1,088.23
<b>Tax at India tax rate</b>		668.40		376.62
<b>Tax at Australia tax rate</b>		0.92		-
<b>Actual Tax Expense booked</b>		669.32		376.62

### 39. Other Comprehensive Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> March, 2017	
<b>Items that will not be reclassified to Profit or Loss :</b>				
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
<b>Items that will be reclassified to profit or loss:</b>				
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)
<b>Total</b>		<b>(8.27)</b>		<b>(0.66)</b>

### 40. Earnings Per Equity Share ('EPS') pursuant to Ind AS-33 has been calculated as follows:

#### (A) Earnings Per Equity Share

Particulars	Year Ended 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> 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 31 <sup>st</sup> March, 2018		Year Ended 31 <sup>st</sup> 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
<b>Weighted Average Number of Equity shares for Basic EPS</b>		<b>78,087,937</b>		<b>77,527,411</b>
Add: Adjustment for Employee Stock Options outstanding		1,401,501		1,962,027
<b>Weighted Average Number of equity shares for Diluted EPS</b>		<b>79,489,438</b>		<b>79,489,438</b>

### 41. In terms of provision of Ind AS -11 on "Construction Contracts" for Lump Sum Turnkey Projects for contract in progress as on 31<sup>st</sup> March, 2018:

- The aggregate amount of cost incurred and recognised profit upto 31<sup>st</sup> March, 2018 ₹ 16137.26 Millions, (31<sup>st</sup> March, 2017: ₹ 12,765.05 Millions).
- The amount of advances received ₹ 237.04 Millions (31<sup>st</sup> March, 2017: ₹ 270.88 Millions).
- The amount of retention ₹ 1607.22 Millions (31<sup>st</sup> March, 2017: ₹ 1269.51 Millions).
- Gross amount due to customers ₹ 1710.75 Millions (31<sup>st</sup> March, 2017: ₹ 14.40 Millions).
- Gross amount due from customers ₹ 652.78 Millions (31<sup>st</sup> 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:

<b>Vesting Particulars</b>	<b>Options vested</b>	<b>Weighted average exercise price (₹)</b>	<b>Weighted average remaining life in years</b>
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	560,000	35.00	1.04
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	564,000	35.00	2.04
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	564,000	35.00	3.04
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	564,000	35.00	4.04
<b>Total Options Granted at an exercise price of ₹ 35.00 per option</b>			

- 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:**

<b>Particulars</b>	<b>KEI ESOS 2015</b>	
	<b>2017-18</b>	<b>2016-17</b>
Date of Grant	<b>23.09.2015</b>	23.09.2015
Options Outstanding at the beginning of the year	<b>1,692,000</b>	2,252,000
Options Granted during the year	<b>Nil</b>	Nil
Option Forfeited during the year	<b>Nil</b>	Nil
Option Vested	<b>564,000</b>	560,000
Option Exercised	<b>564,000</b>	560,000
Option Expired during the year	<b>Nil</b>	Nil
Options Outstanding at the end of the year	<b>1,128,000</b>	1,692,000
Weighted Average Share Price at the date of exercise of Options (₹ per share)	<b>312.68</b>	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:

Particulars	KEI ESOS 2015	
	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)

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
<b>Total</b>	<b>34.09</b>	<b>43.76</b>	<b>3.94</b>	<b>6.17</b>	<b>30.15</b>	<b>37.59</b>

- 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:

(₹ in Millions)

Particulars		Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017
44.1	<b>Claims against Company not acknowledged as debt:</b>		
	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

(₹ in Millions)

<b>44.2</b>	<b>Guarantees against Performance/Security/EMD:</b>	<b>7,895.13</b>		7,699.95	
<b>44.3</b>	<b>Other money for which Company is contingently liable:</b>				
	a) Unutilised Letter of Credits	<b>615.53</b>		121.35	
	b) Outstanding LC Discounted	<b>884.19</b>		669.48	
<b>44.4</b>	<b>Commitments:</b>				
	Estimated amount of contracts remaining to be executed on Capital Account	<b>132.92</b>		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 Incorporation	Ownership Interest		
	31.03.2018	31.03.2017	01.04.2016
India	75% participation and 100% share 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. 10<sup>th</sup> 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<sup>th</sup> June, 2017 )  
 Smt. Shashi Gupta  
 Smt. Vimla Devi  
 Smt. Veena Agarwal  
 Smt. Shweta Jha  
 Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10<sup>th</sup> 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**

**(₹ in Millions)**

<b>PARTICULARS</b>		<b>2017-18</b>	<b>2016-17</b>
<b>(i) Sales</b>			
<b>Jointly Controlled entity</b>			
Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	-	4.18	
	-	<b>4.18</b>	
<b>(ii) Purchase - Project Material</b>			
<b>Jointly Controlled entity</b>			
Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	-	2.36	
	-	<b>2.36</b>	
<b>(iii) Purchase - Fixed Assets</b>			
<b>Jointly Controlled entity</b>			
Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	-	2.52	
	-	<b>2.52</b>	
<b>(iv) Reimbursement of Expenses Paid</b>			
<b>Enterprises over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b>			
Cable Grid Australia PTY Ltd.	1.58	0.03	
	<b>1.58</b>	<b>0.03</b>	
<b>Jointly Controlled entity</b>			
Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	0.62	5.23	
	<b>0.62</b>	<b>5.23</b>	
<b>(v) Advance Given</b>			
<b>Jointly Controlled entity</b>			
Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	7.76	18.90	
	<b>7.76</b>	<b>18.90</b>	
<b>(vi) Loan Given</b>			
<b>Key Managerial Personnel</b>			
Shri Kishore Kunal, Company Secretary	-	0.50	
	-	<b>0.50</b>	
<b>(vii) Advance Outstanding</b>			
<b>Jointly Controlled entity</b>			
Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	0.91	-	
	<b>0.91</b>	-	
<b>(viii) Loan Outstanding</b>			
<b>Key Managerial Personnel</b>			
Shri Kishore Kunal, Company Secretary	0.75	1.03	
	<b>0.75</b>	<b>1.03</b>	



(₹ in Millions)

PARTICULARS		2017-18	2016-17
(ix)	<b>Maximum balance of advance given during the year</b>		
	<b>Jointly Controlled entity</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG, Switzerland (Association of Persons)	1.78	23.54
		<b>1.78</b>	<b>23.54</b>
(x)	<b>Maximum balance of loan given during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal, Company Secretary	1.02	1.19
		<b>1.02</b>	<b>1.19</b>
(xi)	<b>Interest expense on deposits/ Unsecured Loan</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	1.28	0.38
	Soubhagya Agency Private Limited	-	0.18
	KEI Cables Private Limited	0.08	0.09
		<b>1.36</b>	<b>0.65</b>
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta (Expired on 9 <sup>th</sup> June, 2017 )	0.02	0.07
	Shri Sunil Gupta	0.35	0.13
	Smt. Shweta Jha	0.17	0.03
		<b>0.54</b>	<b>0.23</b>
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal, Company Secretary	0.05	-
	Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 <sup>th</sup> May, 2017)	0.02	0.04
		<b>0.07</b>	<b>0.04</b>
	<b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b>		
	Sunil Gupta (HUF)	0.31	0.28
		<b>0.31</b>	<b>0.28</b>
(xii)	<b>Deposits/Unsecured Loan received during the year</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	18.50	-
		<b>18.50</b>	<b>-</b>
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	5.00	2.50
	Smt. Shweta Jha	1.85	1.75
		<b>6.85</b>	<b>4.25</b>
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	-	250.00
	Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 <sup>th</sup> May, 2017)	-	0.42
		<b>-</b>	<b>250.42</b>

(₹ in Millions)

PARTICULARS		2017-18	2016-17
(xiii)	<b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b>		
	Sunil Gupta (HUF)	4.00	-
		<b>4.00</b>	-
	<b>Deposits/Unsecured Loan paid during the year</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	3.00	1.50
	Soubhagya Agency Private Limited	-	1.80
		<b>3.00</b>	<b>3.30</b>
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta (Expired on 9 <sup>th</sup> June, 2017 )	0.65	-
	Shri Sunil Gupta	2.50	-
	Smt. Shweta Jha	1.75	-
		<b>4.90</b>	-
	<b>Key Managerial Personnel</b>		
(xiv)	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 <sup>th</sup> May, 2017)	0.42	-
		<b>46.62</b>	-
	<b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b>		
	Sunil Gupta (HUF)	2.50	-
		<b>2.50</b>	-
	<b>Credit balance outstanding as at the year end</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	18.50	3.00
	KEI Cables Private Limited	0.80	0.80
		<b>19.30</b>	<b>3.80</b>
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta (Expired on 9 <sup>th</sup> June, 2017 )	-	0.65
	Shri Sunil Gupta	5.00	2.50
	Smt. Shweta Jha	1.85	1.75
		<b>6.85</b>	<b>4.90</b>
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta, Chairman-cum-Managing Director	205.00	250.00
	Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 <sup>th</sup> May, 2017)	-	0.42
		<b>205.00</b>	<b>250.42</b>

(₹ in Millions)

PARTICULARS		2017-18	2016-17
(xv)	<b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b>		
	Sunil Gupta (HUF)	4.00	2.50
		<b>4.00</b>	<b>2.50</b>
	<b>Rent paid for use of assets</b>		
	<b>Other related parties in the group where common control exists</b>		
	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
		<b>6.50</b>	<b>5.40</b>
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
(xvi)	Smt. Archana Gupta, Director	0.96	0.96
	Shri Sunil Gupta	14.40	11.80
		<b>15.36</b>	<b>12.76</b>
	<b>Outstanding of Security Deposit Given</b>		
	<b>Other related parties in the group where common control exists</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	1.65	1.46
		<b>1.80</b>	<b>1.61</b>
	<b>Managerial Remuneration</b>		
	<b>Key Managerial Personnel</b>		
(xvii)	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 <sup>th</sup> May, 2017)	4.32	-
		<b>162.83</b>	<b>90.88</b>
	<b>Employee Benefits Expenses</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal, Company Secretary	14.43	5.86
		<b>14.43</b>	<b>5.86</b>
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Akshit Diviaj Gupta, Whole Time Director (w.e.f. 10 <sup>th</sup> May, 2017)	0.24	1.89
(xix)		<b>0.24</b>	<b>1.89</b>
	<b>Expenses Payable</b>		
	<b>Key Managerial Personnel</b>		
	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 <sup>th</sup> May, 2017)	1.72	0.08
	Shri Kishore Kunal, Company Secretary	0.17	0.14
		<b>6.68</b>	<b>24.91</b>

(₹ in Millions)

PARTICULARS		2017-18	2016-17
	<b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b>		
	Cable Grid Australia PTY Ltd.	0.66	-
		<b>0.66</b>	<b>-</b>
(xx)	<b>Director's Meeting Fees</b>		
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt. Archana Gupta, Director	0.65	0.40
		<b>0.65</b>	<b>0.40</b>
(xxi)	<b>Dividend Paid</b>		
	<b>Other related parties in the group where common control exists</b>		
	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
		<b>13.05</b>	<b>10.87</b>
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	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	-
		<b>0.54</b>	<b>0.45</b>
	<b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b>		
	Sunil Gupta (HUF) ₹ 180/- (Previous Year ₹ 50/-)	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
	<b>Key Managerial Personnel</b>		
	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
		<b>8.34</b>	<b>7.80</b>

(₹ in Millions)

PARTICULARS		2017-18	2016-17
(xxii)	<b>Equity Share Allotment ( ESOS Scheme)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta, Executive Director Finance	0.30	0.30
	Shri Kishore Kunal, Company Secretary	0.08	0.08
		<b>0.38</b>	<b>0.38</b>
(xxiii)	<b>Security Premium on share allotment (ESOS Scheme)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta, Executive Director Finance	4.95	4.95
	Shri Kishore Kunal, Company Secretary	1.39	1.39
		<b>6.34</b>	<b>6.34</b>
(xxiv)	<b>Defined Benefit Obligation for Gratuity Benefit</b>		
	<b>Key Managerial Personnel</b>		
	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 <sup>th</sup> May, 2017)	0.07	0.03
		<b>41.10</b>	<b>38.35</b>
(xxv)	<b>Defined Benefit Obligation for Leave Encashment Benefit</b>		
	<b>Key Managerial Personnel</b>		
	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 <sup>th</sup> May, 2017)	0.09	0.02
		<b>1.91</b>	<b>1.61</b>
(xxvi)	<b>Purchases</b>		
	<b>Venturer of Joint Venture</b>		
	Brugg Kabel AG, Switzerland	-	7.51
		<b>-</b>	<b>7.51</b>
(xxvii)	<b>Payable outstanding at year end</b>		
	<b>Venturer of Joint Venture</b>		
	Brugg Kabel AG, Switzerland	-	7.13
		<b>-</b>	<b>7.13</b>
	<b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b>		
	Cable Grid Australia PTY Ltd.	6.34	0.20
		<b>6.34</b>	<b>0.20</b>

(₹ in Millions)

PARTICULARS		2017-18	2016-17
(xxviii)	<b>Commission on Sales</b> <b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b> Cable Grid Australia PTY Ltd.	42.69	-
		<b>42.69</b>	<b>-</b>
(xxix)	<b>Professional Fees paid</b> <b>Enterprises Over which person mentioned in (iv &amp; v) above are able to exercise significant control and transactions have taken place:</b> Cable Grid Australia PTY Ltd.	0.01	0.17
		<b>0.01</b>	<b>0.17</b>

**c) Non-Financial Transactions**

- Shri Anil Gupta has given personal guarantee to banks for Company's borrowings.
- 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.
- 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 31<sup>st</sup>, 2018 and March 31<sup>st</sup>, 2017.

(₹ in Millions)

Particulars	Cables		Stainless steel Wire		Turnkey Projects		Unallocated		Inter Segment Elimination		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Revenue (Gross)</b>												
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)	-	-
<b>Total Revenue</b>	<b>27,332.33</b>	<b>22,718.63</b>	<b>1,182.55</b>	<b>1,139.05</b>	<b>9,561.48</b>	<b>6,754.40</b>			<b>(3,045.17)</b>	<b>(2,287.83)</b>	<b>35,031.19</b>	<b>28,324.25</b>
<b>Result</b>												
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
<b>Profit Before Taxation</b>	<b>2,964.32</b>	<b>2,654.49</b>	<b>70.57</b>	<b>77.04</b>	<b>1,038.44</b>	<b>617.74</b>	<b>(2,002.44)</b>	<b>(2,083.77)</b>	<b>(26.11)</b>	<b>(4.82)</b>	<b>2,044.78</b>	<b>1,260.68</b>
Taxation											<b>596.96</b>	<b>324.23</b>
Net Profit											<b>1,447.82</b>	<b>936.45</b>
<b>Other Information</b>												
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	609.69
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):

(₹ in Millions)

Segment Revenue by location of customers	Domestic		Overseas		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>External Revenue (Gross)</b>	30,422.11	24,531.06	4,609.08	3,793.19	35,031.19	28,324.25
<b>Addition to Non-Current Assets</b>	550.27	803.45	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:

Particulars	Note Reference	31 <sup>st</sup> March, 2018				31 <sup>st</sup> March, 2017				1 <sup>st</sup> April, 2016			
		FVPL	FVOCI	Amortized Cost	Fair Value	FVPL	FVOCI	Amortized Cost	Fair Value	FVPL	FVOCI	Amortized Cost	
<b>Financial Assets</b>													
Investments	6												
- 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	-	-	43.20	43.20	-	-	38.77	
Trade Receivables	11	-	-	10,228.40	10,228.40	-	-	8,245.76	8,245.76	-	-	6,249.62	
Cash and Cash equivalents:	12	-	-	602.83	602.83	-	-	321.32	321.32	-	-	23.05	
Bank Balances other than Cash and Cash equivalents:	13	-	-	168.78	168.78	-	-	12.06	12.06	-	-	16.03	
Other Financial Assets	8	-	-	2.60	2.60	-	-	36.62	36.62	-	-	18.61	
<b>Total financial assets</b>		-	<b>28.29</b>	<b>11,057.19</b>	<b>11,085.67</b>	-	<b>27.27</b>	<b>8,658.97</b>	<b>8,686.23</b>	-	<b>20.49</b>	<b>6,346.07</b>	
<b>Financial Liabilities</b>													
Borrowings	18 & 21	7,498.31	-	-	7,498.31	6,923.02	-	-	6,923.02	4,814.11	-	-	
Trade Payables	22	-	-	6,284.66	6,284.66	-	-	4,805.42	4,805.42	-	-	4,321.72	
Other Financial Liabilities:	23	-	-	941.35	941.35	-	-	1,232.59	1,232.59	-	-	836.54	
<b>Total financial liabilities</b>		<b>7,498.31</b>	-	<b>7,226.01</b>	<b>14,724.32</b>	<b>6,923.02</b>	-	<b>6,038.01</b>	<b>12,961.03</b>	<b>4,814.11</b>	-	<b>5,158.26</b>	

- (i) 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.
- (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 31 <sup>st</sup> March, 2018	Note Reference	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Investments at FVOCI	6				
- Equity Instruments		25.26	-	-	<b>25.26</b>
- Mutual funds		-	3.03	-	<b>3.03</b>
Loans	7 & 14			54.56	<b>54.56</b>
<b>Total Financial Assets</b>		<b>25.26</b>	<b>3.03</b>	<b>54.56</b>	<b>82.85</b>
<b>Financial Liabilities</b>					
Borrowings	18 & 21	-	-	7,498.31	<b>7,498.31</b>
Other Financial Liabilities	23	-	-	941.35	<b>941.35</b>
<b>Total Financial Liabilities</b>		-	-	<b>8,439.66</b>	<b>8,439.66</b>

(₹ in Millions)

Financial Assets and Liabilities measured at fair value - recurring fair value measurements as at 31 <sup>st</sup> March, 2017	Note Reference	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Investments at FVOCI	6				
- Equity Instruments		23.94	-	-	<b>23.94</b>
- Mutual funds		-	3.33	-	<b>3.33</b>
Loans	7 & 14			43.20	<b>43.20</b>
<b>Total Financial Assets</b>		<b>23.94</b>	<b>3.33</b>	<b>43.20</b>	<b>70.46</b>
<b>Financial Liabilities</b>					
Borrowings	18 & 21	-	-	6,923.02	<b>6,923.02</b>
Other Financial Liabilities	23	-	-	1,232.59	<b>1,232.59</b>
<b>Total Financial Liabilities</b>		-	-	<b>8,155.61</b>	<b>8,155.61</b>

(₹ in Millions)

Financial Assets and Liabilities measured at fair value - recurring fair value measurements as at 1 <sup>st</sup> April, 2016	Note Reference	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Investments at FVOCI	6				
- Equity Instruments		17.97	-	-	<b>17.97</b>
- Mutual funds		-	2.52	-	<b>2.52</b>
Loans	7 & 14			38.77	<b>38.77</b>
<b>Total Financial Assets</b>		<b>17.97</b>	<b>2.52</b>	<b>38.77</b>	<b>59.27</b>
<b>Financial Liabilities</b>					
Borrowings	18 & 21	-	-	4,814.11	<b>4,814.11</b>
Other Financial Liabilities	23	-	-	836.54	<b>836.54</b>
<b>Total Financial Liabilities</b>		-	-	<b>5,650.65</b>	<b>5,650.65</b>

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 Policies, 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:**

Particulars	As as 31 <sup>st</sup> March, 2018			As as 31 <sup>st</sup> March, 2017			As as 1 <sup>st</sup> April, 2016		
	₹ 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 & Advance Received	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
	-	-	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:**

Particulars	As as 31 <sup>st</sup> March, 2018			As as 31 <sup>st</sup> March, 2017			As as 1 <sup>st</sup> April, 2016		
	₹ 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 & Advance Paid	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
	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)

Particulars	Impact on Profit Before Tax on Increase		Impact on Profit Before Tax on Decrease	
	31 <sup>st</sup> As as March, 2018	31 <sup>st</sup> As as March, 2017	31 <sup>st</sup> As as March, 2018	31 <sup>st</sup> 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

- 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.
- Company reviews its investment at regular intervals in order to minimise price risk arising from investments in Equity Shares & Mutual Funds.
- 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 Profit Before Tax		Impact on Other Components of Equity Before Tax	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2018	31 <sup>st</sup> 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

- 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> 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
<b>Total borrowings</b>	<b>8,421.20</b>	<b>8,128.48</b>	<b>5,641.14</b>

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)

Particulars	Impact on Profit Before Tax on Increase		Impact on Profit Before Tax on Decrease	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> 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 Balances and other Financial Assets	12 month expected credit loss
Moderate Credit Risk	Trade Receivables	Life time expected credit loss
High Credit Risk	Trade Receivables and other Financial Assets	Life time expected credit loss or fully provided for

(₹ in Millions)

Credit rating	Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>A:</b> Low credit risk	Cash and Cash Equivalents, other Bank Balances and other Financial Assets	774.21	370.00	57.69
<b>B:</b> Moderate credit risk	Trade Receivables	10,228.40	8,245.76	6,249.62
<b>C:</b> High credit risk	NIL	-	-	-

**A: Low Credit Risk**

(₹ in Millions)

As at 31 <sup>st</sup> 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

(₹ in Millions)

As at 31 <sup>st</sup> March, 2017				
Particulars	Note reference	Carrying Amount	Impairment	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

(₹ in Millions)

As at 1 <sup>st</sup> April, 2016				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
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 31 <sup>st</sup> 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)	11	9,605.04	692.42	37.57	55.27	10,390.30
Expected Credit Losses (Loss Allowance Provision)		-	155.92	1.34	4.64	161.90
Carrying Amount of Trade Receivables (Net of Impairment)		<b>9,605.04</b>	<b>536.50</b>	<b>36.23</b>	<b>50.63</b>	<b>10,228.40</b>

(₹ in Millions)

As at 31 <sup>st</sup> 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)	11	7,728.25	409.89	160.03	105.40	8,403.57
Expected Credit Losses (Loss Allowance Provision)		-	90.12	39.98	27.71	157.81
Carrying Amount of Trade Receivables (Net of Impairment)		<b>7,728.25</b>	<b>319.77</b>	<b>120.05</b>	<b>77.69</b>	<b>8,245.76</b>

(₹ in Millions)

As at 1 <sup>st</sup> 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)	11	5,925.21	218.49	123.18	96.61	6,363.49
Expected Credit Losses (Loss Allowance Provision)		-	40.43	37.19	36.25	113.87
Carrying Amount of Trade Receivables (Net of Impairment)		<b>5,925.21</b>	<b>178.06</b>	<b>85.99</b>	<b>60.36</b>	<b>6,249.62</b>



## Reconciliation of Loss Provision – Trade Receivables

(₹ in Millions)

Reconciliation of Loss Allowance	Loss allowance
<b>Impairment Loss Allowance as on 1<sup>st</sup> April, 2016</b>	<b>113.87</b>
Impairment Loss Recognised	43.94
Reversal	
<b>Impairment Loss Allowance as on 31<sup>st</sup> March, 2017</b>	<b>157.81</b>
Impairment Loss Recognised	4.09
Reversal	
<b>Loss Allowance as on 31<sup>st</sup> March, 2018</b>	<b>161.90</b>

### C: High Credit Risk : Nil

- 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.
- Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017.
- Cash flow from Operating Activities provides funds to service financial liabilities on a day-to-day basis.
- 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.
- Following table analyse Company's financial liabilities into relevant maturity grouping based on their contractual maturity for all non derivative financial liabilities.

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018				
Non-derivative liabilities	Carrying amount	Payable within 1 year	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

(₹ in Millions)

As at 31 <sup>st</sup> March, 2017				
Non-derivative liabilities	Carrying amount	Payable within 1 year	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



(₹ in Millions)

As at 1 <sup>st</sup> April, 2016				
Non-derivative liabilities	Carrying amount	Payable within 1 year	More than 1 years	Total
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
31 <sup>st</sup> March, 2018	1.24	0.85
31 <sup>st</sup> March, 2017	1.12	0.74
1 <sup>st</sup> 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 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> 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 1<sup>st</sup> April 2016 (At the date of Transition):

(₹ in Millions)

Particulars		Previous (GAAP)	Adjustments	IND AS
I.	<b>ASSETS</b>			
1	<b>Non-Current Assets</b>			
	(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
		<b>3,847.18</b>	<b>(10.50)</b>	<b>3,836.68</b>
2	<b>Current Assets</b>			
	(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
		<b>10,793.70</b>	<b>566.81</b>	<b>11,360.51</b>
	<b>Total Assets</b>	<b>14,640.88</b>	<b>556.31</b>	<b>15,197.19</b>
II.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity Share Capital	154.47	-	154.47
	(b) Other Equity	3,515.25	(36.68)	3,478.57
		<b>3,669.72</b>	<b>(36.68)</b>	<b>3,633.04</b>
2	<b>Liabilities</b>			
(i)	<b>Non-Current Liabilities</b>			
	(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
		<b>2,283.95</b>	<b>(289.86)</b>	<b>1,994.09</b>
(ii)	<b>Current Liabilities</b>			
	(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
		<b>8,687.21</b>	<b>882.85</b>	<b>9,570.06</b>
	<b>Total Equity and Liabilities</b>	<b>14,640.88</b>	<b>556.31</b>	<b>15,197.19</b>

Reconciliation of Balance Sheet As at 31<sup>st</sup> March 2017

(₹ in Millions)

Particulars	Previous (GAAP)	Adjustments	IND AS
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(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
	<b>4,199.57</b>	<b>(3.18)</b>	<b>4,196.39</b>
<b>2 Current Assets</b>			
(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
	<b>13,918.02</b>	<b>843.58</b>	<b>14,761.60</b>
<b>Total Assets</b>	<b>18,117.59</b>	<b>840.40</b>	<b>18,957.99</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	155.59	-	155.59
(b) Other Equity	4,579.12	(123.93)	4,455.19
	<b>4,734.71</b>	<b>(123.93)</b>	<b>4,610.78</b>
<b>2 Liabilities</b>			
<b>(i) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowing	1,641.29	(877.78)	763.51
(b) Provisions	50.63	-	50.63
(c) Deferred Tax Liability (Net)	427.20	(74.02)	353.18
	<b>2,119.12</b>	<b>(951.80)</b>	<b>1,167.32</b>
<b>(ii) Current Liabilities</b>			
(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	881.95	(0.57)	881.38
(c) Provisions	38.53	48.33	86.86
(d) Current Tax liability (Net)	12.94	1.19	14.13
	<b>11,263.76</b>	<b>1,916.13</b>	<b>13,179.89</b>
<b>Total Equity and Liabilities</b>	<b>18,117.59</b>	<b>840.40</b>	<b>18,957.99</b>

## Reconciliation of Profit or Loss for the year ended 31<sup>st</sup> March 2017

(₹ in Millions)

Particulars		Previous (GAAP)	Adjustments	IND AS
	<b>Revenue :</b>			
I.	Revenue from Operations	28,370.90	(46.65)	28,324.25
II.	Other Income	100.39	0.28	100.67
III.	<b>Total Income (I + II)</b>	<b>28,471.29</b>	<b>(46.37)</b>	<b>28,424.92</b>
IV.	<b>Expenses:</b>			
	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
	<b>Total Expenses (IV)</b>	<b>27,135.62</b>	<b>26.95</b>	<b>27,162.57</b>
V.	<b>Profit/ (loss) before share of profit /(loss) of Joint Venture and tax</b>	1,335.67	(73.32)	1,262.35
	Share of profit/ (loss) of Joint Venture (net of tax)	-	(1.67)	(1.67)
VI.	<b>Profit Before Tax</b>	<b>1,335.67</b>	<b>(74.99)</b>	<b>1,260.68</b>
VII	<b>Tax expense:</b>			
	(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)
	<b>Total Tax Expense (VII)</b>	<b>352.65</b>	<b>(28.42)</b>	<b>324.23</b>
VIII	<b>Profit Before Tax (VI-VII)</b>	<b>983.02</b>	<b>(46.57)</b>	<b>936.45</b>
IX	<b>Other Comprehensive Income</b>	-	<b>(0.66)</b>	<b>(0.66)</b>
	<b>A. (i) Items that will not be reclassified to Profit and Loss</b>	-	<b>(4.61)</b>	<b>(4.61)</b>
	(ii) Income Tax relating to Items that will not be reclassified to Profit and Loss	-	<b>3.94</b>	3.94
	<b>B. (i) Items that will be reclassified to Profit and Loss</b>		0.01	0.01
	(ii) Income Tax relating to items that will be reclassified to Profit and Loss (*₹ 1,960)		0.00	0.00*
X	<b>Total Comprehensive Income for the period (VIII+IX) (Comprehensive profit and other comprehensive income for the period)</b>	<b>983.02</b>	<b>(47.23)</b>	<b>935.79</b>

## 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 31<sup>st</sup> March, 2017 and 1<sup>st</sup> April, 2016

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Total Equity (Shareholder's Funds) as per Previous GAAP</b>	4,734.71	3,669.72
<b>Adjustments:</b>		
<b>Amortised Cost</b>		
-- Term Loan	13.75	30.24
-- Security Deposits	(0.33)	(0.25)
-- Loans to staff and workers	(0.74)	(0.47)
<b>Impairment Allowance</b>		
-- Trade Receivables	(157.81)	(113.87)
<b>Other Adjustments for :</b>		
-- 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
<b>Adjustment for :</b>	-	38.62
-- Proposed Dividend	-	7.86
-- Tax on Proposed Dividend		
<b>Tax Impact on Above Adjustments</b>	66.50	39.36
<b>Total Adjustments in Reserve and Surplus</b>	<b>4,628.83</b>	<b>3,650.41</b>
<b>Other Comprehensive Income</b>		
-- Remeasurement of defined benefit obligation to OCI (Net of tax)	(14.20)	(6.75)
-- Fair value of Investment through OCI	(3.85)	(10.62)
<b>Total Adjustments in OCI</b>	(18.05)	(17.37)
<b>Total Equity as per Ind AS</b>	<b>4,610.78</b>	<b>3,633.04</b>

## Reconciliation of Total Comprehensive Income for the year ended as on 31<sup>st</sup> March, 2017

(₹ in Millions)

Particulars	For the year ended as on 31 <sup>st</sup> March, 2017	
<b>Profit After Tax as per previous GAAP</b>		983.02
<b>Adjustments:</b>		
<b>Amortised Cost</b>		
-- Term Loan	(16.49)	
-- Security Deposits	(0.08)	
-- Loans to staff and workers	(0.27)	(16.84)
<b>Impairment Allowance</b>		
-- Trade Receivables	(43.94)	(43.94)
<b>Other Adjustments for :</b>		
-- 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
<b>Total Adjustments in Profit and Loss</b>		<b>936.45</b>
<b>Other Comprehensive Income</b>		
<b>Item not to be reclassified to Profit and Loss</b>		
-- 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)
<b>Items to be reclassified to Profit &amp; Loss</b>		
--Foreign Currency Translation Reserve (FCTR)	0.01	
--Tax Impact on Above Adjustments (*₹ 1,960)	(0.00*)	0.01
<b>Total Adjustments in OCI</b>		
<b>Total Comprehensive Income for the year ended 31<sup>st</sup> March, 2017</b>		<b>935.79</b>

## Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended on 31<sup>st</sup>, March, 2017

(₹ in Millions)

Particulars	Previous GAAP	Adjustments	Ind AS
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	<b>1,377.36</b>	<b>(6.41)</b>	<b>1,370.95</b>
<b>Cash and Cash Equivalents as at 1<sup>st</sup> April, 2016</b>	(1,638.52)	(0.71)	(1,639.23)
<b>Cash and Cash Equivalents as at 31<sup>st</sup> March, 2017</b>	(261.16)	(7.12)	(268.28)

**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 1<sup>st</sup> April, 2017, with a transition date of 1<sup>st</sup> April, 2016. These financial statements for year ended 31<sup>st</sup> March, 2018 are first financial statements Group has prepared under Ind AS. For all periods up to and including year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2018, together with comparative information as at and for year ended 31<sup>st</sup> March, 2017 and opening Ind AS Balance Sheet as at 1<sup>st</sup> 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 1<sup>st</sup> April, 2016 and financial statements as at and for year ended 31<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> April, 2016 (refer note No. 51).
- ii. Reconciliation of Equity as at 31<sup>st</sup> March, 2017 (refer note No. 51).
- iii. Reconciliation of Statement of Profit and Loss for year ended 31<sup>st</sup> March, 2017 (refer note No. 51).
- iv. Adjustments to Statement of Cash Flows for year ended 31<sup>st</sup> March, 2017 (refer note No. 51).

## **4) NOTES TO RECONCILIATION OF BALANCE SHEET AS AT 1<sup>ST</sup> APRIL, 2016 AND 31<sup>ST</sup> MARCH, 2016 AND TOTAL COMPREHENSIVE INCOME FOR YEAR ENDED 31<sup>ST</sup> 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 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 decreased by ₹ 3.57 Million. Consequently total equity decreased by ₹ 3.57 Million as at 31<sup>st</sup> March, 2017 (1<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2017. This decreased reserves by ₹ 3.85 Million as at 31<sup>st</sup> March, 2017 (1<sup>st</sup> 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 31<sup>st</sup> March, 2017 decreased by ₹ 43.94 Million. Consequently total Equity decreased by ₹ 157.81 Million as at 31<sup>st</sup> March, 2017 (1<sup>st</sup> 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 31<sup>st</sup> March, 2017 have been reduced by ₹ 13.75 Million. (1<sup>st</sup> April, 2016, ₹ 30.24 Million) with a corresponding adjustment to retained earnings. Total equity increased by an equivalent amount. Profit for year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 have been increased by ₹ 1.48 Million (1<sup>st</sup> April, 2016: NIL). Profit for year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 have been increased by ₹ 1,011.21 Million (1<sup>st</sup> 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 1<sup>st</sup> April, 2016 & 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 decreased by ₹ 5.41 Million and total Equity decreased by ₹ 17.81 Million as at 31<sup>st</sup> March, 2017 (1<sup>st</sup> 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 1<sup>st</sup> April, 2016. There was no impact as at 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 by ₹ 1,661.10 Million. There is no impact on total Equity and Profit as at 31<sup>st</sup> March, 2017 & 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 by ₹ 130.44 Million. There is no impact on total Equity and Profit as at 1<sup>st</sup> April, 2016 & 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 by ₹ 98.24 Million. There is no impact on total Equity and Profit as at 1<sup>st</sup> April, 2016 & 31<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> April, 2016 & 31<sup>st</sup> 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 31<sup>st</sup> March, 2017. There is no impact on total Equity as at 1<sup>st</sup> April, 2016 & 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 (1<sup>st</sup> April, 2016 ₹ 2.33 Million). Total profit for the year 31<sup>st</sup> March, 2017 decreased by ₹ 0.08 Millions and Total equity as at 31<sup>st</sup> March, 2017 decreased by ₹ 0.33 Millions (₹ 0.25 Million as on 1<sup>st</sup> 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 31<sup>st</sup> March, 2017 (1<sup>st</sup> April, 2016 ₹ 0.47 Million). Total Profit for the year 31<sup>st</sup> March, 2017 decreased by ₹ 0.27 Million and Total equity as at 31<sup>st</sup> March, 2017 decreased by ₹ 0.74 Million (₹ 0.47 Million as on 1<sup>st</sup> 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 1<sup>st</sup> 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 31<sup>st</sup> 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.

Name of Entity	Country of Incorporation	Functional Currency	Ownership interest held by the Group			Principal Activities
			As at 31 <sup>st</sup> March 2018	As at 1 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	
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):

Name	Proportion of ownership interests and voting rights held by the NCI			Total Comprehensive Income allocated to NCI			Accumulated NCI		
	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> 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 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Non-Current Assets	-	-	-
Current Assets * ₹ 4755	174.23	0.29	0.00
<b>Total Assets (A)</b>	<b>174.23</b>	<b>0.29</b>	<b>0.00</b>
Non-Current Liabilities	-	-	-
Current Liabilities	174.34	0.50	0.05
<b>Total Liabilities (B)</b>	<b>174.34</b>	<b>0.50</b>	<b>0.05</b>
<b>Net Assets C= (A-B)</b>	<b>(0.11)</b>	<b>(0.21)</b>	<b>(0.05)</b>
<b>Equity Attributable to Owners of the Parent</b>	<b>1.21</b>	<b>(0.21)</b>	<b>0.05</b>
<b>Non - Controlling Interests</b>	<b>0.13</b>	<b>-</b>	<b>-</b>

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Revenue	981.41	-	-
Expenditure	978.09	0.16	0.05
<b>Profit/(Loss) before Tax</b>	<b>3.32</b>	<b>(0.16)</b>	<b>(0.05)</b>
Current Tax	0.92	-	-
<b>Profit/(Loss) after Tax</b>	<b>2.40</b>	<b>(0.16)</b>	<b>(0.05)</b>
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	-	-
<b>Profit for the Year</b>	<b>2.40</b>	<b>(0.16)</b>	<b>(0.05)</b>
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)	-	-
<b>Other Comprehensive Income for the year</b>	<b>(2.29)</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>	<b>0.11</b>	<b>(0.16)</b>	<b>(0.05)</b>
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	-	-
<b>Total Comprehensive Income for the year</b>	<b>0.72</b>	<b>(0.16)</b>	<b>(0.05)</b>

Summarised cash flow for KEI Cables Australia PTY Ltd., before intragroup eliminations, is set out below:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Cash Flows from Operating Activities	13.77	0.29
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	(5.65)	-
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>8.12</b>	<b>0.29</b>

**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 31<sup>st</sup> 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".

Name of Entity	Place of business	Functional Currency	Ownership Interest held by the Group			Relationship
			As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	
Joint Venture of KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland	India	INR	100%	100%	100%	Joint Venture

### (b) Summarised Financial Information for Joint Venture's is set out below:

Particulars	(₹ in Millions)		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Non-Current Assets		-	2.52
Current Assets	3.04	10.52	72.88
<b>Total Assets (A)</b>	<b>3.04</b>	<b>10.52</b>	<b>75.40</b>
Non-Current Liabilities			-
Current Liabilities	1.34	8.66	71.87
<b>Total Liabilities (B)</b>	<b>1.34</b>	<b>8.66</b>	<b>71.87</b>
<b>Net Assets C= (A-B)</b>	<b>1.70</b>	<b>1.86</b>	<b>3.53</b>
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	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> 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
<b>Profit/ (Loss) and Total Comprehensive Income for the year</b>	<b>(0.16)</b>	<b>(1.66)</b>

**(d) Reconciliation of carrying amounts is set out below: (₹ in Millions)**

Particulars	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG, Switzerland
<b>Opening Net Assets (1<sup>st</sup> April, 2016)</b>	<b>3.53</b>
Capital Introduction	-
Profit/ (Loss) for the year	(1.66)
<b>Closing Net Assets (31<sup>st</sup> March, 2017)</b>	<b>1.87</b>
Profit/ (Loss) for the year	(0.16)
Capital Distribution	-
<b>Closing Net Assets (31<sup>st</sup> March, 2018)</b>	<b>1.71</b>
Group share in %	100%
<b>Carrying Amount</b>	<b>1.71</b>

#### 54. Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiary and Joint Venture:

##### Part "A" : Subsidiary

(₹ in Millions)

S. No.	Name of Subsidiary	KEI Cables Australia PTY Ltd.
1	The date since when subsidiary was acquired	14 <sup>th</sup> 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)

S. No.	Name of Joint Venture	Joint Venture of KEI Industries Ltd, New Delhi & Brugg Kabel AG, Switzerland
1	Latest Balance Sheet Date	31 <sup>st</sup> March, 2018
2	Date on which the Joint Venture was acquired	24 <sup>th</sup> 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)

S. No	Name of the Entity	Own-ership Interest	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
			As % of Consolidated net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
1	<b>Parent</b>	-	99.99%	6,045.34	99.94%	1,445.59	72.28%	(5.97)	100.17%	1,439.62
2	<b>Subsidiaries</b>									
A	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	<b>Non - Controlling Interest in All Subsidiaries</b>	10.00%	0.00%	-	0.02%	0.24	2.78%	(0.23)	0.00%	-
4	<b>Joint Ventures</b>									
	Investments Accounted for using Equity Method									
B	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)
	<b>TOTAL</b>		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 ₹ 1 per share on face value of ₹ 2.00 per share (previous year ₹ 0.60 per share on face value of ₹ 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 ₹ 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 : 17<sup>th</sup> May, 2018

Place of Signing : New Delhi

Date : 17<sup>th</sup> May, 2018



# Independent Auditor's Report

## TO THE MEMBERS OF KEI INDUSTRIES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **KEI Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("**the Act**") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p>The Company applied Ind AS 115 for the first time by using the Cumulative effect method of adoption with date of initial application from 1<sup>st</sup> April, 2018.</p> <p>The Company is in the business of manufacturing of various types of Cables, SS Wires and sells to customers both through institutional and dealer network globally. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. As a consequence, the Company has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the Company's sales transactions should be recognized as revenue.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.</li> <li>● Evaluated the company's work to implement Ind AS 115 and assessed whether Company's accounting principles comply with the new accounting standard.</li> <li>● Tested a sample of sales transactions for compliance with the company's accounting principles.</li> <li>● Traced disclosure information to accounting records and other supporting documentation.</li> </ul>
2	<p>Revenue is recognized in accordance with Ind AS 115, net of discounts, incentives and rebates accrued by the Company's customers based on sales.</p> <p>The company uses sales agreement terms &amp; conditions and historical trends to estimate discounts. At the reporting date, the company estimates and accrues for discounts and rebates they consider as having been incurred but not yet paid.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● Understanding the policies and procedures applied to revenue recognition including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.</li> <li>● Carrying out substantive analytical procedures, analysing the actual performance of revenue and cost of sales related to discounts, incentives and rebates etc.</li> <li>● Analysing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates used in the related estimates.</li> <li>● Reviewing disclosures included in the notes to the accompanying financial statements.</li> </ul>
3	<p>The Company is engaged in execution of Engineering, Procurement and Construction projects (EPC) for survey, supply of materials, design, erection, testing &amp; commissioning on a turnkey basis.</p> <p>Revenue is recognized in accordance with Ind AS 115 and performance obligations in such cases are satisfied over time and accordingly revenue is recognised over the time in such cases. Methods used to recognise revenue is also a Key Audit Matter along with measuring progress towards complete satisfaction of a performance obligation.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised including controls over the degree of completion of EPC projects.</li> <li>● We evaluated and analysed the significant judgements and estimates made by the management and also reviewed sample contracts with customers to assess whether the method of recognition of revenue is relevant and is consistent with the accounting policies of the company.</li> </ul>

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report but does not include the standalone financial statements and our Auditor's Report thereon.

The letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report are expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above, when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report, if we conclude, that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that 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 Ind AS 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern, basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those

matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. 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 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 (Ind AS) prescribed under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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, and

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:

- I. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements –Refer Note No- 45.
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31<sup>st</sup> March, 2019.
- 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 31<sup>st</sup> March, 2019.

2. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government 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 Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

**CA Pawan Kumar Agarwal**  
**Partner**  
**Place of Signature: New Delhi**  
**Date: 21<sup>st</sup> May, 2019**      **Membership Number: 092345**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1(f) of the Independent Auditors' Report of even date to the members of **KEI Industries Limited** on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2019.

### **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 31<sup>st</sup> March, 2019 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**

The Board of Directors of the Company 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**

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.

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 mis-statement 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

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

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

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 31<sup>st</sup> March, 2019, 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: 21<sup>st</sup> May, 2019** **Membership Number: 092345**

### Annexure B to Independent Auditor's Report

Referred to in paragraph 2 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 31<sup>st</sup> March, 2019.

- I. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

- b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. 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 granted unsecured loans to one subsidiary company and one associate company 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 & 14).
- a) In respect of the aforesaid loans and deposits, the terms and conditions under which such deposits were granted are not prejudicial to the Company's interest.
  - b) Loans to subsidiary company and associate company are repayable on demand and interest free. For security deposit no schedule for repayment of deposit is applicable and no interest was charged.
  - c) In respect of the aforesaid loans and deposits, there is no amount which is overdue for more than ninety days.
- IV.** In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- V.** In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- VI.** Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- VII.a)** According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, goods and service tax, customs duty and other material statutory dues applicable to it with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
- 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 31<sup>st</sup> March, 2019 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 Tax Act	Central Sales Tax	0.67	1999-2000	Tax Board
	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	0.63	2010-11	Commissioner
Finance Act	Service Tax	34.30	2011-12 to 2015-16	Commissioner (Appeals)
	Service Tax	1.84	2010-2011 to 2016-2017	Commissioner (Appeals)
	Service Tax	9.14	2016-2017	CESTAT
Income Tax Act	Income Tax	8.91	2015-2016	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 moneys by way of initial public offer, further public offer (including debt instruments). Term loans have been applied for the purposes for which they were obtained.

**X.** During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

**XI.** The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**XII.** As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

**XIII.** The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under 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 non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

**For PAWAN SHUBHAM & CO.**

**Chartered Accountants**

**Firm Registration Number: 011573C**

**CA Pawan Kumar Agarwal**

**Partner**

**Place of Signature: New Delhi**

**Date: 21<sup>st</sup> May, 2019**

**Membership Number: 092345**



## Standalone Balance Sheet As At 31<sup>st</sup> March, 2019

(₹ in Millions)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	4,856.77	4,039.50
(b) Capital Work-in-Progress	4	316.06	229.81
(c) Other Intangible Assets	5	29.78	30.31
(d) Financial Assets			
(i) Investments	6	15.66	28.30
(ii) Loans	7	68.58	40.67
(iii) Others	8	6.27	2.60
(e) Other Non-Current Assets	9	92.14	118.79
		<b>5,385.26</b>	<b>4,489.98</b>
<b>Current Assets</b>			
(a) Inventories	10	6,896.37	5,555.88
(b) Financial Assets			
(i) Trade Receivables	11	10,946.22	10,205.86
(ii) Cash and Cash Equivalents	12	220.68	594.50
(iii) Bank Balances Other Than (ii) Above	13	1,732.67	168.78
(iv) Loans	14	46.14	13.89
(v) Others	15	1,040.47	521.02
(c) Other Current Assets	16	1,375.31	616.22
		<b>22,257.86</b>	<b>17,676.15</b>
<b>TOTAL</b>		<b>27,643.12</b>	<b>22,166.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	157.85	156.72
(b) Other Equity	18	7,631.08	5,888.60
		<b>7,788.93</b>	<b>6,045.32</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,193.37	1,456.62
(b) Provisions	20	86.26	67.21
(c) Deferred Tax Liability (Net)	21	441.77	398.44
		<b>1,721.40</b>	<b>1,922.27</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	3,865.25	6,041.69
(ii) Trade Payables	23		
(A) total outstanding dues of micro, small and medium enterprises		914.41	-
(B) total outstanding dues of creditors other than micro, small and medium enterprises		9,288.59	6,272.00
(iii) Other Financial Liabilities	24	3,378.93	1,333.47
(b) Other Current Liabilities	25	457.49	406.58
(c) Provisions	26	134.98	111.29
(d) Current Tax Liability (Net)	27	93.14	33.51
		<b>18,132.79</b>	<b>14,198.54</b>
<b>TOTAL</b>		<b>27,643.12</b>	<b>22,166.13</b>
Significant Accounting Policies And Notes on Financial Statements	1 to 55		

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

(KISHORE KUNAL)

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

(ADARSH KUMAR JAIN)

Asst. Vice President (Finance)

M.No. 502048

## Standalone Statement Of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2019

(₹ in Millions)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Revenue</b>					
Revenue from Operations	28		42,269.63		34,964.19
Other Income	29		71.91		92.99
<b>Total Income</b>			<b>42,341.54</b>		<b>35,057.18</b>
<b>Expenses</b>					
Cost of Materials Consumed	30		30,366.89		24,422.77
Purchases of Stock in Trade	31		25.96		14.34
Changes in inventory of Finished goods, Work-in-progress and Stock-in-trade	32		(1,046.05)		(326.19)
Employee Benefits Expense	33		1,733.94		1,471.67
Finance Costs	34		1,361.54		1,113.04
Depreciation and Amortisation Expense	35		339.48		322.30
Sub Contractor Expense for EPC Projects	36		1,121.17		1,085.54
Excise Duty	37		-		376.20
Other Expenses	38		5,645.57		4,535.91
<b>Total Expenses</b>			<b>39,548.50</b>		<b>33,015.58</b>
<b>Profit Before Tax</b>			<b>2,793.04</b>		<b>2,041.60</b>
Tax Expense	39				
---Current tax		928.74		668.35	
---MAT Credit Entitlement		-		(121.51)	
---Deferred tax		49.65		49.14	
---Short/(Excess) Provision-Earlier Years		(4.06)	974.33	0.06	596.04
<b>Profit for the Year</b>			<b>1,818.71</b>		<b>1,445.56</b>
<b>Other Comprehensive Income</b>	40				
--- Item not to be reclassified to Profit & Loss		(25.37)		(9.85)	
--- Income Tax on above		6.32		3.88	
--- Items to be reclassified to Profit & Loss		-		-	
--- Income Tax on above		-		-	
<b>Other Comprehensive Income for the year net of Tax</b>			<b>(19.05)</b>		<b>(5.97)</b>
<b>Total Comprehensive Income for the year net of Tax</b>			<b>1,799.66</b>		<b>1,439.59</b>
Earnings per Equity Share:	41				
Equity shares of face value ₹ 2/- each					
--- Basic (₹)			23.12		18.51
---Diluted (₹)			22.88		18.19
Significant Accounting Policies And Notes on Financial Statements	1 to 55				

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) &amp; CFO

DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

GM (Corporate) &amp; Company Secretary

**M.No. FCS-9429**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

**M.No. 502048**

## Standalone Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2019

(₹ in Millions)

Particulars		Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
(A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax and Extraordinary items	2,793.04	2,041.60
	<b>Adjustments for :</b>		
	Depreciation and Amortisation Expense	339.48	322.30
	Dividend received	(0.22)	(0.04)
	Interest Income	(36.83)	(6.48)
	Interest / Finance Charges	1,361.54	1,113.04
	Share based payment expenses	18.68	33.04
	Provision for compensated absence/ Gratuity	25.92	28.85
	Provision for Expected Credit Loss (ECL)	5.26	4.09
	Provision for warranty	4.07	1.05
	Fair Value adjustment due to security deposit/Loan to staff	0.51	0.18
	Fixed Assets written off	2.83	3.58
	Loss on sale of Fixed Assets	1.21	1.36
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	4,515.49	3,542.57
	<b>Working capital adjustments :</b>		
	(Increase)/Decrease in Trade & Other Receivables	(2,084.66)	(1,930.23)
	(Increase)/Decrease in Inventories	(1,340.49)	(566.64)
	Increase/(Decrease) in Trade and other Payables	6,014.46	1,375.43
	<b>Cash Generated from operations</b>	7,104.80	2,421.13
	Direct Taxes paid	(865.04)	(527.52)
	<b>Net Cash from Operating Activities</b>	6,239.76	1,893.61
(B)	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets and other capital expenditure	(1,223.11)	(655.82)
	Sale of Fixed Assets	2.87	8.15
	Sale of Investments	-	0.25
	Investment in subsidiary ( ₹ Nil, Previous Year ₹ 3,988/-)	-	(0.00)
	Investment in Associate Company ( ₹ 2,349/-, Previous Year ₹ Nil)	(0.00)	-
	Interest Income	36.83	6.48
	Dividend Received	0.22	0.04
	Investments/proceed from deposits with banks	(1,567.34)	(122.49)
	<b>Net Cash from Investing Activities</b>	(2,750.53)	(763.39)

**Standalone Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2019 (Contd...)**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>(C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Proceeds from long term borrowings (Banks)	515.30	1,729.51
Proceeds from long term borrowings (others)	200.00	-
Repayment of long term borrowings (Banks)	(904.27)	(437.12)
Repayment of long term borrowings (Others)	(75.00)	(888.75)
Proceeds from finance lease	20.76	6.10
Repayment of finance lease	(13.11)	(13.54)
Interest Expenses / Finance Charges	(1,361.54)	(1,113.04)
Inter corporate & other deposits (Net of repayments)	13.19	(31.85)
Working capital demand Loan from banks	(400.00)	(1,050.00)
Working capital Loan from banks- Buyer's Credit	(1,377.63)	(23.57)
Working capital Loan from banks- Factoring Arrangements	(930.19)	1,174.76
Issue of Equity Share Capital ( including premium) upon exercise of ESOS	19.74	19.74
Dividend paid to equity share holders	(78.36)	(46.68)
Dividend Distribution Tax	(16.11)	(9.50)
<b>Net Cash from Financing Activities</b>	<b>(4,387.22)</b>	<b>(683.94)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(897.99)</b>	<b>446.28</b>
Cash & Cash Equivalents as at 1 <sup>st</sup> April (Opening Balance)	177.71	(268.57)
Cash & Cash Equivalents as at 31 <sup>st</sup> March (Closing Balance)	(720.28)	177.71
<b>Cash &amp; Cash Equivalents for the purpose of Cash Flow</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Cash and Cash Equivalents (Refer Note no. 12)	220.68	594.50
Less: Bank Overdraft	(940.96)	(416.79)
<b>Total</b>	<b>(720.28)</b>	<b>177.71</b>

**CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

Particulars	Borrowings (Current & Non- Current)	Finance Lease Obligations on Hire Purchase of Vehicles Current Maturities
<b>As at 1<sup>st</sup> April, 2017</b>	<b>8,090.87</b>	<b>37.59</b>
Proceeds	1,809.49	6.10
Repayment	1,507.50	13.54
Fair Value Changes	(1.82)	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>8,391.04</b>	<b>30.15</b>
Proceeds	764.20	20.76
Repayment	3,206.54	13.11
Fair Value Changes	6.60	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5,955.30</b>	<b>37.80</b>

**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 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**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

## STANDALONE STATEMENT OF CHANGES IN EQUITY

### A. Equity Share Capital

Particulars	Balance as at 1 <sup>st</sup> April, 2017	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2018	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2019
Nos. of Equity Shares	7,77,97,438	5,64,000	7,83,61,438	5,64,000	7,89,25,438
₹ in Millions	155.59	1.13	156.72	1.13	157.85

### B. Other Equity

(₹ in Millions)

Particulars	Reserve and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	Employee Stock Option Outstanding	Re-Measurement of the Net defined benefit Plans	Equity Instruments through other Comprehensive Income	
<b>Balance as at 1<sup>st</sup> April, 2017</b>	<b>28.00</b>	<b>784.37</b>	<b>21.09</b>	<b>3,572.12</b>	<b>66.00</b>	<b>(14.18)</b>	<b>(3.86)</b>	<b>4,453.54</b>
Addition during the year	-	-	-	1,445.56	-	-	-	1,445.56
Other Comprehensive Income for the Year	-	-	-	-	-	(7.23)	1.26	(5.97)
<b>Total comprehensive income for the year 2017-18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,445.56</b>	<b>-</b>	<b>(7.23)</b>	<b>1.26</b>	<b>1,439.59</b>
Employee Stock Compensation cost for the year	-	-	-	-	33.04	-	-	33.04
Dividend Paid (including Dividend Distribution Tax) for 2016-17 approved by Shareholders in Annual General Meeting held on 19 <sup>th</sup> July, 2017	-	-	-	(56.18)	-	-	-	(56.18)
Securities Premium on allotment of Equity Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>28.00</b>	<b>843.09</b>	<b>21.09</b>	<b>4,961.50</b>	<b>58.93</b>	<b>(21.41)</b>	<b>(2.60)</b>	<b>5,888.60</b>
Addition during the year	-	-	-	1,818.71	-	-	-	1,818.71
Other Comprehensive Income for the Year	-	-	-	-	-	(8.29)	(10.76)	(19.05)
<b>Total comprehensive income for the year 2018-19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,818.71</b>	<b>-</b>	<b>(8.29)</b>	<b>(10.76)</b>	<b>1,799.66</b>
Employee Stock Compensation cost for the year	-	-	-	-	18.68	-	-	18.68
Dividend Paid (including dividend distribution Tax) for 2017-18 approved by Shareholders in Annual General Meeting held on 19 <sup>th</sup> Sep, 2018	-	-	-	(94.47)	-	-	-	(94.47)
Securities Premium on allotment of Equity Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>28.00</b>	<b>901.81</b>	<b>21.09</b>	<b>6,685.74</b>	<b>37.50</b>	<b>(29.70)</b>	<b>(13.36)</b>	<b>7,631.08</b>

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: 21<sup>st</sup> May, 2019

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

Place of Signing: New Delhi  
Date: 21<sup>st</sup> May, 2019

## Summary of Significant Accounting Policies and Other Explanatory Statements for the year ended 31<sup>st</sup> March, 2019

### Note: 1

#### 1.1 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, India. It was established as a partnership firm "Krishna Electrical Industries" in the year 1968. The firm was later converted into Limited Company on 31<sup>st</sup> December 1992.

Equity Shares of the Company are 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 Dadara & Nagar Haveli.

KEI 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. KEI also manufacture Stainless Steel Wires.

KEI is also engaged in execution of Engineering, Procurement and Construction projects (EPC) for survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.

KEI has three major segments Cables, EPC and Stainless Steel Wire.

#### 1.2 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS

The Standalone Financial Statements (hereinafter referred as Standalone Financial Statements or the Financial Statements) of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015.

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the date of respective transactions.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All amounts are stated in Millions of Rupees, rounded off to two decimal places, except when otherwise indicated.

The Standalone Financial Statements for year ended 31<sup>st</sup> March, 2019 were authorized and approved for issue by Board of Directors of the Company on 21<sup>st</sup> May, 2019.

## Note: 2

### 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.2 PROPERTY, PLANT AND EQUIPMENT

#### 2.2.1 RECOGNITION

Freehold land is carried at historical cost.

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 asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after 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 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 capitalised.

#### 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 Company and 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 to the Companies Act, 2013.

The following useful lives are applied:

Asset category	Estimated useful life (in years)
<b>Land</b>	
- Lease Hold (Finance Lease)	Over the Lease period
- Perpetual Lease	Treated as Freehold Land
<b>Buildings</b>	
- Factory Buildings	30 Years
- Building (other than factory buildings)	60 Years
- Other (including temporary structure, etc.)	05 Years
- Leasehold Building Improvements	Over the Lease period
<b>Plant and Machinery</b>	10 - 20 Years
<b>Project Tools</b>	05 Years
<b>Furniture and Fittings</b>	05 - 10 Years
<b>Motor Vehicles</b>	
- Hire Purchase & Owned	08 - 10 Years
<b>Office Equipment</b>	05 Years
<b>Computers</b>	
- 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 straight-line basis over estimated useful lives of respective intangible assets, but not exceeding useful lives given here under:

Asset category	Estimated useful life (in years)
<b>Computer Software</b>	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 net disposal proceeds and carrying amount of the asset) is included in Statement of Profit and Loss Account when 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 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 contractual provisions of Financial Instrument.

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

### 2.6.1.2 SUBSEQUENT MEASUREMENT

- i. **Debt Instruments at Amortised Cost**– A ‘debt instrument’ is measured at amortised cost if both of 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 asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using 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 the 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.
- 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 Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on 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 scope of IND AS 115.

The Company follows ‘Simplified Approach’ for recognition of impairment loss allowance on trade receivables. 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. This 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. 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 Other Comprehensive Income (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.

#### 2.6.1.4 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 de-recognised (i.e. removed from the Company's Balance Sheet) when:

- i. The rights to receive cash flows from 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 risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all 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 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 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 rights and obligations that the Company 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 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 or Loss (FVTPL):** Financial liabilities at Fair Value through profit or 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 purpose of repurchasing in 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 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 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 liabilities are derecognised as well as through 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 EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.
- iv. **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 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 de-recognition of the original liability and the recognition of a new liability. Difference in respective carrying amounts is recognised in the Statement of Profit and Loss.

### 2.6.3 DERIVATIVE FINANCIAL INSTRUMENTS

In some cases 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. Method of recognizing resulting gain or loss depends on whether derivative is designated as a hedging instrument, and if so, on nature of item being hedged. Any gains or losses arising from changes in fair value of derivatives are taken directly to statement of profit and loss.

### 2.6.4 OFF-SETTING OF FINANCIAL INSTRUMENTS

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

## 2.7 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. Cost comprises price paid to acquire investment and directly attributable cost.

## 2.8 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 net assets of joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of parties sharing control.

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

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

## 2.9 INVENTORIES

### 2.9.1 BASIS OF VALUATION

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

### 2.9.2 METHOD OF VALUATION

- **Cost of Finished Goods** is determined by taking derived material costs, duties and taxes as applicable (other than those recoverable from tax authorities) and other overheads.
- **Cost of Packing Materials, Stores & Spares** are determined on weighted average basis.

- **Work in Process** includes raw material costs and allocated production overheads.
- **Cost of raw materials** is determined on First in First out (FIFO) basis.
- **Net realisable value** is estimated selling price in ordinary course of business less estimated costs of completion and estimated costs necessary to make sale.

## 2.10 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.

## 2.11 TAXES

### 2.11.1 CURRENT INCOME TAX

Current Income Tax assets and liabilities are measured at 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 and Loss is recognised outside profit and loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in 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 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 temporary differences will not reverse in foreseeable future.

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

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 same taxation authority.

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

### 2.11.3 INDIRECT TAXES

Expenses and Assets are recognised net of the amount of Indirect Taxes viz. GST/VAT, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, indirect tax is recognised as part of cost of acquisition of asset or as part of expense item, as applicable.
- ii. When receivables and payables are stated with 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 nominal value of shares that have been issued. Any transaction costs associated with 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 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

IND AS 115 was made effective from 1<sup>st</sup> April, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced IND AS 18 & IND AS 11 and interpretations on revenue recognition related to sale of goods and services. The Company has adopted the new standard for annual periods beginning on or after 1<sup>st</sup> April, 2018 using cumulative effect method.

#### 2.14.1 MEASUREMENT OF REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Taxes collected from customers on behalf of Government are not treated as Revenue.

#### 2.14.2 ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) PROJECTS

In respect of EPC Projects, revenue is recognised over the period of time using input method of accounting with contract cost incurred determining the degree of completion of performance obligation. In case of value of uninstalled materials incurred that is not proportionate to the Company's progress in satisfying the performance obligation, revenue is to be recognised at an amount equal to the cost of a good used to satisfy a performance obligation.

#### 2.14.3 SALE OF GOODS

Revenue from sale of goods is recognised at the point of time when control of the asset is transferred to the customer, generally on delivery of the equipment. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated



(e.g., Freight and Incentive schemes). In determining the transaction price for the sale of cable, the Company considers the effects of variable consideration and consideration payable to the customer (if any).

For contracts that are CIF (Cost Insurance Freight) contracts, the revenue is recognised when the goods reached at final destination. For contracts that are FOB (Free on Board) contracts, revenue is recognised when company delivers the goods to an independent carrier.

#### 2.14.4 VARIABLE CONSIDERATION

If consideration in a contract includes a variable amount, the Company estimates amount of consideration to which it will be entitled in exchange for transferring the goods to customer. Variable Consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in amount of cumulative revenue recognised will not occur when associated uncertainty with variable consideration is subsequently resolved. Some contracts for sale of manufactured goods provide customers with a right of Incentives & Discounts. The Incentives and Volume Rebates give rise to variable consideration.

- i. **Cash Discount** which are determinable on the date of transaction, are recognised as reduction of revenue by the company.
- ii. **Volume Discounts, Timely Payment Incentives & Other Incentive Schemes**, the Company provides retrospective volume discounts to certain customers once the quantity of products purchased during the period exceed a threshold specified in the contract. Other Incentives promised by the company on achieving certain sales thresholds also a form of identifiable benefit that are identified as a separate component of the sales transaction.

In such cases, the Company estimates fair value of Incentives promised to its customers. To estimate the variable consideration for the expected future rebates and discounts, the Company applies the expected value method. The Company estimates variable consideration and recognises a refund liability for the expected future rebates. Accordingly, the company recognises lesser revenue if such discounts are probable and the amount is determinable. Any subsequent changes in the amount of such estimates are transferred to statement of profit and loss.

- iii. **Other Variable Considerations** if the consideration promised in the contract includes a variable amount, the company estimates the amount of consideration to which the in exchange for transferring the promised goods or services to the customer. This estimate is updated at each reporting date.

### 2.15 CONTRACT BALANCES

#### 2.15.1 CONTRACT ASSETS & CONTRACT LIABILITIES

Contract Assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned/deferred revenue ("contract liability") is recognised when there is billing in excess of revenue.

#### 2.15.2 TRADE RECEIVABLES

Trade receivables represent Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade Receivables are generally non-interest bearing and 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.

## **2.16 INCOME RECOGNITION**

### **2.16.1 DIVIDEND INCOME**

Dividends are recognised in profit and loss only when the right to receive payment is established.

### **2.16.2 INTEREST INCOME**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through expected life of the financial asset to gross carrying amount of a financial asset. When calculating effective interest rate, the Company estimates expected cash flows by considering all contractual terms of financial instrument but does not consider expected credit losses.

### **2.16.3 OTHER INCOME**

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

## **2.17 BORROWING COSTS**

Borrowing Costs directly attributable to 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 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 the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to borrowing cost.

## **2.18 EXPENDITURE**

Expenses are accounted on accrual basis.

## **2.19 EMPLOYEE BENEFIT SCHEMES**

### **2.19.1 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 related service is rendered by employees.

### **2.19.2 COMPENSATED ABSENCES**

Company provides for 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 number of days of unutilized leave at each Balance Sheet date on basis of an independent actuarial valuation.



### **2.19.3 GRATUITY**

Liabilities with regard to 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 approved trust 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 subsequent period.

### **2.19.4 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 provident fund plan equal to a specified percentage of covered employee's salary.

## **2.20 SHARE-BASED PAYMENTS**

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.

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

## **2.21 FOREIGN CURRENCY**

### **2.21.1 FUNCTIONAL AND PRESENTATION CURRENCY**

The Standalone Financial Statements are presented in Indian Rupee ('₹'), which is the Company's functional Currency and presentation Currency.

### **2.21.2 FOREIGN CURRENCY TRANSACTIONS AND BALANCES**

In Standalone Financial Statements of the Company, transactions in currencies other than functional currency are translated into functional currency at exchange rates ruling at date of transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currency at exchange rates prevailing on 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.

Effective 1<sup>st</sup> April, 2018 the Company has adopted Appendix B to IND AS 21- Foreign Currency Transactions and Advance Consideration which clarifies date of transaction for purpose of determining exchange rate to use on initial recognition of the related asset, expense or income when the Company has received or paid advance consideration in Foreign Currency.

## **2.22 LEASES**

Determination of whether an arrangement is (or contains) a lease is based on substance of arrangement at inception of lease. The arrangement is, or contains, a lease if fulfilment of arrangement is dependent on use of a specific asset or assets and 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 1<sup>st</sup> April, 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

### 2.22.1 COMPANY AS A LESSEE – 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 commencement of the lease at the inception date.

Interest element of lease payments is charged to Statement of Profit and Loss, as Finance costs over period of lease. Leased Asset is depreciated over useful life of asset or lease term, whichever is lower.

### 2.22.2 COMPANY AS A LESSEE – 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.

## 2.23 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 profit / (loss) attributable to equity shareholders of the Company by weighted average number of equity shares outstanding during the period.
- ii. **Diluted EPS** is computed using profit / (loss) for the year attributable to shareholder's and weighted average number of equity and potential equity shares outstanding during the period, 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.

## 2.24 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The assessments undertaken in recognising provisions and contingencies have been made in accordance with 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.

### 2.24.1 PROVISIONS

Provisions represent liabilities to the Company for which 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.

### 2.24.2 WARRANTY PROVISIONS

The Company provides product warranties and does not sell the warranty separately to its customers. Provision for warranty-related costs is recognised when the product is sold or service is provided to customers. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

### **2.24.3 ONEROUS CONTRACTS**

An Onerous Contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If the company identifies a contract as an Onerous Contract, the present obligation under the contract is measured and recognised as provision.

### **2.24.4 CONTINGENT LIABILITIES**

In 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 Notices 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 is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

### **2.24.5 CONTINGENT ASSETS**

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

## **2.25 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. Cash flows from operating, investing and financing activities of the Company are segregated based on available information.

## **2.26 SEGMENT REPORTING**

- i. Operating segments are reported in a manner consistent with 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".

## **2.27 MISCELLANEOUS EXPENDITURE**

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

## **2.28 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 Ministry of Corporate Affairs (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 purpose of trading,
  - c) Expected to be realised within twelve months after 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 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 purpose of trading,
  - c) Due to be settled within twelve months after reporting period, or
  - d) There is no unconditional right to defer settlement of liability for at least twelve months after reporting period.
- iv. All other liabilities are classified as non-current.
- v. The Operating Cycle is the time between 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.

## 2.29 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. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:

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

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

Fair Value of an asset or liability is measured using 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 asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of un-observable 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 lowest level input that is significant to fair value measurement is directly or indirectly observable.

**Level 3-** Valuation techniques for which lowest level input that is significant to fair value measurement is un-observable.

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 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.

## **2.30 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**

Preparation of Standalone Financial Statements requires management to make estimates and assumptions that affect 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 (IND AS).

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**

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

### **2.32.1 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 overall context of whether there is transfer of risks and rewards incidental to ownership include 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.

## **2.32.2 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 assets.

## **2.32.3 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Certain contracts of the Company for sale of goods include discounts, rebates & Incentives that give rise to variable consideration. The Company determined that estimates of variable consideration are based on its historical experience, business forecast and current economic conditions. The Company determined that expected value method is appropriate method to use in estimating the variable consideration as the large number of customer contracts that have similar characteristics.

## **2.33 ESTIMATION UNCERTAINTY**

Information about estimates and assumptions that have 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, management of the Company determines 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 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 reported fair value of financial instruments.

### **2.33.3 IMPAIRMENT OF FINANCIAL ASSETS**

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 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 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. 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 actual results and 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 taxable entity and responsible tax authority.

### **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 NEW AND AMENDED STANDARDS DURING THE YEAR**

The Company applied IND AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other standards and amendments apply for the first time in 2018-19, but do not have an impact on the Standalone Financial Statements of the Company.

### **2.34.1 IND AS-115 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Company applied IND AS-115 for the first time by using the cumulative effect method of adoption with date of initial application from 1<sup>st</sup> April, 2018. Under this method Comparative prior period is not adjusted and the cumulative effect of initially applying IND AS 115 is recognised as an adjustment to the opening balance of retained earnings as at 1<sup>st</sup> April, 2018.

There was no impact on retained earnings as on 1<sup>st</sup> April, 2018 on adoption of IND AS-115.

#### **CHANGES IN PRESENTATION**

As a result of the application of IND AS-115, the Company has changed its presentation in the income statement as follows: -

Variable considerations related to Discounts & Incentives payable to customers were presented as an expense in the Profit and Loss account before 1<sup>st</sup> April, 2018 but they are presented as a deduction from revenue at initial recognition. Any changes in estimation of variable consideration is recognised in Profit & Loss account as Revenue or Expenditure as the case may be.

### **2.34.2 FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATIONS APPENDIX-B TO IND AS-21**

The Appendix B clarifies that, in determining spot exchange rate to use on initial recognition of related asset, expense or income (or part of it) on de-recognition of a non-monetary asset

or non-monetary liability relating to advance consideration, date of the transaction is the date on which an entity initially recognizes non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Company has applied Appendix B from 1<sup>st</sup> April, 2018 and there is no material impact on Standalone financial statements.

## **2.35 STANDARDS ISSUED BUT NOT EFFECTIVE**

### **2.35.1 IND AS-116 'LEASES'**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs has notified IND AS-116, Leases. IND AS 116 will replace the existing leases Standard, IND AS-17 Leases, and related interpretations.

New standard permits two possible methods of transition i.e. Full Retrospective or Modified Retrospective.

The Company will adopt the standard on 1<sup>st</sup> April, 2019 by using Modified retrospective effect method and accordingly comparatives for year ended 31<sup>st</sup> March, 2019 will not be retrospectively adjusted.

The Company is evaluating requirements of IND AS-116, and has not yet determined the impact on the financial statements.

### **2.35.2 AMENDMENT TO IND AS 19- PLAN AMENDMENT, CURTAILMENT OR SETTLEMENT**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs issued amendments to IND AS-19- 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

Effective date for application of this amendment is annual period beginning on or after 1<sup>st</sup> April, 2019. The Company expects that there will be no impact on account of this amendment.

### **2.35.3 AMENDMENT TO IND AS 12-'INCOME TAXES'**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in IND AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

Effective date for application of this amendment is annual period beginning on or after 1<sup>st</sup> April, 2019. The Company expects that there will be no impact on account of this amendment.

### **2.35.4 IND AS-12 APPENDIX-C, UNCERTAINTY OVER INCOME TAX TREATMENTS**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs has notified IND AS-12 Appendix-C, Uncertainty over Income Tax Treatments.

The standard permits two possible methods of transition i.e. Full retrospective or Retrospectively with Cumulative Effect.

The Company will adopt the standard on 1<sup>st</sup> April, 2019 by using the Retrospectively with Cumulative Effect method and accordingly comparatives for the year ending or ended 31<sup>st</sup> March, 2019 will not be retrospectively adjusted.

The Company expects that there will be no impact on account of this amendment.



### 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 Equipment	Computers	Asset Taken on Finance Lease - Hire Purchase Vehicles	Total
<b>Gross Carrying Amount</b>											
<b>As at 1<sup>st</sup> April , 2017</b>	<b>3.66</b>	<b>317.45</b>	<b>1,048.89</b>	<b>55.15</b>	<b>2,685.65</b>	<b>63.98</b>	<b>27.61</b>	<b>15.46</b>	<b>39.82</b>	<b>44.66</b>	<b>4,302.33</b>
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
<b>As at 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>317.45</b>	<b>1,071.79</b>	<b>78.52</b>	<b>2,919.55</b>	<b>74.53</b>	<b>28.52</b>	<b>28.18</b>	<b>53.79</b>	<b>51.94</b>	<b>4,627.93</b>
Additions	93.32	-	280.05	15.56	680.54	15.24	17.10	8.60	16.54	25.69	1,152.64
Disposals/Adjustments	-	-	-	-	4.68	1.74	2.61	2.22	0.38	-	11.63
<b>As at 31<sup>st</sup> March, 2019</b>	<b>96.98</b>	<b>317.45</b>	<b>1,351.84</b>	<b>94.08</b>	<b>3,595.41</b>	<b>88.03</b>	<b>43.01</b>	<b>34.56</b>	<b>69.95</b>	<b>77.63</b>	<b>5,768.94</b>
<b>Depreciation and Impairment</b>											
<b>As at 1<sup>st</sup> April , 2017</b>	<b>-</b>	<b>3.57</b>	<b>34.75</b>	<b>20.41</b>	<b>182.92</b>	<b>12.08</b>	<b>5.55</b>	<b>2.72</b>	<b>10.95</b>	<b>4.63</b>	<b>277.58</b>
Depreciation charge for the year	-	3.57	38.47	19.13	210.07	12.94	4.95	4.48	13.57	5.83	313.01
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	1.28	0.54	-	0.27	-	0.07	-	2.16
<b>As at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>7.14</b>	<b>73.22</b>	<b>38.26</b>	<b>392.45</b>	<b>25.02</b>	<b>10.23</b>	<b>7.20</b>	<b>24.45</b>	<b>10.46</b>	<b>588.43</b>
Depreciation charge for the year	-	3.54	44.71	9.97	224.66	12.19	4.34	6.44	16.13	6.48	328.46
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	1.10	1.17	0.72	1.39	0.34	-	4.72
<b>As at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>10.68</b>	<b>117.93</b>	<b>48.23</b>	<b>616.01</b>	<b>36.04</b>	<b>13.85</b>	<b>12.25</b>	<b>40.24</b>	<b>16.94</b>	<b>912.17</b>
<b>Net book value</b>											
<b>As at 31<sup>st</sup> March, 2019</b>	<b>96.98</b>	<b>306.77</b>	<b>1,233.91</b>	<b>45.85</b>	<b>2,979.40</b>	<b>51.99</b>	<b>29.16</b>	<b>22.31</b>	<b>29.71</b>	<b>60.69</b>	<b>4,856.77</b>
<b>As at 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>310.31</b>	<b>998.57</b>	<b>40.26</b>	<b>2,527.10</b>	<b>49.51</b>	<b>18.29</b>	<b>20.98</b>	<b>29.34</b>	<b>41.48</b>	<b>4,039.50</b>

**3.1 (a)** Carrying value of Assets acquired under hire purchase as on 31.03.2018 exclude the amount related to hire purchase agreement settled during the current year.

**(b)** Property, Plant & Equipment pledged as security. Refer note no. 19 & 22.

**(c)** Lease hold Land represents land obtain on long term lease from Government Authorities and are considered as Finance Lease.

**4. Capital Work in Progress:**

(₹ in Millions)

Particulars	Building	Plant & Equipment	Furniture & Fixtures	Construction Period Expenses Pending allocation	Total
<b>As at 1<sup>st</sup> April , 2017</b>	-	<b>31.54</b>	-	-	<b>31.54</b>
Additions	171.01	212.41	31.52	10.09	<b>425.03</b>
Adjustments	23.19	172.11	31.46	-	<b>226.76</b>
<b>As at 31<sup>st</sup> March, 2018</b>	<b>147.82</b>	<b>71.84</b>	<b>0.06</b>	<b>10.09</b>	<b>229.81</b>
Additions	254.46	628.93	13.85	29.77	<b>927.01</b>
Adjustments	241.49	566.22	10.56	22.49	<b>840.76</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>160.79</b>	<b>134.55</b>	<b>3.35</b>	<b>17.37</b>	<b>316.06</b>
<b>Net Book Value</b>					
<b>As at 31<sup>st</sup> March, 2019</b>	<b>160.79</b>	<b>134.55</b>	<b>3.35</b>	<b>17.37</b>	<b>316.06</b>
<b>As at 31<sup>st</sup> March , 2018</b>	<b>147.82</b>	<b>71.84</b>	<b>0.06</b>	<b>10.09</b>	<b>229.81</b>

**4.1 (a)** Contractual commitments for the acquisition of Property, Plant & Equipment ₹ 302.45 Millions (Previous Year: ₹ 132.92 Millions)

**(b)** Amount of Borrowing Costs Capitalised during the year in accordance with IND AS-23 "Borrowing Cost". Asset wise break up of borrowing cost capitalized is given as below:

(₹ in Millions)

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Building	<b>8.37</b>	-
Plant & Equipment	<b>6.64</b>	-
Furniture & Fixtures	<b>0.05</b>	-
<b>Total Borrowing Cost Allocated to Assets during the year</b>	<b>15.06</b>	-
<b>Borrowing Cost Pending allocation for future years</b>	<b>8.41</b>	6.76

**(c)** Capitalization rate 9.09% (Previous Year 10.71%) has been used to determine amount of borrowing cost eligible for capitalization

**5. Other Intangible Assets:**

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>As at 1<sup>st</sup> April , 2017</b>	<b>33.17</b>	<b>33.17</b>
Addition during the year	12.34	<b>12.34</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>45.51</b>	<b>45.51</b>
Addition during the year	10.49	10.49
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>56.00</b>	<b>56.00</b>

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>Amortization and Impairment</b>		
<b>As at 1<sup>st</sup> April , 2017</b>	<b>5.91</b>	<b>5.91</b>
Addition during the year	9.29	9.29
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>15.20</b>	<b>15.20</b>
Amortization	11.02	11.02
Impairment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>26.22</b>	<b>26.22</b>
<b>Net book value</b>		
<b>As at 31<sup>st</sup> March, 2019</b>	<b>29.78</b>	<b>29.78</b>
<b>As at 31<sup>st</sup> March , 2018</b>	<b>30.31</b>	<b>30.31</b>

**6. Non-Current Investments:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>1 Investments Equity Instruments (Quoted and Unquoted)</b>		
<i>a) In Subsidiary* (Investments at cost)</i>	<b>0.01</b>	0.01
<i>b) In Associates** (Investments at cost) (₹ 2,349/-, Previous Year: Nil)</i>	<b>0.00</b>	-
<i>c) Others *** (Investments at fair value through OCI)</i>	<b>12.68</b>	25.26
<b>Total Investments in Equity Instruments</b>	<b>12.69</b>	25.27
<b>2 Investments Mutual Funds (Unquoted) (Investments at fair value through OCI)</b>		
<i>a) Investments in Mutual Funds****</i>	<b>2.97</b>	3.03
<b>Total Investments in Mutual Funds</b>	<b>2.97</b>	3.03
<b>3 Investment in AOP (Unquoted) (Investments at Cost)</b>		
<i>a) Investments in Joint Venture of KEI Industries Ltd New Delhi &amp; Brugg Kabel AG Switzerland (Refer note 52(d))</i>	-	-
<b>Total Investments</b>	<b>15.66</b>	28.30
<b>* Investments in Equity Shares Unquoted ( at cost)</b>		
--- KEI Cables Australia PTY LTD ( principal place of business - Australia) 180 (Previous Year: 180) Equity Shares of 1 AUD each fully paid	<b>0.01</b>	0.01
<b>** Investments in Equity Shares Unquoted ( at cost)</b>		
-- KEI Cables SA (PTY) Limited (principal place of business - South Africa) 490 (Previous Year: NIL) Equity Shares of 1 ZAR each fully paid (Refer note 52 (e))	<b>0.00</b>	-
<b>Total Equity investments at cost</b>	<b>0.01</b>	0.01

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>*** Equity Shares Quoted</b>		
--- State Bank of India 670 (Previous Year: 670) Equity Shares of ₹ 1 each fully paid	0.21	0.17
--- PNB Gilts Limited 8000 (Previous Year: 8000) Equity Shares of ₹ 10 each fully paid	0.25	0.28
--- Punjab National Bank 11000 (Previous Year: 11000) Equity Shares of ₹ 2 each fully paid	1.05	1.05
---Dena Bank 2595 (Previous Year: 2595) Equity Shares of ₹ 10 each fully paid	0.03	0.05
---ICICI Bank Limited 4950 (Previous Year: 4950) Equity Shares of ₹ 2 each fully paid	1.98	1.38
---YES Bank Limited 1270 (Previous Year: 1270) Equity Shares of ₹ 2 each fully paid	0.35	0.39
---Jaypee Infratech Limited 5000 (Previous Year: 5000) Equity Shares of ₹ 10 each fully paid	0.01	0.04
---Technofab Engineering Limited 104228 (Previous Year: 104228) Equity Shares of ₹ 10 each fully paid	8.80	21.90
<b>Total Equity Investments (FVOCI)</b>	<b>12.68</b>	<b>25.26</b>
<b>**** Mutual Funds Unquoted</b>		
---UTI-Opportunities Fund-Growth 11770.711 (Previous Year: 11770.711) Units of ₹ 10 each	0.73	0.67
---L192D SBI PSU Fund-Regular Plan-Dividend 212944.872 (Previous Year: 212944.872) Units of ₹ 10 each	2.24	2.36
<b>Total investments in Mutual Funds (FVOCI)</b>	<b>2.97</b>	<b>3.03</b>
<b>Aggregate value of quoted investments</b>	<b>28.62</b>	<b>28.62</b>
<b>Aggregate Market value of quoted investments</b>	<b>12.68</b>	<b>25.26</b>
<b>Aggregate value of unquoted investments</b>	<b>2.98</b>	<b>3.04</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-

## 7. Non-Current Loans:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Secured</b>	-	-
<b>Loans considered good, Unsecured</b>		
Security Deposits to Related Parties	2.00	1.80
Security Deposits to Others	61.55	35.51
Loans to Related Parties	0.14	0.46
Loans to Workers & Staff- Others	4.89	2.90
<b>Loans having Significant increase in Credit Risk</b>	-	-
<b>Loans Credit Impaired</b>	-	-
<b>Total</b>	<b>68.58</b>	<b>40.67</b>

## Break-up for Related Parties:

### 7.1 Non-Current Security Deposit to Related Parties: (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Unsecured</b>		
Projection Financial & Management Consultants Private Limited *	1.85	1.65
Anil Gupta (HUF) *	0.15	0.15
<b>Total</b>	<b>2.00</b>	<b>1.80</b>

\* Security Deposit (Interest Free) for premises taken on lease by company

### 7.2 Non-Current Loans to Related Party: (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Unsecured</b>		
Kishore Kunal*	0.14	0.46
<b>Total</b>	<b>0.14</b>	<b>0.46</b>

\* Against Salary and other benefits

### 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 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited *	4.22	1.65
Anil Gupta (HUF)	0.15	0.15
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year: ₹ Nil )	(0.00)	-
Subsidiary Company " KEI Cables Australia PTY LTD"	9.28	-

\* (includes Current Loans as per Note No. 14.1)

#### (ii) Maximum Outstanding Balance during the year (At Cost): (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited*	4.77	2.40
Anil Gupta (HUF)	0.15	0.15
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year: ₹ Nil )	(0.00)	-
Subsidiary Company " KEI Cables Australia PTY LTD"	9.28	-

\*(includes Current Loans as per Note No. 14.1)

**7.4 Investments by Loanee in Equity shares of Company: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited	114.20	114.20
Anil Gupta (HUF)	13.62	13.62
	127.82	127.82

**8. Other Non-Current Financial Assets: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with banks having more than 12 month Maturity (Fixed Deposits under lien/custody with Banks / Others)	4.97	1.46
Unpaid Dividend Bank Account *	1.30	1.14
<b>Total</b>	<b>6.27</b>	<b>2.60</b>

\* Balance in unpaid dividend bank account can only be used towards settlement of dividend unclaimed by shareholders of the company.

**9. Other Non-Current Assets: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Advances	90.07	116.34
Others:		
--- Prepaid Expenses	2.07	2.45
<b>Total</b>	<b>92.14</b>	<b>118.79</b>

**10. Inventories: (₹ in Millions)**

Particulars	Method of Valuation	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials Including In Transit	At Cost	1,235.36	1,518.96
Work -in- Progress	At Cost	1,951.67	1,623.35
Finished Goods Including in Transit	At lower of cost or net realizable value	2,942.38	2,228.38
Stock in Trade Including In Transit	At Cost	6.64	10.62
Stores & Spares Including In Transit	At Cost	71.55	70.42
Project Materials	At Cost	543.31	4.71
Packing Materials	At Cost	116.32	78.03
Scrap	At net realizable value	29.14	21.41
<b>Total</b>		<b>6,896.37</b>	<b>5,555.88</b>

### 10.1 Break-up for Goods-in-Transit:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
--- Finished Goods	742.76	723.53
--- Raw Materials	146.21	410.44
--- Stores & Spares	2.54	0.89
<b>Total</b>	<b>891.51</b>	<b>1,134.86</b>

### 10.2 Finished Goods held at Net Realisable Value:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
--- Finished goods	572.32	85.22

Refer Note no. 22.1 for Inventories hypothecated as security against bank borrowings.

### 11. Current Trade Receivables:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Trade receivables</b>		
Secured, Considered Good	-	-
Unsecured, Considered Good	11,113.37	10,367.76
Receivables having Significant Increase in Credit Risk	-	-
Receivables Credit Impaired	-	-
Less: Expected Credit Loss (ECL)	167.15	161.90
<b>Total</b>	<b>10,946.22</b>	<b>10,205.86</b>
<b>Break-up for Related Parties:</b>		
<b>Particulars</b>		
Receivables from "KEI Cables Australia PTY Limited", Subsidiary	36.94	141.74
<b>Total</b>	<b>36.94</b>	<b>141.74</b>

**11.1** 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.

**11.2** 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 recognize transferred assets in their entirety in its Balance Sheet. Amount repayable under the factoring arrangement is presented as secured borrowing.

**11.3** Trade Receivables are usually non interest bearing and are on trade terms of 90 days

### 11.4 Relevant carrying amounts are as follows:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total Transferred Receivables	1,255.79	2,185.97
Associated Secured Borrowing ( Refer Note No. 22)	1,255.79	2,185.97

**11.5** For credit risk and movement in impairment allowances refer note no. 50.2.

**12. Cash and Cash Equivalents:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Cash in Hand	3.83	3.65
Balances with Banks		
--- Current Accounts	70.75	448.34
--- Fixed Deposits with less than 3 month maturity	146.10	142.51
<b>Total</b>	<b>220.68</b>	<b>594.50</b>

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits under lien/custody with Banks /Others	143.44	-

**13. Bank Balances other than Cash and Cash Equivalents:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with original maturity of more than 3 months but less than 12 months*	1,728.65	165.03
Unpaid Dividend Accounts	0.40	0.35
Fixed Deposits with Banks as Deposits Repayment Reserve Account**	3.62	3.40
<b>Total</b>	<b>1,732.67</b>	<b>168.78</b>

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
* Fixed Deposits under lien/custody with Banks / Others	1,728.65	85.03

\*\* Deposits Repayment Reserve account is created as per requirement of Section 73 of Companies Act, 2013

**14. Current Loans:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured, Considered Good</b>		
Security Deposits to Related Party	2.37	-
Security Deposits to Others	21.26	4.16
Loans to Related Parties	9.61	0.29
Loans to Workers & Staff- Others	12.90	9.44
<b>Total</b>	<b>46.14</b>	<b>13.89</b>



#### 14.1 Current Loans to Related Party:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans</b>		
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year ₹ Nil )	(0.00)	-
Subsidiary Company " KEI Cables Australia PTY LTD"	9.28	-
Kishore Kunal**	0.33	0.29
<b>Total</b>	<b>9.61</b>	<b>0.29</b>
** Against salary and other benefits		
<b>Security Deposits to Related Party</b>		
Projection Financial & Management Consultants Private Limited *	2.37	-
	<b>2.37</b>	-

\*For disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 refer Note no. 7.3

#### 15. Other Financial Assets

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Contract Assets (Refer Note 42.2)	1,040.47	521.02
<b>Total</b>	<b>1,040.47</b>	<b>521.02</b>

#### 16. Other Current Assets:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Advances other than capital advances</b>		
--- Advances to Related Parties	0.33	2.20
--- Advances to Suppliers	528.49	228.80
--- Advances Recoverable	29.19	29.38
<b>Others</b>		
--- Interest Accrued	29.92	6.92
--- Prepaid Expenses	31.26	63.04
--- Earnest Money	62.64	59.69
--- Claims Recoverable from Government	693.48	226.19
<b>Total</b>	<b>1,375.31</b>	<b>616.22</b>

#### 16.1 Break-up of Advance to Related Parties:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Recoverable from Joint Venture " Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland "	0.33	0.91
Recoverable from Subsidiary Company " KEI Cables Australia PTY LTD"	-	1.29
<b>Total</b>	<b>0.33</b>	<b>2.20</b>

**17. Equity Share Capital:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorized</b>		
110,000,000 (Previous Year: 110,000,000) Equity Shares of ₹ 2/- each	220.00	220.00
300,000 (Previous Year: 300,000) Preference Shares of ₹ 100/- each	30.00	30.00
<b>Total</b>	<b>250.00</b>	<b>250.00</b>
<b>Issued, Subscribed &amp; paid-up</b>		
78,925,438 (Previous Year: 78,361,438) Equity shares of ₹ 2/- each fully paid	157.85	156.72
<b>Total</b>	<b>157.85</b>	<b>156.72</b>

**17.1 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.

**17.2 Reconciliation of Number of Equity Shares:**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Nos.	₹ in Millions	Nos.	₹ in Millions
Balance as at the beginning of the year	7,83,61,438	156.72	7,77,97,438	155.59
Add: Issued during the Year *	5,64,000	1.13	5,64,000	1.13
Balance as at the end of the year	7,89,25,438	157.85	7,83,61,438	156.72

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

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

Name of shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	1,36,80,776	17.33%	1,36,80,776	17.46%
M/s Projection Financial and Management Consultants Private Limited	79,00,000	10.01%	79,00,000	10.08%
M/s Anil Gupta (HUF) beneficiary	46,50,375	5.89%	46,50,375	5.93%
Mr. Anil Gupta				
Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund	53,00,000	6.72%	52,20,550	6.66%

**17.4** During the year 2016-17, 5,60,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2017-18, 5,64,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2018-19, 5,64,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

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

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
	Nos. of shares	Nos. of shares
<b>Options available under ESOS, 2015</b>		
-- Options available at the beginning of the year	<b>11,28,000</b>	16,92,000
-- Options granted during the year	<b>15,000</b>	-
-- Equity Shares issued during the year		
Under KEI ESOS-2015 option Plan: equity shares of ₹ 2 each.	<b>5,64,000</b>	5,64,000
<b>-- Options available at the close of the year</b>	<b>5,79,000</b>	11,28,000

For terms and other details of KEI ESOS, 2015 refer Note no. 43.

### 18. Other Equity:

Refer Statement of Changes in Equity for detailed movement in other Equity balances:

#### A. Summary of Other Equity balance:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Reserve	<b>28.00</b>	28.00
Securities Premium	<b>901.81</b>	843.09
General Reserve	<b>21.09</b>	21.09
Retained Earnings	<b>6,685.74</b>	4,961.50
Employee Stock Options Outstanding	<b>37.50</b>	58.93
Other Comprehensive Income	<b>(43.06)</b>	(24.01)
<b>Total</b>	<b>7,631.08</b>	5,888.60

#### B. Nature and purpose of Reserves

- Capital Reserve:** Subscribed capital forfeited due to non- receipt of call money treated as Capital Reserve.
- Securities Premium :** Amount received in excess of face value of the equity shares is recognized in Securities Premium . 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.
- Employee Stock Options Outstanding :** Fair value of equity-settled share based payment transactions with employees is recognized in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding .
- 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.
- 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.

**19. Non Current Borrowings:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Secured</b>		
<b>Term Loan</b>		
-- Term Loans from Banks	<b>294.04</b>	467.39
-- Foreign Currency Term Loans from Banks	<b>97.37</b>	274.12
-- External Commercial Borrowings	<b>385.70</b>	412.92
--Term Loans from Non-Banking Financial Company	<b>310.00</b>	205.77
<b>Total Term Loan</b>	<b>1,087.11</b>	1,360.20
Finance Lease Obligations on Hire Purchase of Vehicles	<b>22.11</b>	18.26
<b>(ii) Unsecured</b>		
<b>Deposits</b>		
-- Public Deposits	<b>49.75</b>	48.81
-- Deposits from Related Parties	<b>34.40</b>	29.35
<b>Total</b>	<b>1,193.37</b>	1,456.62

**19.1 Nature of Security and Repayment Terms of Term Loan:****(₹ in Millions)**

Sl. No.	Nate of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1	Secured Term Loan from Scheduled Bank	INR	Oct, 2020	Floating 1year-MCLR+ 1.85% p.a	<b>64.79</b>	101.42
2	Secured Term Loan from Scheduled Bank	USD	Feb, 2019	Floating 6 month LIBOR + 90 bps	-	233.97
3	Secured Term Loan from Scheduled Bank	INR	Nov, 2019	Floating 1 year MCLR+ 1.35% p.a	<b>46.14</b>	107.21
4	Secured Term Loan from NBFC	INR	Dec, 2021	Fixed 9.75% p.a.	<b>205.77</b>	280.37
5	Secured Term Loan from Scheduled Bank	INR	May, 2020	Floating 12 month MCLR + 0.50% p.a	<b>194.06</b>	365.46
6	Secured Term Loan from Scheduled Bank	INR	June, 2022	Floating 1 year MCLR + 0.50% p.a	<b>162.50</b>	212.32
7	Secured Term Loan from Scheduled Bank	USD	Sep, 2020	Fixed all inclusive cost of maximum of 4.85% p.a	<b>291.39</b>	455.72
8	External Commercial Borrowing	USD	Dec, 2022	Floating 3 month LIBOR + 190 BPS	<b>494.91</b>	514.72
9	Secured Term Loan from NBFC	INR	Oct, 2023	Fixed 9.75% p.a.	<b>199.69</b>	-
10	Secured Term Loan from Scheduled Bank	INR	May, 2020	Floating 3 month MCLR + 0.35% p.a	<b>233.14</b>	-
11	Secured Term Loan from Scheduled Bank	INR	Jan, 2023	Floating 1 year MCLR + 0.05% p.a	<b>114.81</b>	-
<b>Total</b>					<b>2,007.20</b>	2,271.19
Less: Current Borrowings (Note no. 24)					<b>920.09</b>	910.99
Non-Current Borrowings (Note no. 19)					<b>1087.11</b>	1,360.20

- 19.2** 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, 99/2/7 Madhuban Industrial Estate village Rakholi Silvassa and Survey no.1/1/2/5, Village Chinchpada, Silvassa. Further they are secured by personal guarantee of Shri Anil Gupta, Chairman-cum-Managing Director of the Company.
- 19.3** Finance Lease Obligations are taken from scheduled banks and are secured against hypothecation of vehicles. The Rate of interest on such loans varying between 8.50% to 11.00%.
- 19.4** Unsecured Deposits are repayable within 3 years from the date of acceptance. The Company has not defaulted in repayment of deposits.
- 19.5** For Loans & Deposits from Related Parties refer Note no. 46 " Related Party disclosures"
- 19.6** The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed by lenders.

## 20. Non Current Provisions:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Employee benefits		
---Provision for Compensated Absences	86.26	67.21
	86.26	67.21

For movement in provision refer note no. 26.1

## 21. Deferred Tax Liability (Net):

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Deferred Tax Liability :</b>		
Additional depreciation/amortization on PPE and Other Intangible Assets	587.73	515.89
Other timing differences	7.59	9.32
<b>Total Deferred Tax Liabilities</b>	<b>595.32</b>	<b>525.21</b>
<b>Deferred Tax Asset :</b>		
Liabilities / provisions that are deducted for tax purposes when paid	66.81	51.45
Provision for doubtful debts/impairment allowance	58.41	56.57
Defined benefit obligations	15.85	11.39
Long term capital loss on shares	1.86	-
Other timing differences	10.62	7.36
<b>Total Deferred Tax Assets</b>	<b>153.55</b>	<b>126.77</b>
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(441.77)</b>	<b>(398.44)</b>

**21.1 Movement in Deferred Tax Assets:****(₹ in Millions)**

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
<b>As at 1<sup>st</sup> April, 2017</b>	<b>54.61</b>	<b>7.51</b>	<b>46.83</b>	<b>7.23</b>	<b>116.18</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.96	-	4.62	0.13	6.71
-- Other Comprehensive Income	-	3.88	-	-	3.88
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>56.57</b>	<b>11.39</b>	<b>51.45</b>	<b>7.36</b>	<b>126.77</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.84	-	15.36	3.26	20.46
-- Other Comprehensive Income	-	4.46	-	1.86	6.32
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>58.41</b>	<b>15.85</b>	<b>66.81</b>	<b>12.48</b>	<b>153.55</b>

**21.2 Movement in Deferred Tax Liabilities:****(₹ in Millions)**

Particulars	Additional depreciation/ amortization on PPE and Other Intangible Assets	Other items	Total deferred tax liabilities
<b>As at 1<sup>st</sup> April, 2017</b>	<b>460.67</b>	<b>8.69</b>	<b>469.36</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	55.22	0.63	55.85
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>515.89</b>	<b>9.32</b>	<b>525.21</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	71.84	(1.73)	70.11
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>587.73</b>	<b>7.59</b>	<b>595.32</b>

## 22. Current Borrowings:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Secured:</b>		
<b>Loan repayable on demand</b>		
--- Working Capital Loans from Banks	<b>2,390.96</b>	2,266.79
--- Buyer's Credit	-	1,377.63
--- Factoring Arrangements	<b>1,255.79</b>	2,185.97
<b>(ii) Unsecured:</b>		
<b>Loans from Related Parties</b>		
--- Loan from Related Party *	<b>208.00</b>	205.00
<b>Deposits</b>		
Deposits from Related Parties*		
--- Inter Corporate Deposits	<b>5.00</b>	0.80
Deposits from Others		
--- Inter Corporate Deposits	<b>5.50</b>	5.50
<b>Total</b>	<b>3,865.25</b>	6,041.69

\* For Loans/Deposits From Related Party Refer Note No. 46 " Related Party Disclosure"

**22.1** Working Capital facilities from banks are secured by 1<sup>st</sup> Pari passu charge by way of hypothecation on the entire current assets including raw material stock in process, finished goods, consumable stores & spares and receivables of the Company, 1<sup>st</sup> pari passu charge on present and future fixed assets at SP 920-922, 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 , SP 919, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar, (Rajasthan) Industrial Plot/ Survey No.- 1/1/2/5, Situated at Village Chinchpada , Silvassa both present and future. Further they are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum- Managing Director of the Company.

**22.2** Working Capital Loans from Banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated. The lender banks have a right to cancel the credit limits (either fully or partially) and, inter-alia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the sanctioned loan accounts in any manner.

**22.3** Loan from Related Party is payable on demand and carries a fixed rate of interest @ 9% p.a. w.e.f 1<sup>st</sup> April, 2018.

**22.4** The Company has not defaulted on any loans/deposits payable during the year and has satisfied all debt covenants prescribed by lenders.

**22.5** The Company has arranged Channel Finance facility for its customers from various banks against which a sum of ₹ 1,378.76 Millions (Previous Year ₹ 1030.30 Millions) has been utilized as on the date of Balance Sheet. The Company is liable to pay in case of default by its customers along with interest thereon. The default made by customers as on 31<sup>st</sup> March, 2019 is ₹ 2.53 Millions (Previous Year: ₹ 1.80 Millions).

## 23. Trade Payables:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Micro, Small and Medium Enterprises	<b>914.41</b>	-
<b>Total outstanding dues of micro, small and medium enterprises</b>	<b>914.41</b>	-
Acceptances	<b>5,930.45</b>	2,329.05
Others	<b>3,358.14</b>	3,942.95
<b>Total outstanding dues of creditors other than micro, small and medium enterprises</b>	<b>9,288.59</b>	6,272.00
<b>Total</b>	<b>10,203.00</b>	6,272.00

**23.1** Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Amount remaining unpaid to Micro, Small and Medium Enterprises at the end of the year</b>		
Principal	<b>914.41</b>	-
Interest	-	-
<b>Total</b>	<b>914.41</b>	-

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The total dues of Micro, Small and Midium Enterprises which were outstanding for more than stipulated period are ₹ Nil (Preivous Year: ₹ Nil)

#### 24. Other Current Financial Liabilities:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Current Maturities of Long Term Debts</b>		
---From Banks	<b>521.40</b>	319.03
---Foreign Currency Loans from Banks	<b>194.20</b>	415.57
-- External Commercial Borrowings	<b>109.21</b>	101.80
---From Others (Non-Banking Financial Company)	<b>95.46</b>	74.59
<b>Total Current Maturities of Long Term Debts</b>	<b>920.09</b>	910.99
(Refer Note 19.1)		
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles (Refer Note 19.1 & 19.3)	<b>15.69</b>	11.89



Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest on Borrowings		
---Accrued but not due	3.19	8.13
---Accrued and due	3.35	8.85
Contract Liabilities (Refer Note 42.2)	2,434.92	392.12
Unpaid Dividend (Refer Note 24.1)	1.69	1.49
<b>Total</b>	<b>3,378.93</b>	<b>1,333.47</b>

**24.1** Amount due & outstanding to be credited to Investor Education and Protection Fund ₹ Nil  
(Previous Year: ₹ Nil).

**25. Other Current Liabilities:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits Received	14.66	14.77
Employee Benefits Payable	161.90	98.85
Sundry Creditors-Capital Goods	105.67	77.42
Statutory Dues Payable	175.26	215.54
<b>Total</b>	<b>457.49</b>	<b>406.58</b>

**26. Current Provisions:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Employee Benefits</b>		
---Provision for Compensated Absences	12.69	9.54
---Provision for Gratuity	99.36	82.89
Other Provisions	22.93	18.86
<b>Total</b>	<b>134.98</b>	<b>111.29</b>

**26.1. Movement of Provisions (Current and Non-Current):**

(₹ in Millions)

Particulars	Compensated Absences	Gratuity	Warranty Provision
<b>As at 1<sup>st</sup> April, 2018</b>	<b>76.75</b>	<b>82.89</b>	<b>18.86</b>
Credited during the year	28.05	16.47	20.88
Utilized during the year	5.85	-	-
Unused amount reversal	-	-	16.81
<b>As at 31<sup>st</sup> March, 2019</b>	<b>98.95</b>	<b>99.36</b>	<b>22.93</b>

**Provision for Compensated Absences:**

Compensated Absences is a terminal employee benefit, which covers Company's liability towards earned leaves of employees of the Company.

**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 eligible for gratuity. Gratuity plan is a funded plan and company makes contributions to fund maintained by approved trust and administrated through separate 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.

**26.2. Disclosures under Ind AS 19 "Employee Benefits":****Defined Contribution Plan:**

Amount recognized as an expense in defined contribution plans: (₹ in Millions)

Particulars	Expense recognised during	
	FY 2018-19	FY 2017-18
Contribution to Employee Provident Fund & Employees Pension Scheme.	45.01	40.58

**a) The amounts recognised in the Balance Sheet is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Present value of obligations as at the end of year	2018-19	217.02	98.95
	2017-18	171.11	76.75
Fair value of plan assets as at the end of the year	2018-19	117.66	-
	2017-18	88.22	-
Funded status	2018-19	(99.36)	-
	2017-18	(82.89)	(76.75)
<b>Net Assets/(Liability) recognized in balance sheet</b>	2018-19	99.36	98.95
	2017-18	82.89	76.75

**b) Expense recognized in Statement of Profit and Loss is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Current Service Cost	2018-19	22.96	17.42
	2017-18	18.19	14.96
Interest Cost on Defined Benefit Obligation	2018-19	13.18	5.91
	2017-18	9.89	4.14
Interest Income on Plan Assets	2018-19	6.79	-
	2017-18	5.42	-
Net Actuarial (Gain) / Loss recognized in the period	2018-19	6.38	4.72
	2017-18	4.48	4.73
Expenses recognized in Statement of Profit and Loss	2018-19	29.35	28.05
	2017-18	22.66	23.84

**c) Expenses recognized in Other Comprehensive Income is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Actuarial (Gains)/Loss on Defined Benefit Obligation	2018-19	13.02	-
	2017-18	11.65	-
Actuarial (Gains)/Loss on Asset	2018-19	(0.27)	-
	2017-18	(0.54)	-
Actuarial Gain/(Loss) recognized in Other Comprehensive Income	2018-19	12.75	-
	2017-18	11.11	-

**d) Movements in the present value of the Defined Benefit Obligations:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Present Value of Obligations as at beginning of year	2018-19	171.11	76.75
	2017-18	137.39	57.51
Acquisition Adjustment	2018-19	-	-
	2017-18	-	-
Interest Cost	2018-19	13.18	5.91
	2017-18	9.89	4.14
Current Service Cost	2018-19	22.96	17.42
	2017-18	18.19	14.96
<b>Actuarial (Gains)/Losses arising from:</b>			
Changes in Demographic Assumptions	2018-19	NIL	NIL
	2017-18	NIL	NIL
Changes in Financial Assumptions	2018-19	1.72	0.66
	2017-18	6.74	2.53
Experience Adjustments	2018-19	11.29	4.06
	2017-18	4.90	2.21
Past Service Cost	2018-19	-	-
	2017-18	-	-
Benefits Paid	2018-19	(3.24)	(5.85)
	2017-18	(6.01)	(4.60)
Present value of obligations as at end of year	2018-19	217.02	98.95
	2017-18	171.11	76.75

**e) Movements in the fair value of the Plan Assets:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Fair Value of plan assets as on beginning of year	2018-19	88.22	-
	2017-18	75.22	-
Interest Income	2018-19	6.79	-
	2017-18	5.42	-
Re-measurement Gain/(Loss) – Return on plan assets (excluding amounts included in net interest expense)	2018-19	0.27	-
	2017-18	0.54	-
Contributions from the employer	2018-19	25.62	-
	2017-18	13.05	-
Benefits paid	2018-19	(3.24)	-
	2017-18	(6.01)	-
Fair value of Plan Assets at the end of year	2018-19	117.66	-
	2017-18	88.22	-

f) Actuarial Assumptions are as under:

Particulars	Year	Gratuity	Compensated Absences
Discount Rate	2018-19	7.60%	7.60%
	2017-18	7.70%	7.70%
Expected rate of Future Salary Increase	2018-19	7.00%	7.00%
	2017-18	7.00%	7.00%
Retirement Age	2018-19	58 yrs	58 yrs
	2017-18	58 yrs	58 yrs
Mortality rates	2018-19	As per Indian Assured Lives Mortality (2006-08) Table	
	2017-18		
Age		Withdrawal Rate	Withdrawal Rate
Up to 30 Years	2018-19	3.00%	3.00%
	2017-18	3.00%	3.00%
From 31 to 44 Years	2018-19	2.00%	2.00%
	2017-18	2.00%	2.00%
Above 44 Years	2018-19	1.00%	1.00%
	2017-18	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:

<b>Salary Increases</b>	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.
<b>Investment Risk</b>	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.
<b>Discount Rate Risk</b>	A decrease in the bond interest rate (discount rate) will increase the plan liability.
<b>Mortality &amp; Disability</b>	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

(₹ in Millions)

Duration (years)	Year	Gratuity	Compensated Absences
1	2018-19	62.46	12.69
	2017-18	48.47	9.54
2	2018-19	6.27	9.44
	2017-18	5.43	7.40
3	2018-19	10.77	9.10
	2017-18	5.01	6.65
4	2018-19	7.97	7.89
	2017-18	8.74	6.52
5	2018-19	6.32	6.61
	2017-18	5.98	5.44
Above 5	2018-19	123.23	53.22
	2017-18	97.48	41.21

**h) Summary of Membership Data:**

Particulars	As at 31 <sup>st</sup> March, 2019	
	Gratuity	Compensated Absences
Number of Employees	1,793	1,793
Total Monthly Salary for Gratuity (₹ in Millions)	48.00	-
Total Monthly Salary for leave Availment (₹ in Millions)	-	48.00
Average Past Service ( Years )	5.72 yrs	5.72 yrs
Average Age ( Years )	36.50 yrs	36.50 yrs
Average Remaining Working Life ( Years )	21.50 yrs	21.50 yrs

**i) Major Category of Plan Assets (as percentage of total plan assets) is as under:**

Particulars	Year	Gratuity	Compensated Absences
Fund Managed by Insurer	2018-19	99.36	Nil
	2017-18	82.89	Nil

**j) Sensitivity analysis is as under:**

**Impact of the change in Discount Rate:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Impact due to Increase of 1%	2018-19	200.98	92.74
	2017-18	158.41	71.94
Impact due to Decrease of 1%	2018-19	235.88	105.99
	2017-18	186.03	82.20

**Impact of the Change in Salary Increase:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Impact due to Increase of 1%	2018-19	235.81	105.96
	2017-18	185.99	82.18
Impact due to Decrease of 1%	2018-19	200.76	92.65
	2017-18	158.22	71.87

**27. Current Tax Liability ( Net):**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Tax expense comprises of:		
Opening balance (Receivables / Payables)	33.51	14.13
Current tax payable for the year	924.68	668.41
Less : Taxes paid during the year	865.05	527.52
Less : MAT Credit Entitlement	-	121.51
<b>Closing balance Liabilities (Net)</b>	<b>93.14</b>	<b>33.51</b>

**27.1** Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ NIL (Previous Year ₹ 121.51 Millions)

**28. Revenue From Operations (Gross):**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Revenue from Contract with Customers</b>				
<b>Sale of Products</b>				
---Manufactured Goods	32,059.92		25,938.26	
---Traded Goods	46.13		10.83	
<b>Sale of Services</b>				
---Income from EPC Projects	9,658.26		8,672.21	
---Job Work	0.43		3.91	
<b>Other Revenue</b>				
---Scrap	317.92	42,082.66	268.06	34,893.27
<b>Other Operating Revenues</b>				
--- Export Benefits	143.91		42.23	
--- Unadjusted Credit balances written back	43.06	186.97	28.69	70.92
<b>Total</b>		<b>42,269.63</b>		<b>34,964.19</b>

**28.1** For Disclosures related to IND AS 115 " Revenue from Contract with Customers" refer Note no. 42.

**29. Other Income:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Dividend from long term investments		0.22		0.04
Interest Income from Bank Deposits/Others		36.83		6.48
Interest Income from financial assets at amortized cost		2.06		1.57
Miscellaneous Income		11.52		0.00
Insurance Claims		21.28		10.00
Exchange Fluctuation (Net)		-		74.90
<b>Total</b>		<b>71.91</b>		<b>92.99</b>

**30. Cost of Materials Consumed:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Raw Materials Consumed</b>				
Opening Stock	1,108.52		1,188.75	
Add : Purchases	27,792.75		21,072.75	
Less : Closing Stock	1,089.15		1,108.52	
Less : Captive use	40.30	27,771.82	13.84	21,139.14
<b>EPC Project Materials</b>				
Opening Stock	4.71		20.02	
Add : Purchases	3,133.67		3,268.32	
Less: Closing Stock	543.31	2,595.07	4.71	3,283.63
<b>Total</b>		30,366.89		24,422.77

**31. Purchases of Stock in Trade:**

(₹ in Millions)

Class of Goods	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Miscellaneous		25.96		14.34
<b>Total</b>		25.96		14.34

**32. Changes in Inventory of Finished Goods, Work in Progress and Stock in trade:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Opening Stock</b>				
--- 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
<b>Less : Closing Stock</b>				
--- Finished Goods	2,942.36		2,228.38	
--- Stock in Trade	6.64		10.62	
--- Work in Progress	1,951.67		1,623.35	
--- Scrap	29.14	4,929.81	21.41	3,883.76
<b>Total</b>		(1,046.05)		(326.19)

**33. Employee Benefits Expense:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Salaries, Wages & Other Benefits	1,585.52		1,318.10	
Contribution to Provident & Other Funds	74.35		64.19	
Expense on Share Based Payments to Employees	18.68		33.04	
Staff Welfare Expenses	55.39	1,733.94	56.34	1,471.67
<b>Total</b>		1,733.94		1,471.67

**33.1 Compensation Paid To Key Managerial Personnel included in above: (₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Salaries, Wages & Other Benefits		166.15		122.94
Contribution to Provident & Other Funds		0.09		0.08
Director's Meeting Fee		6.30		3.75
Expense on Share Based Payments to Employees		5.60		11.25
<b>Total</b>		<b>178.14</b>		<b>138.02</b>

**34. Finance Costs: (₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Interest expenses		949.83		884.47
Other borrowing costs		411.44		228.57
Fair value changes on interest rate swap		0.27		-
<b>Total</b>		<b>1,361.54</b>		<b>1,113.04</b>

**35. Depreciation and Amortisation Expense: (₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Depreciation on Property, Plant & Equipment		328.46		313.01
Amortization on Other Intangible Assets		11.02		9.29
<b>Total</b>		<b>339.48</b>		<b>322.30</b>

**36. Sub Contractor Expenses for EPC Projects: (₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Sub Contractor's Expenses		1,121.17		1,085.54
<b>Total</b>		<b>1,121.17</b>		<b>1,085.54</b>

**37. Excise Duty: (₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Excise Duty on Sales		-		505.50
Excise Duty on Stock/Transfers*		-		(129.30)
<b>Total</b>		<b>-</b>		<b>376.20</b>

\*Represents excise duty borne by company and difference between excise duty on opening stock and closing stock of finished goods and stock transfers.



### 38. Other Expenses:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Stores, Spares & Consumables		123.98		147.42
Packing Expenses		1,012.78		813.04
Job Work Charges		678.70		565.88
Power, Fuel & Lighting		542.33		440.02
Repairs & Maintenance				
--- Plant & Machinery	187.80		154.49	
--- Building	7.85		9.07	
--- Others	24.10	219.75	23.08	186.64
Freight, Handling and Octroi		962.10		784.34
Rebate, Discount, Commission on Sales		167.38		186.71
Bad Debts Written off		25.21		124.96
ECL on Debtors		5.26		4.09
Rates & Taxes		96.30		116.51
Rent		95.00		75.30
Insurance		74.06		57.54
Travelling & Conveyance		227.42		177.06
Advertisement & Publicity		194.44		148.51
Auditor's Remuneration (Refer Note 38.1)		4.43		4.40
Loss on sales of Fixed Assets (Net)		1.21		1.36
Fixed Assets Written off		2.83		3.58
Communication Expenses		35.56		33.18
Donations		5.67		4.00
Professional & Consultancy Charges		284.15		145.09
Miscellaneous Expenses		576.01		503.63
Exchange Fluctuation (Net)		296.21		-
Corporate Social Responsibility Expenditure (Refer Note 38.3)		14.79		12.65
<b>Total</b>		<b>5,645.57</b>		<b>4,535.91</b>

#### 38.1 Auditor's Remuneration:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Audit Fee		3.00		3.00
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
For Other Services		0.23		0.20
<b>Total</b>		<b>4.43</b>		<b>4.40</b>

**38.2** Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 29.00 Millions (Previous Year: ₹ 18.84 Millions)

**38.3 Amount spent on Corporate Social Responsibility during the year on: (₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
i) Construction/Acquisition of assets		-		-
ii) On purpose other than (i) above		14.79		12.65
<b>Total</b>		14.79		12.65

**39. Income Tax Expense: (₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>(a) Income tax expense</b>				
<b>Current tax</b>				
Current tax on Profit for the year		928.74		668.35
MAT Credit Entitlement		-		(121.51)
Adjustment to current tax of prior periods		(4.06)		0.06
Total current tax expenses		924.68		546.90
<b>Deferred tax</b>				
(Decrease) /Increase in deferred tax liabilities		49.65		49.14
Total deferred tax expenses/(benefit)		49.65		49.14
Total Income tax expense		974.33		596.04
<b>(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate</b>				
Profit from operations before income tax expense		2,793.04		2,041.60
India Tax Rate including applicable surcharge and cess		34.94%		34.61%
<b>Tax effect of amounts which are not deductible (allowable) in calculating taxable income :</b>				
Depreciation on PPE for separate consideration		339.48		322.30
Employee benefits for separate consideration		39.10		34.64
Corporate social Responsibility expenditure/donation		20.46		16.65
<b>Other items :</b>				
Deduction under various sections of Income Tax Act, 1961		36.78		24.42
		435.82		398.01
<b>Tax effect of amounts which are deductible (allowable) in calculating taxable income :</b>				
Exempt income		0.22		0.04
Depreciation on PPE for separate consideration		534.94		465.82
Employee benefits for separate consideration		18.73		19.81
<b>Other items :</b>				
Corporate Social Responsibility expenditure/donation		7.06		7.51
Allowed under various sections of Income Tax Act, 1961		10.11		15.24
		571.06		508.42
<b>Total Net Taxable Income</b>		2,657.80		1,931.19
<b>Tax at India tax rate</b>		928.74		668.35
<b>Actual Tax Expense booked</b>		928.74		668.35
<b>Effective Tax Rate</b>		33.25%		32.74%

**40. Other Comprehensive Income:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Items that will not be reclassified to profit or loss :</b>				
Re-measurement gains (losses) on defined benefit plans		(12.75)		(11.11)
Net (loss)/gain on FVTOCI equity securities		(12.62)		1.26
Income tax effect of the above		6.32		3.88
<b>Items that will be reclassified to profit or loss:</b>				
Net gain on hedge of a net investment		-		-
Income tax effect		-		-
Exchange differences on translation of foreign operations		-		-
Income tax effect		-		-
		(19.05)		(5.97)

**41. Earnings Per Equity Share ('EPS') pursuant to Ind AS-33 has been calculated as follows:**

**(A) Earnings Per Equity Share:**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Profit after taxation (₹ in Millions)		1,818.71		1,445.56
Basic Earnings Per Share (₹)		23.12		18.51
Diluted Earnings Per Share (₹)		22.88		18.19
Face Value Per Equity Share (₹)		2.00		2.00

**(B) Weighted Average Number of Equity Shares Used as Denominator:**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Number of Equity shares at the beginning of the year		7,83,61,438		7,77,97,438
Add: Weighted average number of equity shares issued during the year		2,90,499		2,90,499
<b>Weighted average number of Equity shares for Basic EPS</b>		<b>7,86,51,937</b>		<b>7,80,87,937</b>
Add: Adjustment for Employee Stock Options outstanding		8,45,227		14,01,501
<b>Weighted average number of equity shares for Diluted EPS</b>		<b>7,94,97,164</b>		<b>7,94,89,438</b>

**42 Disclosures as required under Ind-AS 115 "Revenue from contracts with customers" are given below**

**42.1 Disaggregation of Revenue**

**Year Ended 31<sup>st</sup> March, 2019**

(₹ in Millions)

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Manufactured Goods	30,691.41	1,368.51	583.98	(583.98)	32,059.92
--- Traded Goods	21.67	-	24.46	-	46.13
--- Income From EPC Projects	-	-	9,658.26	-	9,658.26
--- Job works	-	0.43	-	-	0.43
--- Scraps	314.54	3.38	-	-	317.92
<b>Total</b>	<b>31,027.62</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,082.66</b>

(₹ in Millions)

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Point in time	31,027.62	1,372.32	24.46	(583.98)	31,840.42
--- Over the time	-	-	10,242.24	-	10,242.24
<b>Total</b>	<b>31,027.62</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,082.66</b>

(₹ in Millions)

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- India	26,736.05	679.82	9,756.80	(415.00)	36,757.67
--- others	4,291.57	692.50	509.90	(168.98)	5,324.99
<b>Total</b>	<b>31,027.62</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,082.66</b>

**Year Ended 31<sup>st</sup> March, 2018**

(₹ in Millions)

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Manufactured Goods	24,770.41	1,167.85	861.69	(861.69)	25,938.26
--- Traded Goods	8.09	-	2.74	-	10.83
--- Income From EPC Projects	-	-	8,672.21	-	8,672.21
--- Job works	-	3.91	-	-	3.91
--- Scraps	264.63	3.43	-	-	268.06
<b>Total</b>	<b>25,043.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,893.27</b>

(₹ in Millions)

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Point in time	25,043.13	1,175.19	2.74	(861.69)	25,359.37
--- Over the time	-	-	9,533.90	-	9,533.90
<b>Total</b>	<b>25,043.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,893.27</b>

(₹ in Millions)

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- India	20,938.66	737.59	9,536.64	(861.69)	30,351.20
--- others	4,104.47	437.60	-	-	4,542.07
<b>Total</b>	<b>25,043.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,893.27</b>

## 42.2 Contract Balances:

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
<b>Current :</b>				
---Advance received from Customers	-	2,022.97	-	372.85
---Incentive Payable to Customers	-	142.53	-	-
---Income received in advance	-	269.42	-	19.27
---Unbilled Revenue	1,040.47	-	521.02	-
<b>Total</b>	<b>1,040.47</b>	<b>2,434.92</b>	<b>521.02</b>	<b>392.12</b>

## 42.3 Trade Receivables from Contract with customer are separately shown in Note no. 11

Trade Receivables includes Retention by Customers ₹ 2,274.04 Millions (Previous year: ₹ 1,850.54 Millions).

## 42.4 Remaining performance obligations to be executed over a period of more than one year:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021
--- Manufactured Goods	-	-	-
--- EPC Projects*	26,210.86	13,713.43	-
<b>Total</b>	<b>26,210.86</b>	<b>13,713.43</b>	<b>-</b>

\* Based on the estimates of the Management.

## 42.5 Reconciliation of revenue recognized with Contract Price

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019
Gross revenue recognized during the year ended on 31 <sup>st</sup> March, 2019	42,505.89
Add: Incentives paid/payable to Customers	(207.91)
Add: Discount paid/payable to Customers	(250.79)
Add: Other Variable Consideration	35.47
<b>Net revenue recognized during the year ended on 31st March, 2019</b>	<b>42,082.66</b>

## 42.6 Disclosures applicable only to entities applying IND AS 115 on retrospectively with the Cumulative effect method

(₹ in Millions)

Particulars	Without adoption of IND-AS 115	Increase/ (Decrease)	As per IND-AS 115
Revenue from Contract with Customers	42,345.25	(262.59)	42,082.66
Expenses related to Incentives and variable consideration to customers	262.59	(262.59)	-
Expenses Payable related to Incentives and variable consideration to customers	142.53	(142.53)	-
Contract Liability	-	142.53	142.53

**43. 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 22,52,000 Options on September 23, 2015 which will vest over a period of four years from the date of grant. Further Nomination and Remuneration Committee had granted fresh 15,000 Options during the current financial year on September 25, 2018 which will vest over a period of one year from the date of grant in the following manner:

<b>Vesting Particulars of Options granted on 23.09.2015</b>	<b>Options vested</b>	<b>Weighted average exercise price (₹)</b>	<b>Weighted average remaining life in years</b>
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	5,60,000	35.00	1.04
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	5,64,000	35.00	2.04
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	5,64,000	35.00	3.04
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	5,64,000	35.00	4.04

<b>Vesting Particulars of Options granted on 25.09.2018</b>	<b>Options vested</b>	<b>Weighted average exercise price (₹)</b>	<b>Weighted average remaining life in years</b>
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	15,000	35.00	1.04
<b>Total Options Granted at an exercise price of ₹ 35.00 per option</b>			

- 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 2017-18 & 2018-19, 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:

<b>Particulars</b>	<b>KEI ESOS - 2015</b>		
	<b>Tranche 2</b>	<b>Tranche 1</b>	
	<b>2018-19</b>	<b>2018-19</b>	<b>2017-18</b>
Date of Grant	<b>25.09.2018</b>	<b>23.09.2015</b>	23.09.2015
Options outstanding at the beginning of the year	<b>Nil</b>	<b>11,28,000</b>	16,92,000
Options Granted during the year	<b>15,000</b>	<b>Nil</b>	Nil
Option forfeited during the year	<b>Nil</b>	<b>Nil</b>	Nil
Option vested	<b>Nil</b>	<b>5,64,000</b>	5,64,000
Option exercised	<b>Nil</b>	<b>5,64,000</b>	5,64,000
Option expired during the year	<b>Nil</b>	<b>Nil</b>	Nil
Options outstanding at the end of the year	<b>15,000</b>	<b>5,64,000</b>	11,28,000
Weighted Average Share Price at the date of exercise of Options (₹ per share)	<b>Not Exercised</b>	<b>341.29</b>	312.68

Refer Note 33 for expense recognized 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		
	Tranche 2	Tranche 1	
	2018-19	2018-19	2017-18
1. Weighted average risk-free interest rate	8.13%	7.73%	7.63%
2. Weighted average expected life of options (Years)	1.04	3.04	2.04
3. Weighted average expected volatility	44.13%	56.93%	63.55%
4. Weighted average expected dividends over the life of the option	0.21%	0.27%	0.27%
5. Weighted average exercise price (₹)	35.00	35.00	35.00
6. Weighted average share price at the time of option grant (₹)	333.70	98.80	98.80

The expected price volatility is based on historical volatility.

#### 44. Lease obligations:

##### 44.1 Future lease obligation by way of lease rental on Hire Purchase of Vehicles: (₹ in Millions)

Due	Total Minimum lease payments outstanding		Future Interest on outstanding		Present value of minimum lease payments	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Within one year	18.46	14.14	2.77	2.25	15.69	11.89
Later than one year and not later than five years	23.76	19.95	1.65	1.69	22.11	18.26
More than Five years	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>42.22</b>	<b>34.09</b>	<b>4.42</b>	<b>3.94</b>	<b>37.80</b>	<b>30.15</b>

- 44.2 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.

- 44.3 Refer note no. 19.3 for terms and conditions in respect of hire-purchase of vehicles on finance lease.

##### 44.4 Operating Leases-Other than non-cancellable:

Company has entered into lease transactions during the current financial year mainly for leasing of warehouses/offices/residential premises and 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 recognized in the Profit & Loss under respective heads.

##### 44.5 Future minimum lease payments under non-cancellable operating lease:

(₹ in Millions)

Due	Lease Payment	
	2018-19	2017-18
Within one year	1.58	2.14
Later than one year and not later than five years	2.03	3.60
More than Five years	-	-
<b>Total</b>	<b>3.61</b>	<b>5.74</b>

**45. Contingent Liabilities & Commitments:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>45.1 Claims against Company not acknowledged as debt</b>				
a) Sales Tax / Entry Tax demands under appeal		9.49		9.49
b) Income tax Matters: -- Demand due to Additions / disallowances during Assessments, which are under Appeal		13.67		2.16
c) Excise / Service tax demands under appeal		81.53		76.80
d) Misc. claims against Company in Labour Court		1.07		-
<b>45.2 Guarantees against Performance/ Security Deposits/EMD</b>		13,569.71		7,895.13
<b>45.3 Other money for which Company is contingent liable</b>				
a) Unutilized Letter of Credits		275.44		615.53
b) Outstanding LC Discounted		577.87		884.19
<b>45.4 Commitments:</b>				
Estimated amount of contracts remaining to be executed on Capital Account		302.93		132.92

**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 Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
Australia	90%	90%

**ii) Jointly Controlled Entity****Joint Venture**

Joint Venture of M/s KEI Industries Limited, New Delhi &amp; Brugg Kabel AG, Switzerland (Association of Persons).

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
India	100% share in Profit/Loss	

**iii) Associate**

KEI Cables SA (PTY) Limited

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
South Africa	49%	N.A.



iv)

Key Managerial Personnel (KMP):	Designation
Shri Anil Gupta	Chairman-cum-Managing Director
Shri Rajeev Gupta	Executive Director Finance & CFO
Shri Akshit Diviaj Gupta	Whole Time Director w.e.f. 10th May 2017
Shri Kishore Kunal	GM Corporate & Company Secretary
Smt. Archana Gupta	Non-Executive Director
Shri Kishan Gopal Somani	Independent Director
Shri Pawan Bholusaria	Independent Director
Shri Sadhu Ram Bansal	Independent Director
Shri Vikram Bhartia	Independent Director
Shri Vijay Bhushan	Independent Director
Smt. Shalini Gupta	Independent Director (w.e.f. 18th Feb 2019)

**v) Other related parties where KMP are interested**

Anil Gupta (HUF)  
Projection Financial & Management Consultants Private Limited  
Shubh Laxmi Motels & Inns Private Limited  
Soubhagya Agency Private Limited  
Dhan Versha Agency Private Limited  
KEI Cables Private Limited  
KEI International Limited  
Physio Active Private Limited

**vi) Relatives of KMP with whom transaction have taken place:**

Shri Sunil Gupta  
Late Smt. Sumitra Devi Gupta (Expired on 9<sup>th</sup> June, 2017 )  
Smt. Shashi Gupta  
Smt. Vimla Devi  
Smt. Veena Agarwal  
Smt. Shweta Jha  
Shri Akshit Diviaj Gupta (From 1<sup>st</sup> April, 2017 to 9<sup>th</sup> May, 2017)

**vii) Other related parties where relatives of KMP are interested**

Sunil Gupta (HUF)  
Ashwathama Constructions Private Limited

**viii) Post employee benefit plan for the benefitted employees**

KEI Industries Limited Employee Group Gratuity Fund

**(b) Transactions with related parties:**

(₹ in Millions)			
S.No.	Particulars	2018-19	2017-18
(i)	<b>Sales</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	359.03	914.39
		359.03	914.39
	<b>Other related parties where KMP are interested</b>		
	Physio Active Private Limited	-	0.09
		-	0.09

		(₹ in Millions)	
S.No.	Particulars	2018-19	2017-18
(ii)	<b>Discount On Sales</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	(1.65)	3.05
		(1.65)	3.05
(iii)	<b>Settlement of liabilities on behalf of related party</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	5.50
		-	5.50
	<b>Jointly Controlled entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.01	0.62
		0.01	0.62
(iv)	<b>Settlement of liabilities by Related Party</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	0.38
		-	0.38
(v)	<b>Bank Guarantee charges of previous year reversed</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	5.39	-
		5.39	-
(vi)	<b>Interest expense on deposits/ Unsecured Loan</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	17.97	-
	Shri Akshit Diviaj Gupta	0.14	0.02
	Shri Kishore Kunal	-	0.05
		18.11	0.07
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	1.95	1.28
	KEI International Limited	0.05	-
	KEI Cables Private Limited	0.19	0.08
		2.19	1.36
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta	-	0.02
	Shri Sunil Gupta	0.53	0.35
	Smt. Shweta Jha	0.19	0.17
		0.72	0.54
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	0.36	0.31
		0.36	0.31
(vii)	<b>Lease Rental Paid</b>		
	<b>Key Managerial Personnel</b>		
	Smt. Archana Gupta	0.96	0.96
		0.96	0.96
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.68	0.60
	Projection Financial & Management Consultants Private Limited	6.10	2.90
	Dhan Versha Agency Private Limited	3.35	3.00
		10.13	6.50

		(₹ in Millions)	
S.No.	Particulars	2018-19	2017-18
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	17.10	14.40
		17.10	14.40
(viii)	<b>Managerial remuneration Key Managerial Personnel</b>		
	Shri Anil Gupta	147.24	107.73
	Shri Rajeev Gupta	9.72	8.41
	Shri Akshit Diviaj Gupta	6.03	4.32
		162.99	120.46
(ix)	<b>Employee Benefits Expenses Key Managerial Personnel</b>		
	Shri Kishore Kunal	3.25	2.56
		3.25	2.56
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Akshit Diviaj Gupta	-	0.24
		-	0.24
(x)	<b>Expense on Share Based Payments to Employees</b>		
	Shri Rajeev Gupta	4.38	8.79
	Shri Kishore Kunal	1.22	2.46
		5.60	11.25
(xi)	<b>Director Meeting Fees paid Key Managerial Personnel</b>		
	Smt. Archana Gupta	1.12	0.65
	Shri Kishan Gopal Somani	0.60	0.50
	Shri Pawan Bholusaria	1.72	1.10
	Shri Sadhu Ram Bansal	0.53	-
	Shri Vikram Bhartia	1.28	0.85
	Shri Vijay Bhushan	1.05	0.65
		6.30	3.75
(xii)	<b>Defined Benefit Obligation for Gratuity Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses) Key Managerial Personnel</b>		
	Shri Anil Gupta	45.00	36.06
	Shri Rajeev Gupta	5.24	4.39
	Shri Akshit Diviaj Gupta	0.72	0.07
	Shri Kishore Kunal	0.77	0.58
		51.73	41.10
(xiii)	<b>Defined Benefit Obligation for Leave Encashment Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses) Key Managerial Personnel</b>		
	Shri Rajeev Gupta	1.46	1.32
	Shri Akshit Diviaj Gupta	0.64	0.09
	Shri Kishore Kunal	0.60	0.50
		2.70	1.91

(₹ in Millions)

S.No.	Particulars	2018-19	2017-18
(xiv)	<b>Contribution to post employee benefit plan</b>		
	<b>Post employee benefit plan for the benefitted employees</b>		
	KEI Industries Limited Employee Group Gratuity Fund	26.00	14.00
		26.00	14.00
(xv)	<b>Dividend Paid</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	13.68	8.21
	Shri Rajeev Gupta	0.27	0.10
	Shri Kishore Kunal	0.07	0.03
	Smt. Archana Gupta	0.84	0.50
	Shri Kishan Gopal Somani ₹ 1000/- (Previous Year: ₹ 600)	0.00	0.00
	Shri Pawan Bholusaria ₹ 4500/- (Previous Year: ₹ 2700)	0.00	0.00
	Shri Vikram Bhartia	0.01	0.01
		14.87	8.85
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	4.65	2.79
	Projection Financial & Management Consultants Private Limited	7.90	4.74
	Shubh Laxmi Motels & Inns Private Limited	3.48	2.09
	Soubhagya Agency Private Limited	3.13	1.88
	Dhan Versha Agency Private Limited	1.00	0.60
	KEI Cables Private Limited	1.58	0.95
		21.74	13.05
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta ₹ 1300 (Previous Year: ₹ 3,780/-)	0.00	0.00
	Smt. Shashi Gupta ₹ 1500 (Previous Year: ₹ 900/-)	0.00	0.00
	Smt. Vimla Devi	0.06	0.04
	Smt. Veena Agarwal NIL (Previous Year: ₹ 300/-)	-	0.00
		0.06	0.04
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF) ₹ 500 (Previous Year: ₹ 180/-)	0.00	0.00
		0.00	0.00
(xvi)	<b>Investment in equity shares</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited ₹ NIL (Previous Year: ₹ 3988)	-	0.00
		-	0.00
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2349 (Previous Year: ₹ NIL)	0.00	-
		0.00	-
(xvii)	<b>Equity Share Allotment ( ESOS Scheme)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	0.30	0.30
	Shri Kishore Kunal	0.08	0.08
		0.38	0.38

		(₹ in Millions)	
S.No.	Particulars	2018-19	2017-18
(xviii)	<b>Security Premium on share allotment ( KEI ESOS-2015)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	4.95	4.95
	Shri Kishore Kunal	1.39	1.39
		6.34	6.34
(xix)	<b>Advance Given</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	0.95
		-	0.95
	<b>Jointly Controlled entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)	0.05	7.76
		0.05	7.76
(xx)	<b>Loan Given</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	9.28	-
		9.28	-
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2443 (Previous Year: ₹ NIL)	0.00	-
		0.00	-
(xxi)	<b>Deposits/Unsecured Loan received during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	20.00	-
	Shri Akshit Diviaj Gupta	3.50	-
	Shri Kishore Kunal	-	1.20
		23.50	1.20
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	7.00	18.50
	KEI Cables Private Limited	3.00	-
	KEI International Limited	1.20	-
		11.20	18.50
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	7.80	5.00
	Smt. Shweta Jha	0.55	1.85
		8.35	6.85
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	-	4.00
		-	4.00
(xxii)	<b>Deposits/Unsecured Loan paid during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	17.00	45.00
	Shri Akshit Diviaj Gupta	1.00	0.42
	Shri Kishore Kunal	-	1.20
		18.00	46.62

		(₹ in Millions)	
S.No.	Particulars	2018-19	2017-18
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	-	3.00
		-	3.00
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta	-	0.65
	Shri Sunil Gupta	12.80	2.50
	Smt. Shweta Jha	-	1.75
		12.80	4.90
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	-	2.50
		-	2.50
(xxiii)	<b>Outstanding of Security Deposit Given</b>		
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	4.22	1.65
		4.37	1.80
(xxiv)	<b>Expenses Payable</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	45.20	4.21
	Shri Rajeev Gupta	0.29	0.58
	Shri Akshit Diviaj Gupta	0.33	1.72
	Shri Kishore Kunal	0.13	0.17
		45.95	6.68
(xxv)	<b>Advance Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	1.29
		-	1.29
	<b>Jointly Controlled Entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.33	0.91
		0.33	0.91
(xxvi)	<b>Loan Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	9.28	-
		9.28	-
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2,443 (Previous Year: ₹ NIL)	0.00	-
		0.00	-
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	0.47	0.75
		0.47	0.75

		(₹ in Millions)	
S.No.	Particulars	2018-19	2017-18
(xxvii)	<b>Trade Receivables Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	36.94	141.74
		36.94	141.74
(xxviii)	<b>Credit balance of deposits/ unsecured loan outstanding as at the year end</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	208.00	205.00
	Shri Akshit Diviaj Gupta	2.50	-
		210.50	205.00
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	25.50	18.50
	KEI Cables Private Limited	3.80	0.80
	KEI International Limited	1.20	-
		30.50	19.30
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	-	5.00
	Smt. Shweta Jha	2.40	1.85
		2.40	6.85
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	4.00	4.00
		4.00	4.00

**(c) Other information**

- Shri Anil Gupta, Chairman-cum-Managing Director has given personal guarantee to lender banks for company's borrowings.
- 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.
- The company has given Performance Bank Gurantees of ₹ 49.72 Millions (Previous Year ₹ 55.52 Millions ) on behalf of KEI Cables Australia PTY Limited.
- Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed
- All outstanding balances pertaining to loans and security deposits with related parties are at fair value.
- No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.
- Inter corporate loans/advances have been given for business purposes only.

#### 47. Disclosure as per Indian Accounting Standard (Ind AS) 108 “Operating Segments”:

**(i) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:**

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company’s other components; (b) whose operating results are regularly reviewed by the Company’s Management to make decisions about resource allocation and performance assessment and (c) for which separate financial information is available.

The Company has three reportable segments as described under “Segment Composition” below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

**(ii) Reportable segments:**

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

**(iii) Segment composition**

Cable Segment comprises manufacturing, sale and marketing of all range of power cables such as - 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 etc.

Engineering, Procurement and Construction (EPC) projects Segment comprises of survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.

Stainless Steel Wire Segment comprises manufacturing sale and Job work related to Stainless Steel Wires.

**(iv) Segment Revenue, Expenditure & Profit:**

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company’s management.

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocated”.

Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.



**(v) Segment Asset, Liabilities and Capital Expenditure:**

The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.

Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

(₹ in Millions)

Particulars	Cables		Stainless steel Wire		EPC Projects		Unallocated		Inter-Segment Elimination		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Revenue (Gross)</b>												
External	30,571.49	24,246.26	1,380.20	1,182.56	10,332.55	9,561.48	-	-	(14.61)	(26.11)	42,269.63	34,964.19
Inter-Segment Revenue	3,024.65	3,019.06	-	-	-	-	-	-	(3,024.65)	(3,019.06)	-	-
<b>Total Revenue</b>	<b>33,596.14</b>	<b>27,265.32</b>	<b>1,380.20</b>	<b>1,182.56</b>	<b>10,332.55</b>	<b>9,561.48</b>	<b>-</b>	<b>-</b>	<b>(3,039.26)</b>	<b>(3,045.17)</b>	<b>42,269.63</b>	<b>34,964.19</b>
<b>Result</b>												
Segment Result	3,681.00	2,955.51	90.93	70.57	1,422.22	1,038.44	-	-	(14.61)	(26.11)	5,179.54	4,038.41
Unallocated Expenditure net of unallocated income							(1,062.01)	(890.29)			1,062.01	(890.29)
Interest Expenses							(1,361.54)	(1,113.04)			(1,361.54)	(1,113.04)
Interest Income							36.83	6.48			36.83	6.48
Dividend Income							0.22	0.04			0.22	0.04
<b>Profit Before Tax</b>	<b>3,681.00</b>	<b>2,955.51</b>	<b>90.93</b>	<b>70.57</b>	<b>1,422.22</b>	<b>1,038.44</b>	<b>(2,386.50)</b>	<b>(1,996.81)</b>	<b>(14.61)</b>	<b>(26.11)</b>	<b>2,793.04</b>	<b>2,041.60</b>
Tax including Deferred Tax											974.33	596.04
Net Profit											1,818.71	1,445.56
<b>Other Information</b>												
Segment Assets	17,461.91	14,736.93	614.83	624.72	7,251.88	5,727.35	2,314.50	1,077.13	-	-	27,643.12	22,166.13
Segment Liabilities	12,198.34	7,358.63	280.85	380.29	1,768.48	1,410.61	3,477.37	4,591.77	-	-	17,725.04	13,741.30
Capital Expenditure	1,132.65	539.19	11.09	32.39	21.03	11.11	46.72	57.88	-	-	1,211.48	640.57
Depreciation	274.41	253.50	11.69	10.11	9.94	7.76	43.44	50.93	-	-	339.48	322.30

**Information about Geographical Segment (In Rupees):**

Segment Revenue by location of customers	India		Outside India		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>External Revenue (Gross)</b>	<b>36,944.64</b>	<b>30,422.12</b>	<b>5,324.99</b>	<b>4,542.07</b>	<b>42,269.63</b>	<b>34,964.19</b>
<b>Addition to Non-Current Assets</b>	<b>1,248.23</b>	<b>550.27</b>	<b>1.15</b>	<b>1.19</b>	<b>1,249.38</b>	<b>551.46</b>

**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:

(₹ in Millions)

Particulars	Note Reference	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018			
		FVPL	FVOCI	AMORTISED COST	FAIR VALUE	FVPL	FVOCI	Amortized Cost	FAIR VALUE
<b>Financial Assets</b>									
Investments	6								
- Equity Instruments		-	12.68	-	12.68	-	25.26	-	25.26
- Mutual funds		-	2.97	-	2.97	-	3.03	-	3.03
Loans	7 & 14	-	-	114.72	115.16	-	-	54.56	54.77
Trade receivables	11	-	-	10,946.22	10,946.22	-	-	10,205.86	10,205.86
Cash and Cash equivalents:	12	-	-	220.68	220.68	-	-	594.50	594.50
Bank Balances other than Cash and Cash equivalents:	13	-	-	1,732.67	1,732.67	-	-	168.78	168.78
Other Current financial assets	15			1,040.47	1,040.47			521.02	521.02
<b>Total Financial Assets</b>		-	<b>15.65</b>	<b>14,054.76</b>	<b>14,070.85</b>	-	<b>28.29</b>	<b>11,544.72</b>	<b>11,573.22</b>
<b>Financial Liabilities</b>									
Borrowings	19 & 22	5,058.62	-	-	5,058.62	7,498.31	-	-	7,498.31
Trade payables	23	-	-	10,203.00	10,203.00	-	-	6,272.00	6,272.00
Other Current Financial Liabilities:	24	-	-	3,378.93	3,378.93	-	-	1,333.47	1,333.47
<b>Total Financial Liabilities</b>		<b>5,058.62</b>	-	<b>13,581.93</b>	<b>18,640.55</b>	<b>7,498.31</b>	-	<b>7,605.47</b>	<b>15,103.78</b>

(i) Carrying amount of Trade Receivables, Trade Payables, other current financial assets, other current financial liabilities and Cash & Cash Equivalent are considered to be the same as their Fair Value due to their short term nature

(ii) Carrying amount of Financial Assets and Liabilities carried Amortized Cost is considered a reasonable approximation of Fair Value.

(iii) Above table excludes Investment in Subsidiary, Associate 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 judgments and estimates made in determining fair values of financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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:

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 maximize 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.

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 <sup>st</sup> March, 2019	Note Reference	Level 1		Level 2		Level 3	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Financial Assets</b>							
Investments at FVOCI	6						
- Equity Instruments		12.68	25.26	-	-	-	-
- Mutual funds		-	-	2.97	3.03	-	-
Loans	7 & 14	-	-	-	-	114.72	54.56
<b>Total Financial Assets</b>		12.68	25.26	2.97	3.03	114.72	54.56
<b>Financial Liabilities</b>							
Borrowings	19 & 22	-	-	-	-	5,058.62	7,498.31
Other Current Financial Liabilities:	24	-	-	-	-	3,378.93	1,333.47
<b>Total Financial Liabilities</b>		-	-	-	-	8,437.55	8,831.78

Company's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

During the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 there were no transfers between level 1 and level 2 fair value measurements and no transfer into and out of level 3 fair value measurement.

#### 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, 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.

## 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 are as follows:

#### (a) Amount payable in foreign currency on account of the following:

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Import of Goods & Advance Received	USD	6,32,93,663	4,432.70	USD	55,42,067	359.45
	EURO	1,82,646	14.28	EURO	52,312	4.26
	CHF	7,82,555	54.71	CHF	25,200	1.74
	AUD	-	-	AUD	62,161	3.07
	SGD	-	-	SGD	3,322	0.17
Working Capital Loan (Buyer's Credit)	USD	-	-	USD	2,11,26,102	1,377.63
Capex (Term Loan / Buyer's Credit)	USD	-	-	USD	1,15,79,194	755.08
Royalty/Know How/License fee	EURO	5,31,640	41.58	EURO	2,79,167	22.75
Expenses Payable	USD	6,06,711	42.06	USD	4,25,360	27.74
	SGD	3,517	0.18	SGD	4,125	0.21
	GBP	1,43,919	13.11	GBP	45,034	4.20
	AED	53,750	1.01	AED	55,730	0.98
	EURO	58,926	4.61	EURO	64,137	5.23
Balance with Banks	GMD	-	-	GMD	1,53,216	0.21
Term Loan/ECB	USD	1,14,27,243	792.14	USD	70,45,416	459.43

**(b) Amount receivable in foreign currency on account of the following:**

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Exports of Goods & Advance Paid	USD	1,90,78,813	1,315.19	USD	60,93,010	393.77
	EURO	20,27,373	156.92	EURO	11,59,572	92.82
	SGD	-	-	SGD	159	0.01
	AUD	51,31,245	247.43	AUD	69,77,002	344.52
	GBP	73,806	6.59	GBP	8,349	0.76
Recoverables	AUD	1,92,500	9.28	AUD	26,000	1.28
	AED	61,068	1.15	AED	46,521	0.82
	USD	1,50,000	10.30	USD	-	-
	SGD	248	0.01	SGD	-	-
	ZAR	510	0.00	ZAR	-	-
	GMD	8,000	0.01	GMD	4,000	0.01
Balance with Banks	SGD	6,847	0.35	SGD	18,951	0.93
	USD	4,851	0.33	USD	1,57,237	10.15
	GMD	11,328	0.02	GMD	-	-
	AED	58,952	1.11	AED	72,521	1.28
Statutory Dues	SGD	-	-	SGD	217	0.01

**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 recognized by Company that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in Millions)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
USD – Increase/ Decrease by 5%	(197.05)	(128.77)	197.05	128.77
EUR – Increase/ Decrease by 5%	4.82	3.03	(4.82)	(3.03)
AUD – Increase/ Decrease by 5%	12.84	17.14	(12.84)	(17.14)

**50.1.3. Price Risk - Potential Impact of Risk & Management Policy**

- Company is exposed to price risk due to its investment in Equity Shares & Mutual Funds. Price risk arises due to uncertainties about future market values of these investments.
- Company reviews its investments at regular intervals in order to minimize price risk arising from investments in Equity Shares & Mutual Funds.
- Majority of investments of Company are publicly traded and listed in BSE/NSE. 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 demonstrates 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 profit before tax		Impact on Other Components of Equity before tax	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
NSE Index Increase by 5%	-	-	0.78	1.41
NSE Index Decrease by 5%	-	-	(0.78)	(1.41)

**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 Aluminum. Due to the volatility of the prices of the Copper and Aluminum, 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.

**50.1.6. Interest Rate Risk - Potential Impact of Risk & Management Policy**

- (a) Company invests in fixed deposits for a period between 3 months to 7 years. All fixed deposits are with scheduled bank, accordingly 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 fixed deposits. Company's fixed rate borrowings and deposits are carried at amortized 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. The Company also uses interest rate swap to mitigate the interest rate risk.
- (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	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Variable rate borrowings	3,701.31	5,179.52
Fixed rate borrowings	2,293.09	3,241.67
<b>Total borrowings</b>	<b>5,994.40</b>	<b>8,421.19</b>

Refer Note No. 19 & 22 for maturities of Company borrowings

**50.1.7. 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)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Interest Rate – Increase/Decrease by 50 basis point (50 bps)	(4.47)	(4.19)	4.47	4.19

## 50.2. Credit Risk

- Credit risk refers to risk that counter-party will default on its contractual obligations resulting in financial loss to Company.
- 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 and derivative financial instruments. Credit limits are set based on a counter-party value. Methodology used to set list of counter-party limits includes, counter-party Credit Ratings (CR) and sector exposure. Evolution of counter-parties 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.
- In respect of its investments, Company aims to minimize its financial credit risk through application of risk management policies.
- For financial instruments, Company attempts to limit credit risk by only dealing with reputed banks and financial institutions.
- None of Company's cash equivalents, including fixed deposits with banks, are past due or impaired.
- 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.
- 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

**B:** Moderate Credit Risk

**C:** High Credit Risk

Company provides for Expected Credit Loss based on following:

Asset group	Basis of categorization	Provision for expenses credit loss
Low Credit Risk	Cash and Cash Equivalents, other Bank Balances and other Non-Current Financial Assets	12 month expected credit loss
Moderate Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss
High Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss or fully provided



(₹ in Millions)

Credit rating	Particulars	Note reference	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A: Low credit risk	Cash and Cash Equivalents, other Bank Balances and other Non Current Financial Assets	8, 12 & 13	<b>1,959.62</b>	765.89
B: Moderate credit risk	Trade Receivables and Other Current Financial Assets	11 & 15	<b>11,986.69</b>	10,726.88
C: High credit risk	NIL		-	-

**A: Low Credit Risk**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount Net of Impairment Provision
Cash and Cash Equivalents	12	220.68	-	220.68
Bank Balances other than Cash and Cash equivalents	13	1,732.67	-	1,732.67
Other Non Current Financial Assets	8	6.27	-	6.27

(₹ in Millions)

As at 31 <sup>st</sup> 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 Non-Current Financial Assets	8	2.60	-	2.60

**B: Moderate Credit Risk**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019						
Ageing	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount (Considered Good)	11 & 15	11,382.67	612.48	112.03	46.66	<b>12,153.84</b>
Impairment allowance		-	148.64	14.49	4.02	<b>167.15</b>
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		<b>11,382.67</b>	<b>463.84</b>	<b>97.54</b>	<b>42.64</b>	<b>11,986.69</b>



(₹ in Millions)

As at 31 <sup>st</sup> March, 2018						
Ageing	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount (Considered Good)	11 & 15	10,103.52	692.42	37.57	55.27	<b>10,888.78</b>
Impairment allowance		-	155.92	1.34	4.64	<b>161.90</b>
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		<b>10,103.52</b>	<b>536.50</b>	<b>36.23</b>	<b>50.63</b>	<b>10,726.88</b>

**Movement in impairment allowance – Trade Receivables** (₹ in Millions)

Reconciliation of Loss Allowance	Loss allowance
<b>Impairment Loss allowance on 1<sup>st</sup> April, 2017</b>	<b>157.81</b>
Expected credit loss (ECL) Recognized	4.09
Expected credit loss (ECL) Reversal	-
<b>Impairment Loss allowance on 31<sup>st</sup> March, 2018</b>	<b>161.90</b>
Expected credit loss (ECL) Recognized	5.25
Expected credit loss (ECL) Reversal	-
<b>Loss Allowance on 31<sup>st</sup> March, 2019</b>	<b>167.15</b>

**C: High Credit Risk: Nil**

- 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.
- Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.
- Cash flow from operating activities provides funds to service financial liabilities on a day-to-day basis.
- 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.
- Following table analyses Company's financial liabilities into relevant maturity grouping based on their contractual maturity for all non-derivative financial liabilities.

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	23	10,203.00	10,203.00	-	<b>10,203.00</b>
Borrowings	19 & 22	5,058.62	3,865.25	1,193.37	<b>5,058.62</b>
Unpaid dividend	24	1.69	1.69	-	<b>1.69</b>
Other current financial liabilities	24	3,377.24	3,377.24	-	<b>3,377.24</b>

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	23	6,272.00	6,272.00	-	<b>6,272.00</b>
Borrowings	19 & 22	7,498.31	6,041.69	1,456.62	<b>7,498.31</b>
Unpaid dividend	24	1.49	1.49	-	<b>1.49</b>
Other current financial liabilities	24	1,331.98	1,331.98	-	<b>1,331.98</b>

### 50.3 Current & Liquid Ratio

Following table shows ratio analysis of Company for respective periods

PERIOD	CURRENT RATIO	LIQUID RATIO
<b>31<sup>st</sup> March, 2019</b>	1.23	0.85
<b>31<sup>st</sup> March, 2018</b>	1.24	0.85

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 counter-parties 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

No changes were made in the objectives, policies or processes for managing capital during the year ended

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Total number Equity shares outstanding	<b>7,89,25,438</b>	7,83,61,438
Interim dividend for the year	-	-
Final dividend ₹ in Millions (including Dividend Distribution Tax) for the year (not recognized) – Subject to approval of Shareholders in ensuing Annual General Meeting.	<b>114.18</b>	94.47

## 52 Investment in Subsidiary, Associate and Joint Venture

- These financial statements are separate financial statements prepared in accordance with IND AS-27 "Separate Financial Statements".
- Company's investment in direct subsidiary is as under:

Particulars	Country of incorporation	Portion of ownership interest as at		Method used to account for the investment
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	
KEI Cables Australia PTY Limited	Australia	90%	90%	Cost

**c) Company's investment in Associate and Joint Venture is as under:**

Particulars	Status	Country of incorporation	Portion of ownership interest as at		Method used to account for the investment
			31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	
KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	Joint Venture	India	100% in Profit & Loss	100% in Profit & Loss	Cost
KEI Cables SA (PTY) Limited	Associate	South Africa	49%	-	Cost

- d)** 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".
- e)** Company has formed an Associate under name of KEI Cables SA (PTY) Ltd principal place of business in South Africa. This Associate is a Jointly Controlled Entity within the meaning of IND AS - 111 on "Joint Arrangements". The Associate is in form of a separate entity and the company is holding 49% ownership interest. Investment in Associate is accounted for in accordance with IND AS-28 "Investments in Associates and Joint Ventures".

**53 Events After Balance Sheet Date**

Board of Directors have Proposed Dividend ₹ 1.20 per share on face value of ₹ 2.00 per share (Previous year: ₹ 1.00 per share on face value of ₹ 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 ₹ 114.18 Millions (Previous Year: ₹ 94.47 Millions) Including Dividend Distribution Tax.

**54. Disclosure required under Section 186(4) of the Companies Act, 2013:**

**Particulars of Loan/Investment Made :**

Sr. No	Name of Investee	2018-19			2017-18		
		Investment made	Loan Given	Outstanding Balance	Investment made	Loan Given	Outstanding Balance
1	KEI Cables Australia Pty Ltd.*	-	9.28	9.28	0.00	-	1.28
2	KEI Cables SA Pty Ltd.**	0.00	0.00	0.00	-	-	-

\* Investment made during the year ₹ Nil (Previous Year: ₹ 3,988/-)

\*\* Investment made during the year ₹ 2,349/- (Previous Year: ₹ Nil)

Loan given during the year ₹ 2,443/- (Previous Year: ₹ Nil)

Outstanding balance as at year end ₹ 2,443/- (Previous Year: ₹ Nil)

**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

**(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)**

Asst. Vice President (Finance)  
M.No. 502048

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

# Independent Auditor's Report

## TO THE MEMBERS OF KEI INDUSTRIES LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **KEI Industries Limited** (hereinafter referred to as "the Parent Company") and its subsidiary (the Parent Company and its subsidiary together referred to as "**the Group**") which includes Group's share of loss in its associate and joint venture, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2019, and 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 then ended, notes to the financial statements including summary of significant accounting policies and other explanatory information ( hereinafter referred to as the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("INDAS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31<sup>st</sup> March 2019, and their consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its Associate and Joint Venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p>The Group applied IND AS 115 for the first time by using the Cumulative effect method of adoption with date of initial application from 1<sup>st</sup> April, 2018.</p> <p>The Group is in the business of manufacturing of various types of Cables, SS Wires and sells to customers both through institutional and dealer network globally. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. As a consequence, the Group has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the Group's sales transactions should be recognized as revenue.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.</li> <li>● Evaluated the company's work to implement IND AS 115 and assessed whether Group's accounting principles comply with the new accounting standard.</li> <li>● Tested a sample of sales transactions for compliance with the Group's accounting principles.</li> <li>● Traced disclosure information to accounting records and other supporting documentation.</li> </ul>
2	<p>Revenue is recognized in accordance with IND AS 115, net of discounts, incentives, and rebates accrued by the Group's customers based on sales.</p> <p>The Group uses sales agreement terms &amp; conditions and historical trends to estimate discounts. At the reporting date, the Group estimates and accrues for discounts and rebates they consider as having been incurred but not yet paid.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● Understanding the policies and procedures applied to revenue recognition including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group.</li> <li>● Carrying out substantive analytical procedures, analysing the actual performance of revenue and cost of sales related to discounts, incentives and rebates etc.</li> <li>● Analysing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates used in the related estimates.</li> <li>● Reviewing disclosures included in the notes to the accompanying financial statements.</li> </ul>
3	<p>The Group is engaged in execution of Engineering, Procurement and Construction projects (EPC) for survey, supply of materials, design, erection, testing &amp; commissioning on a turnkey basis.</p> <p>Revenue is recognized in accordance with IND AS 115 and Performance obligations in such cases are satisfied over time and accordingly revenue is recognised over the time in such cases. Methods used to recognise revenue is also a Key Audit Matter along with measuring progress towards complete satisfaction of a performance obligation.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised including controls over the degree of completion of EPC projects</li> <li>● We evaluated and analysed the significant judgements and estimates made by the management and also reviewed sample contracts with customers to assess whether the method of recognition of revenue is relevant and in consistent with the accounting policies of the Group.</li> </ul>



### **Information Other than the Financial Statements and Auditor's Report Thereon:**

The Parent Company's Board of Directors are responsible for the other information. The other information comprises the letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report but does not include the consolidated financial statements and our Auditor's Report thereon.

The letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report are expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available, compare with the financial statements of the Subsidiary, Associate and Joint Venture to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report, if we conclude, that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate and Joint

Venture in accordance with the IND AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its Associate and 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 Associate and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group, its Associate and Joint Venture are responsible for assessing the ability of the Group, its Associate and Joint Venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and its Associate and Joint Venture are responsible for overseeing the financial reporting process of the Group and its Associate and Joint Venture.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability and its Associate and Joint Venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and its Associate and Joint Venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner

that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associate and Joint Venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) We did not audit the financial statements / financial information of Subsidiary, whose financial statements / financial information reflect total assets of ₹ 38.05 Million as at 31<sup>st</sup> March, 2019, total revenues of ₹ 399.24 Million and net cash outflows amounting to ₹ 8.36 Million for the year ended on that date, as considered in the consolidated financial

statements. These financial statements / financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other Auditor.

- (b) Subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other Auditor under generally accepted Auditing Standards applicable in that country. The Parent Company's management has converted the financial statements of subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management. Our opinion in so far as it relates to the balances and affairs of subsidiary located outside India is based on the report of other Auditor and conversion prepared by the management and audited by us.
- (c) The consolidated financial statements also include the Group's share of net loss of ₹ 0.00 Million (₹ 5,337) for the year ended 31<sup>st</sup> March, 2019, as considered in the consolidated financial statements, in respect of an Associate and 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of Associate 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, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory

Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements/ financial information of the Subsidiary, Associate and Joint Venture referred to in the Other Matters section above we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the report of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the 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 financial statements.
  - d) In our opinion, the aforesaid consolidated IND AS financial statements comply with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Parent Company, none of the directors of the Parent Company (there are no subsidiary, associate incorporated in India) is disqualified as on 31<sup>st</sup> March, 2019 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 auditors' reports of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Parent Company, for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Parent Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

h) 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:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Associate and joint venture- Refer Note No. 45.
- ii. The Group, its Associate 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 31<sup>st</sup> March, 2019.
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent Company during the year ended 31<sup>st</sup> March, 2019.

2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

**CA Pawan Kumar Agarwal**  
**Partner**  
**Place of Signature: New Delhi**  
**Date: 21<sup>st</sup> May, 2019** **Membership Number: 092345**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 1(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 financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2019, we have audited the internal financial controls over financial reporting of **KEI Industries Limited** (hereinafter referred to as "Parent Company"), 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), Subsidiary company and Associate which are companies not incorporated in India.

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

The Board of Directors of the Parent Company are 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 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 Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Parent 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") 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.

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 mis-statement 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 Company internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

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

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

In our opinion to the best of our information and according to the explanations given to us, the Parent Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, 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's Registration Number: 011573C**

**CA Pawan Kumar Agarwal**  
**Place of Signature: New Delhi** **Partner**  
**Date: 21<sup>st</sup> May, 2019** **Membership Number: 092345**

## Consolidated Balance Sheet As At 31<sup>st</sup> March, 2019

(₹ in Millions)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	4,856.77	4,039.50
(b) Capital Work-in-Progress	4	316.06	229.81
(c) Other Intangible Assets	5	29.78	30.31
(d) Financial Assets			
(i) Investments	6	17.35	29.99
(ii) Loans	7	68.58	40.67
(iii) Others	8	6.27	2.60
(e) Other Non-Current Assets	9	92.14	118.79
		<b>5,386.95</b>	<b>4,491.67</b>
<b>Current Assets</b>			
(a) Inventories	10	6,932.08	5,555.88
(b) Financial Assets			
(i) Trade Receivables	11	10,909.28	10,228.40
(ii) Cash and Cash Equivalents	12	220.73	602.83
(iii) Bank Balances Other Than (ii) Above	13	1,732.67	168.78
(iv) Loans	14	36.86	13.89
(v) Others	15	1,040.47	521.02
(c) Other Current Assets	16	1,377.61	616.53
		<b>22,249.70</b>	<b>17,707.33</b>
<b>TOTAL</b>		<b>27,636.65</b>	<b>22,199.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	157.85	156.72
(b) Other Equity	18	7,622.62	5,890.22
(c) Non Controlling Interest		(1.11)	0.01
		<b>7,779.36</b>	<b>6,046.95</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,193.37	1,456.62
(b) Provisions	20	86.26	67.21
(c) Deferred Tax Liability (Net)	21	440.55	397.20
		<b>1,720.18</b>	<b>1,921.03</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	3,865.25	6,041.69
(ii) Trade Payables	23		
(A) Total outstanding dues of micro, small and medium enterprises		914.41	-
(B) Total outstanding dues of creditors other than micro, small and medium enterprises		9,291.95	6,284.66
(iii) Other Financial Liabilities	24	3,378.93	1,333.47
(b) Other Current Liabilities	25	457.49	425.48
(c) Provisions	26	134.98	111.29
(d) Current Tax Liability (Net)	27	94.10	34.43
		<b>18,137.11</b>	<b>14,231.02</b>
<b>TOTAL</b>		<b>27,636.65</b>	<b>22,199.00</b>
Significant Accounting Policies And Notes on Financial Statements	1 to 56		

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**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

## Consolidated Statement of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2019 (₹ in Millions)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>Revenue</b>			
Revenue from Operations	28	42,309.80	35,031.19
Other Income	29	71.94	92.99
<b>Total Income</b>		<b>42,381.74</b>	<b>35,124.18</b>
<b>Expenses</b>			
Cost of Materials Consumed	30	30,366.89	24,422.77
Purchases of Stock in Trade	31	38.78	15.12
Changes in inventory of Finished goods, Work-in-progress and Stock-in-trade	32	(1,081.77)	(326.19)
Employee Benefits Expense	33	1,733.94	1,471.67
Finance Costs	34	1,356.08	1,118.69
Depreciation and Amortisation Expense	35	339.48	322.30
Sub Contractor Expense for EPC Projects	36	1,121.17	1,085.54
Excise Duty	37	-	376.20
Other Expenses	38	5,725.30	4,593.15
<b>Total Expenses</b>		<b>39,599.87</b>	<b>33,079.25</b>
<b>Profit / (loss) before share of profit / (loss) of Joint Venture and Associate Company and tax</b>		<b>2,781.87</b>	<b>2,044.93</b>
Share of profit/ (loss) of joint venture (net of tax) * ₹ (3581)/-		* (0.00)	(0.15)
Share of profit/ (loss) of Associate Company (Net of tax) * ₹ (1756)/-		* (0.00)	-
<b>Profit Before Tax</b>		<b>2,781.87</b>	<b>2,044.78</b>
<b>Tax Expense</b>	39		
---Current tax		928.81	669.27
---MAT Credit Entitlement		-	(121.51)
---Deferred tax		49.65	49.14
---Short/(Excess) Provision-Earlier Years		(4.06)	0.06
<b>Profit for the Year</b>		<b>1,807.47</b>	<b>1,447.82</b>
<b>Other Comprehensive Income</b>	40		
--- Item not to be reclassified to Profit & Loss		(25.37)	(9.85)
--- Income Tax on above		6.32	3.88
--- Items to be reclassified to Profit & Loss		0.06	(3.53)
--- Income Tax on above		(0.02)	1.23
<b>Other Comprehensive Income for the year net of Tax</b>		<b>(19.01)</b>	<b>(8.27)</b>
<b>Total Comprehensive Income for the year net of Tax</b>		<b>1,788.46</b>	<b>1,439.55</b>
<b>Profit/(Loss) attributable to</b>			
Equity Shareholders of Parents Company		1,808.59	1,447.58
Non Controlling Interests		(1.12)	0.24
<b>Other Comprehensive Income attributable to</b>			
Equity Shareholders of Parents Company		(19.01)	(8.04)
Non Controlling Interests		0.00	(0.23)
<b>Total Comprehensive Income attributable to</b>			
Equity Shareholders of Parents Company		1,789.58	1,439.54
Non Controlling Interests		(1.12)	0.01
<b>(Comprising Profit/Loss and Other Comprehensive Income)</b>		<b>1,788.46</b>	<b>1,439.55</b>
<b>Earnings per Equity Share:</b>	41		
Equity shares of face value ₹ 2/- each			
--- Basic (₹)		22.98	18.54
---Diluted (₹)		22.74	18.21
Significant Accounting Policies And Notes on Financial Statements	1 to 56		

### 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**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

## Consolidated Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2019

(₹ in Millions)

Particulars		Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax and Extraordinary items	2,781.87	2,044.93
	<b>Adjustments for :</b>		
	Depreciation and Amortisation Expense	339.48	322.30
	Dividend received	(0.22)	(0.04)
	Interest Income	(36.83)	(6.48)
	Interest / Finance Charges	1,356.09	1,118.69
	Share based payment expenses	18.68	33.04
	Provision for compensated absence/ Gratuity	25.92	28.85
	Provision for Expected Credit Loss (ECL)	5.26	4.09
	Provision for warranty	4.07	1.05
	Fair Value adjustment due to Security Deposit/Loan to staff	0.51	0.18
	Exchange Fluctuation	0.06	(3.53)
	Fixed Assets written off	2.83	3.58
	Loss on sale of Fixed Assets	1.21	1.36
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4,498.93</b>	<b>3,548.02</b>
	<b>Working capital adjustments :</b>		
	(Increase)/Decrease in Trade & Other Receivables	(2,017.89)	(1,953.42)
	(Increase)/Decrease in Inventories	(1,376.20)	(566.64)
	Increase/(Decrease) in Trade and other Payables	5,986.27	1,406.86
	<b>Cash Generated from operations</b>	<b>7,091.11</b>	<b>2,434.82</b>
	Direct Taxes paid	(865.08)	(527.52)
	<b>Net Cash from Operating Activities</b>	<b>6,226.03</b>	<b>1,907.30</b>
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets and other capital expenditure	(1,223.11)	(655.82)
	Sale of Fixed Assets	2.87	8.15
	Sale of Investments	-	0.25
	Investment in subsidiary (₹ Nil, Previous Year ₹ 3,988/-)	-	-
	Investment in Associate Company (₹ 2,349/-, Previous Year ₹ Nil)	(0.00)	-
	Interest Income	36.83	6.48
	Dividend Received	0.22	0.04
	Investments/proceed from deposits with banks	(1,567.34)	(122.49)
	<b>Net Cash from investing activities</b>	<b>(2,750.53)</b>	<b>(763.39)</b>
<b>(C)</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Proceeds from long term borrowings (Banks)	515.30	1,729.51
	Proceeds from long term borrowings (others)	200.00	-
	Repayment of long term borrowings (Banks)	(904.27)	(437.12)
	Repayment of long term borrowings (Others)	(75.00)	(888.75)
	Proceeds from finance lease	20.76	6.10
	Repayment of finance lease	(13.11)	(13.54)
	Interest Expenses / Finance Charges	(1,356.09)	(1,118.69)
	Inter-corporate & other deposits (Net of repayments)	13.19	(31.85)
	Working capital demand Loan from banks	(400.00)	(1,050.00)
	Working capital Loan from banks- Buyer's Credit	(1,377.63)	(23.57)



**Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2019 (Contd...)**

Particulars		Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
	Working capital Loan from banks- Factoring Arrangements	(930.19)	1,174.76
	Issue of Equity Share Capital (including premium) upon exercise of ESOS	19.74	19.74
	Contribution from non controlling interest	-	0.00
	Dividend paid to equity share holders	(78.36)	(46.68)
	Dividend Distribution Tax	(16.11)	(9.50)
	<b>Net Cash from Financing Activities</b>	<b>(4,381.77)</b>	<b>(689.59)</b>
	<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(906.27)</b>	<b>454.32</b>
	Cash & Cash Equivalents as at 1 <sup>st</sup> April (Opening Balance)	186.04	(268.28)
	Cash & Cash Equivalents as at 31 <sup>st</sup> March (Closing Balance)	(720.23)	186.04
	<b>Cash &amp; Cash Equivalents for the purpose of Cash Flow</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
	Cash and Cash Equivalents (Refer Note no. 12)	220.73	602.83
	Less: Bank Overdraft	(940.96)	(416.79)
	<b>Total</b>	<b>(720.23)</b>	<b>186.04</b>

**CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

Particulars	Borrowings (Current & Non- Current)	Finance Lease Obligations on Hire Purchase of Vehicles Current Maturities
<b>As at 1<sup>st</sup> April, 2017</b>	<b>8,090.87</b>	<b>37.59</b>
Proceeds	1,809.49	6.10
Repayment	1,507.50	13.54
Fair Value Changes	(1.82)	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>8,391.04</b>	<b>30.15</b>
Proceeds	764.20	20.76
Repayment	3,206.54	13.11
Fair Value Changes	6.60	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5,955.30</b>	<b>37.80</b>

**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, 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**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### A. Equity Share Capital

Particulars	Balance as at 1 <sup>st</sup> April, 2017	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2018	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2019
Nos. of Equity Shares	77,797,438	564,000	78,361,438	564,000	78,925,438
₹ in Millions	155.59	1.13	156.72	1.13	157.85

### B. Other Equity

Particulars	Reserve and Surplus					Other Comprehensive Income				(₹ in Millions)	
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	Employee Stock Options Outstanding	Re-Measure-ment of the Net defined benefit Plans	Foreign Currency Translation Reserve (FCTR)	Equity Instruments through other Comprehensive Income	Total other Equity	Non-Controlling Interest	
2017-18											
Balance as at 1 <sup>st</sup> April, 2017	28.00	784.37	21.09	3,573.76	66.00	(14.18)	0.01	(3.86)	4,455.19	0	
Addition during the year	-	-	-	1,447.58	-	-	(2.05)	-	1,445.53	0.24	
Other Comprehensive Income for the Year	-	-	-	-	-	(7.23)	-	1.26	(5.97)	(0.23)	
Total comprehensive income for the year 2017-18	-	-	-	1,447.58	-	(7.23)	(2.05)	1.26	1,439.56	0.01	
Employee Stock Compensation cost for the year	-	-	-	-	33.04	-	-	-	33.04	-	
Dividend Paid ( including Dividend Distribution Tax ) for 2016-17 approved by Shareholders in Annual General Meeting held on 19 <sup>th</sup> July, 2017	-	-	-	(56.18)	-	-	-	-	(56.18)	-	
Securities Premium on allotment of Equity Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	-	18.61	-	
Balance as at 31 <sup>st</sup> March, 2018	28.00	843.09	21.09	4,965.16	58.93	(21.41)	(2.04)	(2.60)	5,890.22	0.01	
Addition during the year	-	-	-	1,808.59	-	-	0.04	-	1,808.63	(1.12)	
Other Comprehensive Income for the Year	-	-	-	-	-	(8.29)	-	(10.76)	(19.05)	0.00	
Total comprehensive income for the year 2018-19	-	-	-	1,808.59	-	(8.29)	0.04	(10.76)	1,789.58	(1.12)	
Employee Stock Compensation cost for the year	-	-	-	-	18.68	-	-	-	18.68	-	
Dividend Paid ( including dividend distribution Tax ) for 2017-18 approved by Shareholders in Annual General Meeting held on 19 <sup>th</sup> Sep, 2018	-	-	-	(94.47)	-	-	-	-	(94.47)	-	
Securities Premium on allotment of Equity Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	-	18.61	-	
Balance as at 31 <sup>st</sup> March, 2019	28.00	901.81	21.09	6,679.28	37.50	(29.70)	(2.00)	(13.36)	7,622.62	(1.11)	

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: 21<sup>st</sup> May, 2019

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

## Summary of Significant Accounting Policies and Other Explanatory Statements for Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

### Note: 1

#### 1.1 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, India. It was established as a partnership firm "Krishna Electrical Industries" in the year 1968. The firm was later converted into Limited Company on 31<sup>st</sup> December, 1992.

Equity Shares of the Parent Company are listed at National Stock Exchange of India Ltd (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Ltd. Company has four manufacturing facilities / plants located at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa in Dadara & Nagar Haveli.

KEI 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. KEI also manufacture Stainless Steel Wires.

KEI is also engaged in execution of Engineering, Procurement and Construction Projects (EPC) for survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.

KEI has three major segments Cables, EPC and Stainless Steel Wire.

The Parent Company and its subsidiary together hereinafter referred to as "the Group".

#### 1.2 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS:

The Consolidated Financial Statements (hereinafter referred as Consolidated Financial Statements or the Financial Statements) of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on historical cost basis, except for 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the date of respective transactions.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts are stated in Millions of Rupees, rounded off to two decimal places, except when otherwise indicated.

The Consolidated Financial Statements for year ended 31<sup>st</sup> March, 2019 were authorized and approved for issue by Board of Directors of the Company on 21<sup>st</sup> May, 2019.



## **Note: 2**

### **2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

### **2.2 BASIS OF CONSOLIDATION:**

#### **2.2.1 BASIS OF ACCOUNTING**

- I. Financial Statements of the Subsidiary, Associate and Joint Venture in the consideration are drawn up to same reporting date as of Parent Company for purpose of consolidation.
- II. Consolidated Financial Statements have been prepared in accordance 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 Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

#### **2.2.2 PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relate to the Parent Company, its Subsidiary, Associates and Joint Venture.

Subsidiary are those entities in which the Parent Company directly or indirectly, has interest more than 50% of voting power or otherwise control composition of board or governing body so as to obtain economic benefits from activities.

Associates are all entities where the group has significant influence but not control or joint control. This is generally when the group holds between 20% and 50% of voting rights. Investment in associates are accounted for using equity method of accounting.

When Group with other parties has joint control of arrangement and rights to net assets of joint arrangement, it recognises its interest as Joint Venture.

Consolidated Financial Statements have been prepared as per the following principles:

- I. Financial Statements of Parent Company and its Subsidiary are combined on a line by line basis by adding together of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances, intra-group 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 net assets of the consolidated subsidiaries is identified and presented in Consolidated Balance Sheet separately from liabilities and equity attributable to Parent’s shareholders. NCI in net assets of consolidated subsidiaries consists of:-
  - a) Amount of equity attributable to NCI at the date on which investment in a subsidiary is made; and
  - b) NCI share of movement in 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, Group recognises a reduction to NCI of the respective Subsidiary with difference between this figure and cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of NCI, difference between cash received from sale or listing of subsidiary shares and increase to NCI is also recognised in equity.
- IV. If Group loses control over a subsidiary, it derecognises related assets (including goodwill), liabilities, NCI and other components of equity, while any resultant gain or loss is recognised in profit and loss account. Any investment retained is recognised at

fair value. Results of subsidiaries acquired or disposed of during the year are included in the Consolidated Profit and Loss Statement from effective date of acquisition or up to effective date of disposal, as appropriate.

- V. In case of foreign subsidiaries, being non integral foreign operations, revenue items are consolidated at average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at end of the year. Components of equity are translated at closing rate. Any Gain or (Loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR).
- VI. In case of Associates and Joint Venture, investments are accounted for using equity method in accordance with IND AS-28 "Investments in Associates and Joint Ventures". Under equity method, carrying amount of investment in Associates and Joint Ventures is increased or decreased to recognize the Group's share of Profit and Loss and Other Comprehensive Income of Associate and Joint Venture, adjusted where necessary to ensure consistency with Accounting Policies of Group. Goodwill relating to associate or joint venture is included in carrying amount of investment and is not tested for impairment individually. The carrying amount of these investments are tested for impairment in accordance with IND AS-36 "Impairment of Assets".
- VII. Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to extent possible, in same manner as Parent Company's Separate Financial Statements except as otherwise stated in notes to the accounts.

## 2.3 PROPERTY, PLANT AND EQUIPMENT:

### 2.3.1 RECOGNITION

Freehold land is carried at historical cost.

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 asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after 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 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 capitalised.

### 2.3.2 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 cost of the item can be measured reliably.

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

### 2.3.3 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 to the Companies Act, 2013.

The following useful lives are applied:

Asset category	Estimated useful life (in years)
<b>Land</b>	
- Lease Hold (Finance Lease)	Over the Lease period
- Perpetual Lease	Treated as Freehold Land
<b>Buildings</b>	
- Factory Buildings	30 Years
- Building (other than factory buildings)	60 Years
- Other (including temporary structure, etc.)	05 Years
- Leasehold Building Improvements	Over the Lease period
<b>Plant and Machinery</b>	10 - 20 Years
<b>Project Tools</b>	05 Years
<b>Furniture and Fittings</b>	05 - 10 Years
<b>Motor Vehicles</b>	
- Hire Purchase & Owned	08 - 10 Years
<b>Office Equipment</b>	05 Years
<b>Computers</b>	
- 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.

#### 2.3.4 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.

### 2.4 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.

### 2.5 INTANGIBLE ASSETS

#### 2.5.1 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).

## 2.5.2 AMORTISATION

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

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

## 2.5.3 DE-RECOGNITION

An item of Intangible Asset or any significant part initially recognised is de-recognised 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 net disposal proceeds and carrying amount of the asset) is included in Statement of Profit and Loss Account when asset is de-recognised.

## 2.6 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 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.

## 2.7 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.

### 2.7.1 FINANCIAL ASSETS

#### 2.7.1.1 INITIAL RECOGNITION & MEASUREMENT

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

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

#### 2.7.1.2 SUBSEQUENT MEASUREMENT

i. **Debt Instruments at Amortised Cost** – A 'debt instrument' is measured at amortised cost if both of 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 asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using 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 the 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).

### 2.7.1.3 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 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 scope of IND AS 115.

The Group follows 'Simplified Approach' for recognition of impairment loss allowance on trade receivables. 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 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. This 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. 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 Other Comprehensive Income (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.

### 2.7.1.4 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 de-recognised (i.e. removed from the Group's Balance Sheet) when:

- i. The rights to receive cash flows from 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 risks and rewards of the asset, or
- (b) The Group has neither transferred nor retained substantially all 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 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 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 rights and obligations that the Group has retained.

## 2.7.2 FINANCIAL LIABILITIES:

### 2.7.2.1 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 case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs.

The Group'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.

### 2.7.2.2 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 or Loss (FVTPL):** Financial liabilities at fair value through profit or 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 purpose of re-purchasing in 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 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 Group may transfer 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 liabilities are de-recognised as well as through 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 EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.
- iv. **Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Group 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.

### 2.7.2.3 DE-RECOGNITION OF FINANCIAL LIABILITIES

A Financial Liability is de-recognised when 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 de-recognition of the original liability and the recognition of a new liability. Difference in respective carrying amounts is recognised in the Statement of Profit and Loss.

### 2.7.3 DERIVATIVE FINANCIAL INSTRUMENTS

In some cases 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. Method of recognizing resulting gain or loss depends on whether derivative is designated as a hedging instrument, and if so, on nature of item being hedged. Any gains or losses arising from changes in fair value of derivatives are taken directly to statement of profit and loss.

### 2.7.4 OFF-SETTING OF FINANCIAL INSTRUMENTS

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

## 2.8 INVENTORIES

### 2.8.1 BASIS OF VALUATION

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

### 2.8.2 METHOD OF VALUATION

- **Cost of Finished Goods** is determined by taking derived material costs, duties and taxes as applicable (other than those recoverable from tax authorities) and other overheads.
- **Cost of Packing Materials, Stores & Spares** are determined on weighted average basis.
- **Work in Process** includes raw material costs and allocated production overheads.

- **Cost of raw materials** is determined on First in First out (FIFO) basis.
- **Net realisable value** is estimated selling price in ordinary course of business less estimated costs of completion and estimated costs necessary to make sale.

## 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 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 and Loss is recognised outside profit and loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in 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 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 temporary differences will not reverse in foreseeable future.

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

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. Un-recognised 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 same taxation authority.

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



### 2.10.3 INDIRECT TAXES

Expenses and Assets are recognised net of the amount of Indirect Taxes viz. GST/ VAT, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, indirect tax is recognised as part of cost of acquisition of asset or as part of expense item, as applicable.
- ii. When receivables and payables are stated with 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 nominal value of shares that have been issued. Any transaction costs associated with 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 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

IND AS 115 was made effective from 1<sup>st</sup> April, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced IND AS 18 & IND AS 11 and interpretations on revenue recognition related to sale of goods and services. The Group has adopted the new standard for annual periods beginning on or after 1<sup>st</sup> April, 2018 using cumulative effect method.

#### 2.13.1 MEASUREMENT OF REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Taxes collected from customers on behalf of Government are not treated as Revenue.

#### 2.13.2 ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) PROJECTS

In respect of EPC Projects, revenue is recognised over the period of time using input method of accounting with contract cost incurred determining the degree of completion of performance obligation. In case of value of uninstalled materials incurred that is not proportionate to the Group's progress in satisfying the performance obligation, revenue is to be recognised at an amount equal to the cost of a good used to satisfy a performance obligation.

#### 2.13.3 SALE OF GOODS

Revenue from sale of goods is recognised at the point of time when control of the asset is transferred to the customer, generally on delivery of the equipment. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated (e.g., Freight and Incentive schemes). In determining the transaction price for the sale

of Cable, the Group considers the effects of variable consideration and consideration payable to the customer (if any).

For contracts that are CIF (Cost Insurance Freight) contracts, the revenue is recognised when the goods reached at final destination. For contracts that are FOB (Free on Board) contracts, revenue is recognised when Group delivers the goods to an independent carrier.

#### 2.13.4 VARIABLE CONSIDERATION

If consideration in a contract includes a variable amount, the Group estimates amount of consideration to which it will be entitled in exchange for transferring the goods to customer. Variable Consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in amount of cumulative revenue recognised will not occur when associated uncertainty with variable consideration is subsequently resolved. Some contracts for sale of manufactured goods provide customers with a right of Incentives & Discounts. The Incentives and Volume Rebates give rise to variable consideration.

- i. **Cash Discount** which are determinable on the date of transaction, are recognised as reduction of revenue by the Group.
- ii. **Volume Discounts, Timely Payment Incentives & Other Incentive Schemes** the Group provides retrospective volume discounts to certain customers once the quantity of products purchased during the period exceed a threshold specified in the contract. Other Incentives promised by the Group on achieving certain sales thresholds also a form of identifiable benefit that is identified as a separate component of the sales transaction.

In such cases, the Group estimates fair value of Incentives promised to its customers. To estimate the variable consideration for the expected future rebates and discounts, the Group applies the expected value method. The Group estimates variable consideration and recognises a refund liability for the expected future rebates. Accordingly, the Group recognises lesser revenue if such discounts are probable and the amount are determinable. Any subsequent changes in the amount of such estimates are transferred to statement of profit and loss.

- iii. **Other Variable Considerations** if the consideration promised in the contract includes a variable amount, the Group estimates the amount of consideration to which the in exchange for transferring the promised goods or services to the customer. This estimate is updated at each reporting date.

### 2.14 CONTRACT BALANCES

#### 2.14.1 CONTRACT ASSETS & CONTRACT LIABILITIES

Contract Assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned/ deferred revenue ("contract liability") is recognised when there is billing in excess of revenue.

#### 2.14.2 TRADE RECEIVABLES

Trade receivables represent Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade Receivables are generally non-interest bearing and 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.

## **2.15 INCOME RECOGNITION**

### **2.15.1 DIVIDEND INCOME**

Dividends are recognised in profit and loss only when the right to receive payment is established.

### **2.15.2 INTEREST INCOME**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through expected life of the financial asset to gross carrying amount of a financial asset. When calculating effective interest rate, the Group estimates expected cash flows by considering all contractual terms of financial instrument but does not consider 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 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 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 the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to 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 related service is rendered by employees.

### **2.18.2 COMPENSATED ABSENCES**

Group provides for 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 number of days of unutilized leave at each Balance Sheet date on basis of an independent actuarial valuation.

### **2.18.3 GRATUITY**

Liabilities with regard to 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 approved trust and administered through a separate irrevocable trust set up by the Group.

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 subsequent period.

#### **2.18.4 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 provident fund plan equal to a specified percentage of covered employee's salary.

### **2.19 SHARE-BASED PAYMENTS**

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.

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

### **2.20 FOREIGN CURRENCY**

#### **2.20.1 FUNCTIONAL AND PRESENTATION CURRENCY**

The Consolidated Financial Statements are presented in Indian Rupee ('₹'), 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.

#### **2.20.2 FOREIGN CURRENCY TRANSACTIONS AND BALANCES**

In Consolidated Financial Statements, transactions in currencies other than functional currency are translated into functional currency at exchange rates ruling at date of transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currency at exchange rates prevailing on 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.

Effective April 1, 2018 the Group has adopted Appendix-B to IND AS-21- Foreign Currency Transactions and Advance Consideration which clarifies date of transaction for purpose of determining exchange rate to use on initial recognition of the related asset, expense or income when the Group has received or paid advance consideration in Foreign Currency.

### **2.21 LEASES**

Determination of whether an arrangement is (or contains) a lease is based on substance of arrangement at inception of lease. The arrangement is, or contains, a lease if fulfilment of arrangement is dependent on use of a specific asset or assets and 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 1<sup>st</sup> April 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

#### **2.21.1 GROUP AS A LESSEE – 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 commencement of the lease at the inception date.

Interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over period of lease. Leased Asset is depreciated over useful life of asset or lease term, whichever is lower.

#### **2.21.2 GROUP AS A LESSEE – 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 profit/ (loss) attributable to equity shareholders of the Parent Company by weighted average number of equity shares outstanding during the period.
- ii. **Diluted EPS** is computed using profit/ (loss) for the year attributable to shareholder's and weighted average number of equity and potential equity shares outstanding during the period, 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 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 Group for which 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.

#### **2.23.2 WARRANTY PROVISIONS**

The Group provides product warranties and does not sell the warranty separately to its customers. Provision for warranty-related costs is recognised when the product is sold or service is provided to customers. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjusts 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 ONEROUS CONTRACTS

An Onerous Contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If the Group identifies a contract as an Onerous Contract, the present obligation under the contract is measured and recognised as provision.

### 2.23.4 CONTINGENT LIABILITIES

In normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees including Guarantees given on behalf of Associates & Joint Venture Companies are also provided in the normal course of business.

There are certain obligations which management of the Group 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 Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Show Cause Notices received are not treated as Contingent Liabilities.

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

### 2.23.5 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. Cash flows from operating, investing and financing activities of the Group are segregated based on available information

## 2.25 SEGMENT REPORTING

- i. Operating segments are reported in a manner consistent with 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 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 Ministry of Corporate Affairs (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 purpose of trading,
  - c) Expected to be realised within twelve months after 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 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 purpose of trading,
  - c) Due to be settled within twelve months after reporting period, or
  - d) There is no unconditional right to defer settlement of liability for at least twelve months after reporting period.
- iv. All other liabilities are classified as non-current.
- v. Operating Cycle is time between 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 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. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:

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

The principal or the most advantageous market must be accessible to the Group.

Fair Value of an asset or liability is measured using 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 asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Group uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing 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 lowest level input that is significant to fair value measurement is directly or indirectly observable

**Level 3-** Valuation techniques for which lowest level input that is significant to 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 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.

## **2.29 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 UNCERTAINTY:**

Preparation of Consolidated Financial Statements requires management to make estimates and assumptions that affect 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 Group 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 (IND AS).

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**

Following are Significant Management Judgements in applying Accounting Policies of the Group that have most significant effect on the Financial Statements.

### **2.31.1 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 overall context of whether there is transfer of risks and rewards incidental to ownership include 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.

### **2.31.2 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 assets.

### **2.31.3 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Certain contracts of the Group for sale of goods include discounts, rebates & Incentives that give rise to variable consideration. The Group determined that estimates of variable



consideration are based on its historical experience, business forecast and current economic conditions. The Group determined that expected value method is appropriate method to use in estimating the variable consideration as the large number of customer contracts that have similar characteristics.

## **2.32 ESTIMATION UNCERTAINTY**

Information about estimates and assumptions that have 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, management of the Group determines 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 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 reported fair value of financial instruments.

### **2.32.3 IMPAIRMENT OF FINANCIAL ASSETS**

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 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 net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories maybe 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. 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 actual results and 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 taxable entity and responsible tax authority.

### **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.

## **2.33 NEW AND AMENDED STANDARDS DURING THE YEAR**

The Group applied IND AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other standards and amendments apply for the first time in 2018-19, but do not have an impact on the Consolidated Financial Statements of the Group.

### **2.33.1 IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Group applied IND AS-115 for the first time by using the Cumulative effect method of adoption with date of initial application from 1<sup>st</sup> April, 2018. Under this method Comparative prior period is not adjusted and the cumulative effect of initially applying IND AS 115 is recognised as an adjustment to the opening balance of retained earnings as at 1<sup>st</sup> April, 2018.

There was no impact on retained earnings as on 1<sup>st</sup> April, 2018 on adoption of IND AS-115.

#### **CHANGES IN PRESENTATION**

As a result of the application of IND AS-115, the Group has changed its presentation in the income statement as follows: -

Variable Considerations related to Discounts & Incentives payable to customers were presented as an expense in the Profit and Loss account before 1<sup>st</sup> April, 2018 but they are presented as a deduction from revenue at initial recognition. Any changes in estimation of variable consideration is recognised in Profit & Loss account as Revenue or Expenditure as the case may be.

### **2.33.2 FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATIONS APPENDIX-B TO IND AS-21**

The Appendix B clarifies that, in determining spot exchange rate to use on initial recognition of related asset, expense or income (or part of it) on de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, date of the transaction is the date on which an entity initially recognizes non-monetary

asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Group has applied Appendix B from 1<sup>st</sup> April, 2018 and there is no material impact on consolidated financial statements.

## **2.34 STANDARDS ISSUED BUT NOT EFFECTIVE:**

### **2.34.1 IND AS 116 'LEASES'**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs has notified IND AS-116, Leases. IND AS-116 will replace the existing leases Standard, IND AS-17 Leases, and related Interpretations.

New standard permits two possible methods of transition i.e. Full Retrospective or Modified Retrospective.

The Group will adopt the standard on 1<sup>st</sup> April, 2019 by using Modified retrospective effect method and accordingly comparatives for year ended 31<sup>st</sup> March, 2019 will not be retrospectively adjusted.

The Group is evaluating requirements of IND AS-116, and has not yet determined the impact on the financial statements.

### **2.34.2 AMENDMENT TO IND AS-19 PLAN AMENDMENT, CURTAILMENT OR SETTLEMENT**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs issued amendments to IND AS-19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

Effective date for application of this amendment is annual period beginning on or after 1<sup>st</sup> April, 2019. The Group expects that there will be no impact on account of this amendment.

### **2.34.3 AMENDMENT TO IND AS-12 'INCOME TAXES'**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in IND AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

Effective date for application of this amendment is annual period beginning on or after 1<sup>st</sup> April, 2019. The Group expects that there will be no impact on account of this amendment.

### **2.34.4 IND AS-12 APPENDIX-C, UNCERTAINTY OVER INCOME TAX TREATMENTS**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs has notified IND AS-12 Appendix-C, Uncertainty over Income Tax Treatments.

The standard permits two possible methods of transition i.e. Full retrospective or Retrospectively with Cumulative Effect.

The Group will adopt the standard on 1<sup>st</sup> April, 2019 by using the Retrospectively with Cumulative Effect method and accordingly comparatives for the year ending or ended 31<sup>st</sup> March, 2019 will not be retrospectively adjusted.

The Group expects that there will be no impact on account of this amendment.

**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 Equipment	Computers	Asset Taken on Finance Lease- Hire Purchase Vehicles	Total
<b>Gross Carrying Amount</b>											
As at 1 <sup>st</sup> April , 2017	3.66	317.45	1,048.89	55.15	2,685.65	63.98	27.61	15.46	39.82	44.66	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
As at 31 <sup>st</sup> March, 2018	3.66	317.45	1,071.79	78.52	2,919.55	74.53	28.52	28.18	53.79	51.94	4,627.93
Additions	93.32	-	280.05	15.56	680.54	15.24	17.10	8.60	16.54	25.69	1,152.64
Disposals/Adjustments	-	-	-	-	4.68	1.74	2.61	2.22	0.38	-	11.63
As at 31 <sup>st</sup> March, 2019	96.98	317.45	1,351.84	94.08	3,595.41	88.03	43.01	34.56	69.95	77.63	5,768.94
<b>Depreciation and Impairment</b>											
As at 1 <sup>st</sup> April , 2017	-	3.57	34.75	20.41	182.92	12.08	5.55	2.72	10.95	4.63	277.58
Depreciation charge for the year	-	3.57	38.47	19.13	210.07	12.94	4.95	4.48	13.57	5.83	313.01
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	1.28	0.54	-	0.27	-	0.07	-	2.16
As at 31 <sup>st</sup> March, 2018	-	7.14	73.22	38.26	392.45	25.02	10.23	7.20	24.45	10.46	588.43
Depreciation charge for the year	-	3.54	44.71	9.97	224.66	12.19	4.34	6.44	16.13	6.48	328.46
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	1.10	1.17	0.72	1.39	0.34	-	4.72
As at 31 <sup>st</sup> March, 2019	-	10.68	117.93	48.23	616.01	36.04	13.85	12.25	40.24	16.94	912.17
<b>Net book value</b>											
As at 31 <sup>st</sup> March, 2019	96.98	306.77	1,233.91	45.85	2,979.40	51.99	29.16	22.31	29.71	60.69	4,856.77
As at 31 <sup>st</sup> March, 2018	3.66	310.31	998.57	40.26	2,527.10	49.51	18.29	20.98	29.34	41.48	4,039.50

**3.1**

- Carrying value of Assets acquired under hire purchase as on 31.03.2018 exclude the amount related to hire purchase agreement settled during the current year.
- Property, Plant & Equipment pledged as security. Refer note no. 19 & 22
- Leasehold Land represents land obtain on long term lease from Government Authorities and are considered as Finance Lease.

#### 4. Capital Work in Progress:

(₹ in Millions)

Particulars	Building	Plant & Equipment	Furniture & Fixtures	Construction Period Expenses Pending Allocation	Total
<b>As at 1<sup>st</sup> April , 2017</b>	-	<b>31.54</b>	-	-	<b>31.54</b>
Additions	171.01	212.41	31.52	10.09	<b>425.03</b>
Adjustments	23.19	172.11	31.46	-	<b>226.76</b>
<b>As at 31<sup>st</sup> March, 2018</b>	<b>147.82</b>	<b>71.84</b>	<b>0.06</b>	<b>10.09</b>	<b>229.81</b>
Additions	254.46	628.93	13.85	29.77	<b>927.01</b>
Adjustments	241.49	566.22	10.56	22.49	<b>840.76</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>160.79</b>	<b>134.55</b>	<b>3.35</b>	<b>17.37</b>	<b>316.06</b>
<b>Net Book Value</b>					
<b>As at 31<sup>st</sup> March, 2019</b>	<b>160.79</b>	<b>134.55</b>	<b>3.35</b>	<b>17.37</b>	<b>316.06</b>
<b>As at 31<sup>st</sup> March , 2018</b>	<b>147.82</b>	<b>71.84</b>	<b>0.06</b>	<b>10.09</b>	<b>229.81</b>

**4.1 (a)** Contractual commitments for the acquisition of Property, Plant & Equipment ₹ 302.45 Millions (Previous Year: ₹ 132.92 Millions)

**(b)** Amount of Borrowing Costs Capitalised during the year in accordance with IND AS-23 "Borrowing Cost". Asset wise break up of borrowing cost capitalized is given as below:

PARTICULARS	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Building	<b>8.37</b>	-
Plant & Equipment	<b>6.64</b>	-
Furniture & Fixtures	<b>0.05</b>	-
<b>Total Borrowing Cost Allocated to Assets during the year</b>	<b>15.06</b>	-
<b>Borrowing Cost Pending allocation for future years</b>	<b>8.41</b>	6.76

**(c)** Capitalization rate 9.09% (Previous Year 10.71%) has been used to determine amount of borrowing cost eligible for capitalization.

#### 5. Other Intangible Assets:

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>As at 1<sup>st</sup> April, 2017</b>	<b>33.17</b>	<b>33.17</b>
Addition during the year	12.34	<b>12.34</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>45.51</b>	<b>45.51</b>
Addition during the year	10.49	10.49
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>56.00</b>	<b>56.00</b>

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>Amortization and Impairment</b>		
<b>As at 1<sup>st</sup> April , 2017</b>	<b>5.91</b>	5.91
Addition during the year	9.29	9.29
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>15.20</b>	15.20
Amortization	11.02	11.02
Impairment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>26.22</b>	26.22
<b>Net book value</b>		
<b>As at 31<sup>st</sup> March, 2019</b>	<b>29.78</b>	29.78
<b>As at 31<sup>st</sup> March , 2018</b>	<b>30.31</b>	30.31

## 6. Non-Current Investments:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>1- Investments Equity Instruments (Quoted and Unquoted)</b>		
<i>a) In Associate* (Investments at Equity Method) (₹ 593/-, Previous Year: ₹ Nil)</i>	<b>0.00</b>	-
<i>b) Others ** (Investments at fair value through OCI)</i>	<b>12.68</b>	25.26
<b>Total Investments in Equity Instruments</b>	<b>12.68</b>	25.26
<b>2- Investments Mutual Funds (Unquoted) (Investments at fair value through OCI)</b>		
<i>a) Investments in Mutual Funds***</i>	<b>2.97</b>	3.03
<b>Total Investments in Mutual Funds</b>	<b>2.97</b>	3.03
<b>3- Investment in AOP (Unquoted) (Investments at Equity Method)</b>		
<i>a) Investments in Joint Venture of KEI Industries Ltd New Delhi &amp; Brugg Kabel AG Switzerland (Refer note 52 )</i>	<b>1.70</b>	1.70
<b>Total Investments</b>	<b>17.35</b>	29.99
<b>* Investments in Equity Shares Unquoted (at Equity Method)</b>		
-- KEI Cables SA (PTY) Limited (principal place of business - South Africa) 490 (Previous Year: ₹ NIL) Equity Shares of 1 ZAR each fully paid (Refer note 52 )	<b>0.00</b>	-
<b>Total Equity Investments at cost</b>	<b>0.00</b>	-

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>** Equity Shares Quoted</b>		
--- State Bank of India 670 (Previous Year: 670) Equity Shares of ₹ 1 each fully paid	0.21	0.17
--- PNB Gilts Limited 8000 (Previous Year: 8000) Equity Shares of ₹ 10 each fully paid	0.25	0.28
--- Punjab National Bank 11000 (Previous Year: 11000) Equity Shares of ₹ 2 each fully paid	1.05	1.05
---Dena Bank 2595 (Previous Year: 2595) Equity Shares of ₹ 10 each fully paid	0.03	0.05
---ICICI Bank Limited 4950 (Previous Year: 4950) Equity Shares of ₹ 2 each fully paid	1.98	1.38
---YES Bank Limited 1270 (Previous Year: 1270) Equity Shares of ₹ 2 each fully paid	0.35	0.39
---Jaypee Infratech Limited 5000 (Previous Year: 5000) Equity Shares of ₹ 10 each fully paid	0.01	0.04
----Technofab Engineering Limited 104228 (Previous Year: 104228) Equity Shares of ₹ 10 each fully paid	8.80	21.90
<b>Total Equity Investments (FVOCI)</b>	<b>12.68</b>	<b>25.26</b>
<b>*** Mutual Funds Unquoted</b>		
---UTI-Opportunities Fund-Growth 11770.711 (Previous Year: 11770.711) Units of ₹ 10 each	0.73	0.67
---L192D SBI PSU Fund-Regular Plan-Dividend 212944.872 (Previous Year: 212944.872) Units of ₹ 10 each	2.24	2.36
<b>Total investments in Mutual Funds (FVOCI)</b>	<b>2.97</b>	<b>3.03</b>
<b>Aggregate value of quoted investments</b>	<b>28.62</b>	<b>28.62</b>
<b>Aggregate Market value of quoted investments</b>	<b>12.68</b>	<b>25.26</b>
<b>Aggregate value of unquoted investments</b>	<b>2.97</b>	<b>3.03</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>

**7. Non-Current Loans:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Secured</b>	-	-
<b>Loans considered good, Unsecured</b>		
Security Deposits to Related Parties	2.00	1.80
Security Deposits to Others	61.55	35.51
Loans to Related Parties	0.14	0.46
Loans to Workers & Staff- Others	4.89	2.90
<b>Loans having Significant increase in Credit Risk</b>	-	-
<b>Loans Credit Impaired</b>	-	-
<b>Total</b>	<b>68.58</b>	<b>40.67</b>

**Break-up for Related Parties:****7.1 Non-Current Security Deposit to Related Parties:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Unsecured</b>		
Projection Financial & Management Consultants Private Limited *	1.85	1.65
Anil Gupta (HUF) *	0.15	0.15
<b>Total</b>	<b>2.00</b>	<b>1.80</b>

\* Security Deposit (Interest Free) for premises taken on lease by Group

**7.2 Non-Current Loans to Related Party:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Unsecured</b>		
Kishore Kunal*	0.14	0.46
<b>Total</b>	<b>0.14</b>	<b>0.46</b>

\* Against Salary and other benefits

**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 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited *	4.22	1.65
Anil Gupta (HUF)	0.15	0.15
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year: ₹ Nil )	-	-

\* (Including current loan as per Note No. 14.1)



**(ii) Maximum Outstanding Balance during the year (At Cost) (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited *	4.77	2.40
Anil Gupta (HUF)	0.15	0.15
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year: ₹ Nil )	-	-

\* (Including current loan as per Note No. 14.1)

**7.4 Investments by Loanee in Equity shares of Parent Company (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited	114.20	114.20
Anil Gupta (HUF)	13.62	13.62
	<b>127.82</b>	<b>127.82</b>

**8. Other Non-Current Financial Assets: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with banks having more than 12 month Maturity (Fixed Deposits under lien/custody with Banks / Others)	4.97	1.46
Unpaid Dividend Bank Account *	1.30	1.14
<b>Total</b>	<b>6.27</b>	<b>2.60</b>

\*Balance in unpaid dividend bank account can only be used towards settlement of dividend unclaimed by shareholders of the Parent Company.

**9. Other Non-Current Assets: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Advances	90.07	116.34
Others:		
--- Prepaid Expenses	2.07	2.45
<b>Total</b>	<b>92.14</b>	<b>118.79</b>

**10. Inventories:**

(₹ in Millions)

Particulars	Method of Valuation	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials Including In Transit	At Cost	1,235.36	1,518.96
Work -in- Progress	At Cost	1,951.67	1,623.35
Finished Goods Including in Transit	At lower of cost or net realizable value	2,942.38	2,228.38
Stock in Trade Including In Transit	At Cost	42.35	10.62
Stores & Spares Including In Transit	At Cost	71.55	70.42
Project Materials	At Cost	543.31	4.71
Packing Materials	At Cost	116.32	78.03
Scrap	At net realizable value	29.14	21.41
<b>Total</b>		<b>6,932.08</b>	<b>5,555.88</b>

**10.1 Break-up for Goods-In-Transit:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
--- Finished Goods	742.76	723.53
--- Raw Materials	146.21	410.44
--- Stores & Spares	2.54	0.89
<b>Total</b>	<b>891.51</b>	<b>1,134.86</b>

**10.2 Finished Goods held at Net Realisable Value:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
--- Finished Goods	572.32	85.22

Refer Note no. 22.1 for Inventories hypothecated as security against bank borrowings.

**11. Current Trade Receivables:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Trade receivables</b>		
Secured, Considered Good	-	-
Unsecured, Considered Good	11,076.43	10,390.30
Receivables having Significant Increase in Credit Risk	-	-
Receivables Credit Impaired	-	-
Less: Expected credit loss (ECL)	167.15	161.90
<b>Total</b>	<b>10,909.28</b>	<b>10,228.40</b>

**11.1** No trade or other receivable are due from Directors or Officers of Group 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.

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

**11.3** Trade Receivables are usually non-interest bearing and are on trade terms of 90 days.

**11.4 Relevant carrying amounts are as follows:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total Transferred Receivables	1,255.79	2,185.97
Associated Secured Borrowing (Refer Note No. 22)	1,255.79	2,185.97

**11.5** For credit risk and movement in impairment allowances refer no. 50.2.

**12. Cash and Cash Equivalents:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Cash in Hand	3.83	3.65
Balances with Banks		
--- Current Accounts	70.80	456.67
--- Fixed Deposits with less than 3 month maturity	146.10	142.51
<b>Total</b>	<b>220.73</b>	<b>602.83</b>

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

**12.1** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits under lien/custody with Banks / Others	143.44	-

**13. Bank Balances other than Cash and Cash Equivalents:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with original maturity of more than 3 months but less than 12 months *	1,728.65	165.03
Unpaid Dividend Accounts	0.40	0.35
Fixed Deposits with Banks as Deposits Repayment Reserve Account **	3.62	3.40
<b>Total</b>	<b>1,732.67</b>	<b>168.78</b>

**13.1** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
*Fixed Deposits under lien/custody with Banks /Others	1,728.65	85.03

\*\* Deposit Repayment Reserve account is credited as per requirement of Section 73 of the Companies Act, 2013.

**14. Current Loans:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured, Considered Good</b>		
Security Deposits to Related Party	2.37	-
Security Deposits to Others	21.26	4.16
Loans to Related Parties	0.33	0.29
Loans to Workers & Staff- Others	12.90	9.44
<b>Total</b>	<b>36.86</b>	<b>13.89</b>

**14.1 Current Loans to Related Party:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans</b>		
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year Nil )	-	-
Kishore Kunal**	0.33	0.29
<b>Total</b>	<b>0.33</b>	<b>0.29</b>
** Against salary and other benefits		
<b>Security Deposits to Related Party</b>		
Projection Financial & Management Consultants Private Limited *	2.37	-
	<b>2.37</b>	<b>-</b>

\*For disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 refer Note no. 7.3

**15. Other Financial Assets**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Contract Assets (Refer Note 42.2)	1,040.47	521.02
	<b>1,040.47</b>	<b>521.02</b>

**16. Other Current Assets:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Advances other than capital advances:</b>		
--- Advances to Related Parties	0.33	0.91
--- Advances to Suppliers	529.32	230.40
--- Advances Recoverable	29.19	29.38
<b>Others:</b>		
--- Interest Accrued	29.92	6.92
--- Prepaid Expenses	31.41	63.04
--- Earnest Money	62.64	59.69
--- Claims Recoverable from Government	694.80	226.19
<b>Total</b>	<b>1,377.61</b>	<b>616.53</b>

### 16.1 Break-up of Advance to Related Party:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Recoverable from Joint Venture "Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland "	0.33	0.91
<b>Total</b>	<b>0.33</b>	<b>0.91</b>

### 17. Equity Share Capital:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorized</b>		
110,000,000 (Previous Year: 110,000,000) Equity Shares of ₹ 2/- each	220.00	220.00
300,000 (Previous Year: 300,000) Preference Shares of ₹ 100/- each	30.00	30.00
<b>Total</b>	<b>250.00</b>	<b>250.00</b>
<b>Issued, Subscribed &amp; paid-up</b>		
78,925,438 (Previous Year: 78,361,438) Equity shares of ₹ 2/- each fully paid	157.85	156.72
<b>Total</b>	<b>157.85</b>	<b>156.72</b>

#### 17.1 Rights, preferences and restrictions attached to shares:

Equity Shares: The Parent 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 of parent company 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 Parent Company after distribution of all preferential amounts in proportion to their shareholding.

#### 17.2 Reconciliation of Number of Equity Shares:

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Nos.	₹ in Millions	Nos.	₹ in Millions
Balance as at the beginning of the year	78,361,438	156.72	77,797,438	155.59
Add: Issued during the Year *	564,000	1.13	564,000	1.13
Balance as at the end of the year	78,925,438	157.85	78,361,438	156.72

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

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

Name of shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	13,680,776	17.33%	13,680,776	17.46%
M/s Projection Financial and Management Consultants Private Limited	7,900,000	10.01%	7,900,000	10.08%
M/s Anil Gupta (HUF) beneficiary Mr. Anil Gupta	4,650,375	5.89%	4,650,375	5.93%
Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund	5,300,000	6.72%	5,220,550	6.66%

**17.4** During the year 2016-17, 5,60,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2017-18, 5,64,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2018-19, 5,64,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

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

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
	Nos. of shares	Nos. of shares
<b>Options available under ESOS, 2015</b>		
-- Options available at the beginning of the year	<b>1,128,000</b>	1,692,000
-- Options granted during the year	<b>15,000</b>	-
-- Equity Shares issued during the year		
Under KEI ESOS-2015 option Plan: Equity shares of ₹ 2 each.	<b>564,000</b>	564,000
<b>-- Options available at the close of the year</b>	<b>579,000</b>	1,128,000

For terms and other details of KEI ESOS-2015 refer note no 43.

**18. Other Equity:**

Refer Statement of Changes in Equity for detailed movement in other Equity balances:

**A. Summary of Other Equity balance:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Reserve	<b>28.00</b>	28.00
Securities Premium	<b>901.81</b>	843.09
General Reserve	<b>21.09</b>	21.09
Retained Earnings	<b>6,679.28</b>	4,965.16
Foreign Currency Translation Reserve ( FTCR)	<b>(2.00)</b>	(2.04)
Employee Stock Options Outstanding	<b>37.50</b>	58.93
Other Comprehensive Income	<b>(43.06)</b>	(24.01)
<b>Total</b>	<b>7,622.62</b>	5,890.22

**B. Nature and purpose of reserves:**

- Capital Reserve:** Subscribed capital forfeited due to non- receipt of call money treated as Capital reserve.
- Securities Premium :** Amount received in excess of face value of the equity shares is recognized in Securities Premium . 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.
- Employee Stock Options Outstanding:** Fair value of equity-settled share based payment transactions with employees is recognized in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding.

- (d) **General Reserve:** The Group has transferred a portion of the net profit of the Group 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 Group has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders.
- (f) **Foreign Currency Translation Reserve (FTCR):** Exchange Gain or Loss arising on consolidation of subsidiary with parent company is recognised in Foreign Currency Translation Reserve (FTCR).

## 19. Non-Current Borrowings:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Secured Term Loan</b>		
-- Term Loans from Banks	<b>294.04</b>	467.39
-- Foreign Currency Term Loans from Banks	<b>97.37</b>	274.12
-- External Commercial Borrowings	<b>385.70</b>	412.92
-- Term Loans from Non-Banking Financial Company	<b>310.00</b>	205.77
<b>Total Term Loan</b>	<b>1,087.11</b>	1,360.20
Finance Lease Obligations on Hire Purchase of Vehicles	<b>22.11</b>	18.26
<b>(ii) Unsecured Deposits</b>		
-- Public Deposits	<b>49.75</b>	48.81
-- Deposits from Related Parties	<b>34.40</b>	29.35
<b>Total</b>	<b>1,193.37</b>	1,456.62

### 19.1 Nature of Security and Repayment Terms of Term Loan:

(₹ in Millions)

Sl. No.	Nate of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1	Secured Term Loan from Scheduled Bank	INR	Oct, 2020	Floating 1 year-MCLR+ 1.85% p.a.	<b>64.79</b>	101.42
2	Secured Term Loan from Scheduled Bank	USD	Feb, 2019	Floating 6 month LIBOR + 90 bps	-	233.97
3	Secured Term Loan from Scheduled Bank	INR	Nov, 2019	Floating 1 year MCLR+ 1.35% p.a.	<b>46.14</b>	107.21
4	Secured Term Loan from NBFC	INR	Dec, 2021	Fixed 9.75% p.a.	<b>205.77</b>	280.37
5	Secured Term Loan from Scheduled Bank	INR	May, 2020	Floating 12 month MCLR + 0.50% p.a.	<b>194.06</b>	365.46
6	Secured Term Loan from Scheduled Bank	INR	June, 2022	Floating 1 year MCLR + 0.50% p.a.	<b>162.50</b>	212.32
7	Secured Term Loan from Scheduled Bank	USD	Sep, 2020	Fixed all inclusive cost of maximum of 4.85% p.a.	<b>291.39</b>	455.72
8	External Commercial Borrowing	USD	Dec, 2022	Floating 3 month LIBOR + 190 bps	<b>494.91</b>	514.72
9	Secured Term Loan from NBFC	INR	Oct, 2023	Fixed 9.75% p.a.	<b>199.69</b>	-

Sl. No.	Nate of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
10	Secured Term Loan from Scheduled Bank	INR	May, 2020	Floating 3 month MCLR + 0.35% p.a.	233.14	-
11	Secured Term Loan from Scheduled Bank	INR	Jan, 2023	Floating 1 year MCLR + 0.05% p.a.	114.81	-
<b>Total</b>					<b>2,007.20</b>	<b>2,271.19</b>
Less: Current Borrowings (Note no. 24)					920.09	910.99
Non-Current Borrowings (Note no. 19)					<b>1,087.11</b>	<b>1,360.20</b>

**19.2** 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 Group'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, 99/2/7, Madhuban Industrial Estate, village Rakholi. Silvassa and Survey no.1/1/2/5, Village Chinchpada, Silvassa. Further they are secured by personal guarantee of Shri Anil Gupta Chairman-cum-Managing Director of the Company.

**19.3** Finance Lease Obligations are taken from scheduled banks and are secured against hypothecation of vehicles. The Rate of interest on such loans varying between 8.50% to 11.00%.

**19.4** Unsecured Deposits are repayable within 3 years from the date of acceptance. The Group has not defaulted repayment of deposit.

**19.5** For Loans & Deposits from Related Parties refer Note no. 46 " Related Party disclosures".

**19.6** The Group has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed by lenders.

## 20. Non Current Provisions:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Employee benefits		
---Provision for Compensated Absences	86.26	67.21
	<b>86.26</b>	<b>67.21</b>

For movement in provision refer note no. 26.1.

## 21. Deferred Tax Liability (Net):

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Deferred Tax Liability :</b>		
Additional depreciation/amortization on PPE and Other Intangible Assets	587.73	515.89
Other timing differences	7.59	9.32
<b>Total Deferred Tax Liabilities</b>	<b>595.32</b>	<b>525.21</b>
<b>Deferred Tax Asset :</b>		
Liabilities / provisions that are deducted for tax purposes when paid	66.81	51.45
Provision for doubtful debts/impairment allowance	58.41	56.57
Defined benefit obligations	15.85	11.39
Long term capital loss on shares	1.86	-
Other timing differences	11.84	8.60
<b>Total Deferred Tax Assets</b>	<b>154.77</b>	<b>128.01</b>
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(440.55)</b>	<b>(397.20)</b>



## 21.1 Movement in Deferred Tax Assets:

(₹ in Millions)

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
<b>As at 1<sup>st</sup> April, 2017</b>	<b>54.61</b>	<b>7.51</b>	<b>46.83</b>	<b>7.23</b>	<b>116.18</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.96	-	4.62	0.13	6.71
-- Other Comprehensive Income	-	3.88	-	1.24	5.12
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>56.57</b>	<b>11.39</b>	<b>51.45</b>	<b>8.60</b>	<b>128.01</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.84	-	15.36	3.26	20.46
-- Other Comprehensive Income	-	4.46	-	1.84	6.30
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>58.41</b>	<b>15.85</b>	<b>66.81</b>	<b>13.70</b>	<b>154.77</b>

## 21.2 Movement in Deferred Tax Liabilities:

(₹ in Millions)

Particulars	Additional depreciation/ amortization on PPE and Other Intangible Assets	Other items	Total deferred tax liabilities
<b>As at 1<sup>st</sup> April, 2017</b>	<b>460.67</b>	<b>8.69</b>	<b>469.36</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	55.22	0.63	55.85
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>515.89</b>	<b>9.32</b>	<b>525.21</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	71.84	(1.73)	70.11
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>587.73</b>	<b>7.59</b>	<b>595.32</b>

**22. Current Borrowings:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Secured:</b>		
<b>Loan repayable on demand</b>		
--- Working Capital Loans from Banks	<b>2,390.96</b>	2,266.79
--- Buyer's Credit	-	1,377.63
--- Factoring Arrangements	<b>1,255.79</b>	2,185.97
<b>(ii) Unsecured:</b>		
<b>Loans from Related Parties</b>		
--- Loans from Related Party *	<b>208.00</b>	205.00
<b>Deposits</b>		
Deposits from Related Party *		
---Inter Corporate Deposits	<b>5.00</b>	0.80
Deposits from Others		
---Inter Corporate Deposits	<b>5.50</b>	5.50
<b>Total</b>	<b>3,865.25</b>	6,041.69

\* For Loans/Deposits From Related Party Refer Note No. 46 " Related Party Disclosure".

**22.1** Working Capital facilities from banks are secured by 1<sup>st</sup> Pari passu charge by way of hypothecation on the entire current assets including raw material stock in process, finished goods, consumable stores & spares and receivables of the Group, 1<sup>st</sup> 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, 2<sup>nd</sup> pari- passu charge by equitable mortgage of property of the Land and Building at 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa, (D & N H), Plot No. A 280-284, Chopanki, SP 2/874, RIICO Industrial Area, Pathredi , SP 919, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar, (Rajasthan) Industrial Plot/ Survey No.- 1/1/2/5, Situated at Village Chinchpada , Silvassa both present and future. Further they are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum- Managing Director of the Parent Company.

**22.2** Working Capital Loans from Banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated. The lender banks have a right to cancel the credit limits (either fully or partially) and, inter-alia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the sanctioned loan accounts in any manner.

**22.3** Loan from Related Party is payable on demand and carries a fixed rate of interest @ 9% p.a. w.e.f 1<sup>st</sup> April, 2018.

**22.4** The Group has not defaulted on any loans/deposits payable during the year and has satisfied all debt covenants prescribed by lenders.

**22.5** The Group has arranged Channel Finance Facility for its customers from various banks against which a sum of ₹ 1,378.76 Millions (Previous Year ₹ 1030.30 Millions) has been utilized as on the date of Balance Sheet. The Group is liable to pay in case of default by its customers along with interest thereon. The default made by customers as on 31<sup>st</sup> March, 2019 is ₹ 2.53 Millions (Previous Year ₹ 1.80 Millions).

### 23. Trade Payables:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Micro, Small and Medium Enterprises	914.41	-
<b>Total outstanding dues of micro, small and medium enterprises</b>	<b>914.41</b>	<b>-</b>
Acceptances	5,930.45	2,329.05
Others	3,361.50	3,955.61
<b>Total outstanding dues of creditors other than micro, small and medium enterprises</b>	<b>9,291.95</b>	<b>6,284.66</b>
<b>Total</b>	<b>10,206.36</b>	<b>6,284.66</b>

**23.1** Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Amount remaining unpaid to Micro, Small and Midium Enterprises at the end of period</b>		
Principal	914.41	-
Interest	-	-
<b>Total</b>	<b>914.41</b>	<b>-</b>

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The total dues of Micro, Small and Midium Enterprises which were outstanding for more than stipulated period are ₹ Nil (Preivous Year: ₹ Nil)

**24. Other Current Financial Liabilities:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Current Maturities of Long Term Debts</b>		
---From Banks	<b>521.40</b>	319.03
---Foreign Currency Loans from Banks	<b>194.02</b>	415.57
-- External Commercial Borrowings	<b>109.21</b>	101.80
---From Others (Non-Banking Financial Company)	<b>95.46</b>	74.59
<b>Total Current Maturities of Long Term Debts</b> (Refer Note 19.1)	<b>920.09</b>	910.99
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles (Refer Note 19.1 & 19.3)	<b>15.69</b>	11.89
Interest on Borrowings		
---Accrued but not due	<b>3.19</b>	8.13
---Accrued and due	<b>3.35</b>	8.85
Contract Liabilities (Refer Note 42.2)	<b>2,434.92</b>	392.12
Unpaid Dividend (Refer Note 24.1)	<b>1.69</b>	1.49
<b>Total</b>	<b>3,378.93</b>	1,333.47

**24.1** Amount due and outstanding to be credited to Investor Education and Protection Fund ₹ Nil  
(Previous Year: ₹ Nil).

**25. Other Current Liabilities:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits Received	<b>14.66</b>	14.77
Employee Benefits Payable	<b>161.90</b>	98.85
Sundry Creditors-Capital Goods	<b>105.67</b>	77.42
Statutory Dues Payable	<b>175.26</b>	234.44
<b>Total</b>	<b>457.49</b>	425.48

**26. Current Provisions:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Employee Benefits</b>		
---Provision for Compensated Absences	<b>12.69</b>	9.54
---Provision for Gratuity	<b>99.36</b>	82.89
Other Provisions	<b>22.93</b>	18.86
<b>Total</b>	<b>134.98</b>	111.29

## 26.1 Movement of Provisions (Current and Non-Current):

(₹ in Millions)

Particulars	Compensated Absences	Gratuity	Warranty Provision
<b>As at 1<sup>st</sup> April, 2018</b>	<b>76.75</b>	<b>82.89</b>	<b>18.86</b>
Credited during the year	28.05	16.47	<b>20.88</b>
Utilized during the year	<b>5.85</b>	-	-
Unused amount reversal	-	-	<b>16.81</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>98.95</b>	<b>99.36</b>	<b>22.93</b>

### Provision for Compensated Absences:

Compensated Absences is a terminal employee benefit, which covers Group's liability towards earned leaves of employees of the Group.

### Provision for Gratuity:

Group 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 eligible for gratuity. Gratuity plan is a funded plan and Group makes contributions to fund maintained by approved trust and administrated through separate irrevocable trust setup by Parent Company.

### Provision for Warranty:

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

## 26.2 Disclosures under IND AS-19 "Employee Benefits":

### Defined Contribution Plan:

Amount recognized as an expense in defined contribution plans:

(₹ in Millions)

Particulars	Expense recognized during	
	FY 2018-19	FY 2017-18
Contribution to Employee Provident Fund & Employees Pension Scheme.	<b>45.01</b>	40.58

### a) The amounts recognised in the Balance Sheet is as under:

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Present value of obligations as at the end of year	2018-19	217.02	98.95
	2017-18	171.11	76.75
Fair value of plan assets as at the end of the year	2018-19	117.66	-
	2017-18	88.22	-
Funded status	2018-19	(99.36)	-
	2017-18	(82.89)	(76.75)
Net Assets/(Liability) recognized in balance sheet	2018-19	99.36	98.95
	2017-18	82.89	76.75

**b) Expense recognized in Statement of Profit and Loss is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Current Service Cost	2018-19	22.96	17.42
	2017-18	18.19	14.96
Interest Cost on Defined Benefit Obligation	2018-19	13.18	5.91
	2017-18	9.89	4.14
Interest Income on Plan Assets	2018-19	6.79	-
	2017-18	5.42	-
Net Actuarial (Gain) / Loss recognized in the period	2018-19	6.38	4.72
	2017-18	4.48	4.73
Expenses recognized in Statement of Profit and Loss	2018-19	29.35	28.05
	2017-18	22.66	23.84

**c) Expenses recognized in Other Comprehensive Income is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Actuarial (Gains)/Loss on Defined Benefit Obligation	2018-19	13.02	-
	2017-18	11.65	-
Actuarial (Gains)/Loss on Asset	2018-19	(0.27)	-
	2017-18	(0.54)	-
Actuarial Gain/(Loss) recognized in Other Comprehensive Income	2018-19	12.75	-
	2017-18	11.11	-

**d) Movements in the present value of the Defined Benefit Obligations: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Present Value of Obligations as at beginning of year	2018-19	171.11	76.75
	2017-18	137.39	57.51
Acquisition Adjustment	2018-19	-	-
	2017-18	-	-
Interest Cost	2018-19	13.18	5.91
	2017-18	9.89	4.14
Current Service Cost	2018-19	22.96	17.42
	2017-18	18.19	14.96
<b>Actuarial (Gains)/Losses arising from:</b>			
Changes in Demographic Assumptions	2018-19	Nil	Nil
	2017-18	Nil	Nil
Changes in Financial Assumptions	2018-19	1.72	0.66
	2017-18	6.74	2.53
Experience Adjustments	2018-19	11.29	4.06
	2017-18	4.90	2.21
Past Service Cost	2018-19	-	-
	2017-18	-	-
Benefits Paid	2018-19	(3.24)	(5.85)
	2017-18	(6.01)	(4.60)
Present value of obligations as at end of year	2018-19	217.02	98.95
	2017-18	171.11	76.75

**e) Movements in fair value of Plan Assets:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Fair Value of plan assets as on beginning of year	2018-19	88.22	-
	2017-18	75.22	-
Interest Income	2018-19	6.79	-
	2017-18	5.42	-
Re-measurement Gain/(Loss) – Return on plan assets (excluding amounts included in net interest expense)	2018-19	0.27	-
	2017-18	0.54	-
Contributions from the employer	2018-19	25.62	-
	2017-18	13.05	-
Benefits paid	2018-19	(3.24)	-
	2017-18	(6.01)	-
Fair value of Plan Assets at the end of year	2018-19	117.66	-
	2017-18	88.22	-

**f) Movements in fair value of Plan Assets:**

Particulars	Year	Gratuity	Compensated Absences
Discount Rate	2018-19	7.60%	7.60%
	2017-18	7.70%	7.70%
Expected rate of Future Salary Increase	2018-19	7.00%	7.00%
	2017-18	7.00%	7.00%
Retirement Age	2018-19	58 yrs	58 yrs
	2017-18	58 yrs	58 yrs
Mortality rates	2018-19	As per Indian Assured Lives Mortality (2006-08) Table	
	2017-18		
<b>Age</b>		<b>Withdrawal Rate</b>	<b>Withdrawal Rate</b>
Up to 30 Years	2018-19	3.00%	3.00%
	2017-18	3.00%	3.00%
From 31 to 44 years	2018-19	2.00%	2.00%
	2017-18	2.00%	2.00%
Above 44 years	2018-19	1.00%	1.00%
	2017-18	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 Group is exposed to various risks as follows:

<b>Salary Increases</b>	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.
<b>Investment Risk</b>	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.
<b>Discount Rate Risk</b>	A decrease in the bond interest rate (discount rate) will increase the plan liability.
<b>Mortality &amp; Disability</b>	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:

(₹ in Millions)

Duration (years)	Year	Gratuity	Compensated Absences
1	2018-19	62.46	12.69
	2017-18	48.47	9.54
2	2018-19	6.27	9.44
	2017-18	5.43	7.40
3	2018-19	10.77	9.10
	2017-18	5.01	6.65
4	2018-19	7.97	7.89
	2017-18	8.74	6.52
5	2018-19	6.32	6.61
	2017-18	5.98	5.44
Above 5	2018-19	123.23	53.22
	2017-18	97.48	41.21

**h) Summary of Membership Data:**

Particulars	As at 31 <sup>st</sup> March, 2019	
	Gratuity	Compensated Absences
Number of Employees	1,793	1,793
Total Monthly Salary for Gratuity (₹ in Millions)	48.00	-
Total Monthly Salary for leave Availment (₹ in Millions)	-	48.00
Average Past Service (Years)	5.72 yrs	5.72 yrs
Average Age (Years)	36.50 yrs	36.50 yrs
Average Remaining Working Life (Years)	21.50 yrs	21.50 yrs



**i) Major Category of Plan Assets (as percentage of total plan assets) is as under:**

Particulars	Year	Gratuity	Compensated Absences
Fund Managed by Insurer	2018-19	99.36	Nil
	2017-18	82.89	Nil

**j) Sensitivity analysis is as under:**

**Impact of the Change in Discount Rate:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Impact due to Increase of 1%	2018-19	200.98	92.74
	2017-18	158.41	71.94
Impact due to Decrease of 1%	2018-19	235.88	105.99
	2017-18	186.03	82.20

**Impact of the Change in Salary Increase:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Impact due to Increase of 1%	2018-19	235.81	105.96
	2017-18	185.99	82.18
Impact due to Decrease of 1%	2018-19	200.76	92.65
	2017-18	158.22	71.87

**27. Current Tax Liability (Net):**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Tax expense comprises of:</b>		
Opening balance (Receivables)/Payables	<b>34.43</b>	14.13
Current tax payable for the year	<b>924.75</b>	669.33
Less : Taxes paid during the year	<b>865.08</b>	527.52
Less : MAT Credit Entitlement	-	121.51
<b>Closing balance Liabilities (Net)</b>	<b>94.10</b>	34.43

**27.1** Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ NIL (Previous Year: ₹ 121.51 Millions)

## 28. Revenue From Operations (Gross):

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Revenue from contract with customer</b>				
<b>Sale of Products</b>				
---Manufactured Goods	32,100.09		26,005.26	
---Traded Goods	46.13		10.83	
<b>Sale of Services</b>				
---Income from EPC Projects	9,658.26		8,672.21	
---Job Work	0.43		3.91	
<b>Other Revenue</b>				
---Scrap	317.92	42,122.83	268.06	34,960.27
<b>Other operating Revenues</b>				
--- Export Benefits	143.91		42.23	
--- Unadjusted Credit balances written back	43.06	186.97	28.69	70.92
<b>Total</b>		42,309.80		35,031.19

**28.1** For Disclosures related to IND AS 115 "Revenue from Contract with Customers" refer Note no. 42.

## 29. Other Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Dividend from long term investments		0.22		0.04
Interest Income from Bank Deposits/Others		36.83		6.48
Interest Income from financial assets at amortized cost		2.06		1.57
Miscellaneous Income		11.55		-
Insurance Claims		21.28		10.00
Exchange Fluctuation (Net)		-		74.90
<b>Total</b>		71.94		92.99

## 30. Cost of Materials Consumed:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Raw Material Consumed:</b>				
Opening Stock	1,108.52		1,188.75	
Add : Purchases	27,792.75		21,072.75	
Less : Closing Stock	1,089.15		1,108.52	
Less : Captive use	40.30	27,771.82	13.84	21,139.14
<b>EPC Project Materials</b>				
Opening Stock	4.71		20.02	
Add : Purchases	3,133.67		3,268.32	
Less: Closing Stock	543.31	2,595.07	4.71	3,283.63
<b>Total</b>		30,366.89		24,422.77

**31. Purchases of Stock in Trade:**

(₹ in Millions)

Class of Goods	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Miscellaneous		38.78		15.12
<b>Total</b>		<b>38.78</b>		<b>15.12</b>

**32. Changes in Inventory of Finished Goods, Work in Progress and Stock in trade:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Opening Stock</b>				
--- 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
<b>Less : Closing Stock</b>				
--- Finished Goods	2,942.36		2,228.38	
--- Stock in Trade	42.36		10.62	
--- Work in Progress	1,951.67		1,623.35	
--- Scrap	29.14	4,965.53	21.41	3,883.76
<b>Total</b>		<b>(1,081.77)</b>		<b>(326.19)</b>

**33. Employee Benefits Expense:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Salaries, Wages & Other Benefits	1,585.52		1,318.11	
Contribution to Provident & Other Funds	74.35		64.19	
Expense on Share Based Payments to Employees	18.68		33.04	
Staff Welfare Expenses	55.39	1,733.94	56.33	1,471.67
<b>Total</b>		<b>1,733.94</b>		<b>1,471.67</b>

**33.1 Compensation Paid To Key Managerial Personnel included in above:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Salaries, Wages & Other Benefits		166.15		122.94
Contribution to Provident & Other Funds		0.09		0.08
Director's Meeting Fee		6.30		3.75
Expense on Share Based Payments to Employees		5.60		11.25
<b>Total</b>		<b>178.14</b>		<b>138.02</b>

**34. Finance Costs:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Interest expenses		949.83		884.47
Other borrowing costs		405.98		234.22
Fair value changes on interest rate swap		0.27		-
<b>Total</b>		<b>1,356.08</b>		<b>1,118.69</b>

**35. Depreciation and Amortization Expense:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Depreciation on Property, Plant & Equipment		328.46		313.01
Amortization on Other Intangible Assets		11.02		9.29
<b>Total</b>		<b>339.48</b>		<b>322.30</b>

**36. Sub Contractor Expenses for EPC Projects:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Sub Contractor's Expenses		1,121.17		1,085.54
<b>Total</b>		<b>1,121.17</b>		<b>1,085.54</b>

**37. Excise Duty:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Excise Duty on Sales		-		505.50
Excise Duty on Stock/Transfers*		-		(129.30)
<b>Total</b>		<b>-</b>		<b>376.20</b>

\*Represents excise duty borne by Group and difference between excise duty on opening stock and closing stock of finished goods and stock transfers.

**38. Other Expenses:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Stores, Spares & Consumables		123.98		147.42
Packing Expenses		1,012.78		813.04
Job Work Charges		678.70		565.88
Power, Fuel & Lighting		542.33		440.02
Repairs & Maintenance				
--- Plant & Machinery	187.80		154.49	
--- Building	7.85		9.07	
--- Others	24.10	219.75	24.40	187.96

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Freight, Handling and Octroi		972.13		799.36
Rebate, Discount, Commission on Sales		188.15		226.38
Bad Debts Written off		68.00		124.96
ECL on Debtors		5.26		4.09
Rates & Taxes		96.37		116.51
Rent		95.00		75.30
Insurance		75.10		58.40
Travelling & Conveyance		227.42		177.05
Advertisement & Publicity		194.44		148.51
Auditor's Remuneration (Refer Note 38.1)		4.43		4.40
Loss on sales of Fixed Assets (Net)		1.21		1.36
Fixed Assets Written off		2.83		3.58
Communication Expenses		35.56		33.18
Donations		5.67		4.00
Professional & Consultancy Charges		289.07		145.39
Miscellaneous Expenses		576.12		503.71
Exchange Fluctuation (Net)		296.21		-
Corporate Social Responsibility Expenditure (Refer Note 38.3)		14.79		12.65
<b>Total</b>		<b>5,725.30</b>		<b>4,593.15</b>

**38.1 Auditor's Remuneration:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Audit Fee		3.00		3.00
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
For Other Services		0.23		0.20
<b>Total</b>		<b>4.43</b>		<b>4.40</b>

**38.2** Gross amount required to be spent on Corporate Social Responsibility by the Group during the year ₹ 29.00 Millions (Previous Year: ₹ 18.84 Millions)

**38.3 Amount spent on Corporate Social Responsibility during the year on:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
i) Construction/Acquisition of assets		-		-
ii) On purpose other than (i) above		14.79		12.65
<b>Total</b>		<b>14.79</b>		<b>12.65</b>

**39. Income Tax Expense:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>(a) Income tax expense</b>				
Current tax				
Current tax on Profit for the year		928.81		669.27
MAT Credit Entitlement		-		(121.51)
Adjustment to current tax of prior periods		(4.06)		0.06
Total current tax expenses		924.75		547.82
<b>Deferred tax</b>				
(Decrease) /Increase in deferred tax liabilities		49.65		49.14
Total deferred tax expenses/(benefit)		49.65		49.14
Total Income tax expense		974.40		596.96
<b>(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate</b>				
Profit from operations before income tax expense		2,781.87		2,044.93
India Tax Rate including applicable surcharge and cess		34.94%		34.61%
Australia Tax Rate		27.50%		27.50%
<b>Tax effect of amounts which are not deductible (allowable) in calculating taxable income :</b>				
Depreciation on PPE for separate consideration		339.48		322.30
Employee benefits for separate consideration		39.10		34.64
Corporate Social Responsibility expenditure/Donation		20.46		16.65
<b>Other items :</b>				
Deduction under various sections of Income Tax Act, 1961		36.78		24.57
		435.82		398.16
<b>Tax effect of amounts which are deductible (allowable) in calculating taxable income :</b>				
Exempt income		0.22		0.04
Depreciation on PPE for separate consideration		534.94		465.82
Employee benefits for separate consideration		18.73		19.81
Income from subsidiary taxable at different tax rate		(11.16)		3.32
<b>Other items :</b>				
Corporate Social Responsibility Expenditure/Donation		7.06		7.51
Allowed under various sections of Income Tax Act, 1961		10.11		15.24
		559.90		511.74
<b>Total Net Taxable Income</b>		2,657.79		1,931.35
<b>Tax at India tax rate</b>		928.75		668.40
<b>Tax at Australia tax rate</b>		0.06		0.92
<b>Actual Tax Expense booked</b>		928.81		669.32
<b>Effective Tax Rate</b>		33.39%		32.69%

#### 40. Other Comprehensive Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Items that will not be re-classified to profit or loss :</b>				
Re-measurement gains (losses) on defined benefit plans		(12.75)		(11.11)
Net (loss)/gain on FVTOCI equity securities		(12.62)		1.26
Income tax effect of the above		6.32		3.88
<b>Items that will be reclassified to profit or loss:</b>				
Net gain on hedge of a net investment		-		-
Income tax effect		-		-
Exchange differences on translation of foreign operations		0.06		(3.53)
Income tax effect		(0.02)		1.23
		(19.01)		(8.27)

#### 41. Earnings Per Equity Share ('EPS') pursuant to IND AS-33 has been calculated as follows:

##### (a) Earnings Per Equity Share

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Profit after taxation (₹ in Millions)		1,807.47		1,447.82
Basic Earnings Per Share (₹)		22.98		18.54
Diluted Earnings Per Share (₹)		22.74		18.21
Face Value Per Equity Share (₹)		2.00		2.00

##### (b) Weighted Average Number of Equity Shares Used as Denominator:

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Number of Equity shares at the beginning of the year		78,361,438		77,797,438
Add: Weighted average number of equity shares issued during the year		290,499		290,499
<b>Weighted average number of Equity shares for Basic EPS</b>		<b>78,651,937</b>		<b>78,087,937</b>
Add: Adjustment for Employee Stock Options outstanding		845,227		1,401,501
<b>Weighted average number of equity shares for Diluted EPS</b>		<b>79,497,164</b>		<b>79,489,438</b>

**42. Disclosures as required under IND-AS 115 "Revenue from contracts with customers" are given below:**

**42.1 Disaggregation of Revenue:**

**Year Ended 31<sup>st</sup> March, 2019**

**(₹ in Millions)**

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Manufactured Goods	30,731.58	1,368.51	583.98	(583.98)	32,100.09
--- Traded Goods	21.67	-	24.46	-	46.13
--- Income From EPC Projects	-	-	9,658.26	-	9,658.26
--- Job works	-	0.43	-	-	0.43
--- Scraps	314.54	3.38	-	-	317.92
<b>Total</b>	<b>31,067.79</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,122.83</b>

**(₹ in Millions)**

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Point in time	31,067.79	1,372.32	24.46	(583.98)	31,880.59
--- Over the time	-	-	10,242.24	-	10,242.24
<b>Total</b>	<b>31,067.79</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,122.83</b>

**(₹ in Millions)**

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- India	26,736.05	679.82	9,756.80	(415.00)	36,757.67
--- others	4,331.74	692.50	509.90	(168.98)	5,365.16
<b>Total</b>	<b>31,067.79</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,122.83</b>

**Year Ended 31<sup>st</sup> March, 2018**

**(₹ in Millions)**

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Manufactured Goods	<b>24,837.41</b>	<b>1,167.85</b>	<b>861.69</b>	(861.69)	26,005.26
--- Traded Goods	<b>8.09</b>	-	<b>2.74</b>	-	10.83
--- Income From EPC Projects	-	-	<b>8,672.21</b>	-	8,672.21
--- Job works	-	<b>3.91</b>	-	-	3.91
--- Scarps	<b>264.63</b>	<b>3.43</b>	-	-	268.06
<b>Total</b>	<b>25,110.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,960.27</b>

**(₹ in Millions)**

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter* Segment Elimination	Total
--- Point in time	25,110.13	1,175.19	2.74	(861.69)	25,426.37
--- Over the time	-	-	9,533.90	-	9,533.90
<b>Total</b>	<b>25,110.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,960.27</b>



(₹ in Millions)

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- India	20,938.65	737.59	9,536.64	(861.69)	30,351.19
--- others	4,171.48	437.60	-	-	4,609.08
<b>Total</b>	<b>25,110.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,960.27</b>

#### 42.2 Contract Balances:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
<b>Current :</b>				
---Advance received from Customers	-	2,022.97	-	372.85
---Incentive Payable to Customers	-	142.53	-	-
---Income received in advance	-	269.42	-	19.27
---Unbilled Revenue	1,040.47	-	521.02	-
<b>Total</b>	<b>1,040.47</b>	<b>2,434.92</b>	<b>521.02</b>	<b>392.12</b>

#### 42.3 Trade Receivables from Contract with customer are separately shown in Note no. 11

Trade Receivables includes Retention by Customers ₹ 2,274.04 Millions (Previous year: ₹ 1,850.54 Millions).

#### 42.4 Remaining performance obligations to be executed over a period of more than one year\*:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021
--- Manufactured Goods	-	-	-
--- EPC Projects	26,210.86	13,713.43	-
<b>Total</b>	<b>26,210.86</b>	<b>13,713.43</b>	<b>-</b>

\* Based on the estimates of the Management.

#### 42.5 Reconciliation of revenue recognized with Contract Price

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019
<b>Gross revenue recognized during the year ended on 31<sup>st</sup> March, 2019</b>	42,546.06
Add: Incentives paid/payable to Customers	(207.91)
Add: Discount paid/payable to Customers	(250.79)
Add: Other Variable Consideration	35.47
<b>Net revenue recognized during the year ended on 31<sup>st</sup> March, 2019</b>	<b>42,122.83</b>

**42.6 Disclosures applicable only to entities applying IND AS 115 on retrospective with the Cumulative effect method:**

(₹ in Millions)

Particulars	Without adoption of IND-AS 115	Increase/ (Decrease)	As per IND-AS 115
Revenue from Contract with Customers	42,385.42	(262.59)	42,122.83
Expenses related to Incentives and variable consideration to customers	262.59	(262.59)	-
Expenses Payable related to Incentives and variable consideration to customers	142.53	(142.53)	-
Contract Liability	-	142.53	142.53

**43. Employee Stock Options:**

- a) The Parent 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 Parent 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 Parent 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 22,52,000 Options on September 23, 2015 which will vest over a period of four years from the date of grant. Further Nomination and Remuneration Committee had granted fresh 15,000 Options during the current Financial Year on September 25, 2018 which will vest over a period of one year from the date of grant in the following manner:

Vesting Particulars of Options granted on 23.09.2015	Options vested	Weighted average exercise price (₹)	Weighted average remaining life in years
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	560,000	35.00	1.04
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	564,000	35.00	2.04
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	564,000	35.00	3.04
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	564,000	35.00	4.04

Vesting Particulars of Options granted on 25.09.2018	Options vested	Weighted average exercise price (₹)	Weighted average remaining life in years
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	15,000	35.00	1.04
<b>Total Options Granted at an exercise price of ₹ 35.00 per option</b>			

- 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 2017-18 & 2018-19, 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:

Particulars	KEI ESOS 2015		
	Tranche 2	Tranche 1	
	2018-19	2018-19	2017-18
Date of Grant	25.09.2018	23.09.2015	23.09.2015
Options outstanding at the beginning of the year	Nil	1,128,000	1,692,000
Options Granted during the year	15,000	Nil	Nil
Option forfeited during the year	Nil	Nil	Nil
Option vested	Nil	564,000	564,000
Option exercised	Nil	564,000	564,000
Option expired during the year	Nil	Nil	Nil
Options outstanding at the end of the year	15,000	564,000	1,128,000
Weighted Average Share Price at the date of exercise of Options (₹ per share)	Not Exercised	341.29	312.68

Refer Note 33 for expense recognized 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		
	Tranche 2	Tranche 1	
	2018-19	2018-19	2017-18
1. Weighted average risk-free interest rate	8.13%	7.73%	7.63%
2. Weighted average expected life of options (Years)	1.04	3.04	2.04
3. Weighted average expected volatility	44.13%	56.93%	63.55%
4. Weighted average expected dividends over the life of the option	0.21%	0.27%	0.27%
5. Weighted average exercise price (₹)	35.00	35.00	35.00
6. Weighted average share price at the time of option grant (₹)	333.70	98.80	98.80

The expected price volatility is based on historical volatility.

#### 44. Lease obligations:

##### 44.1 Future lease obligation by way of lease rental on Hire Purchase of Vehicles:

(₹ in Millions)

Due	Total Minimum lease payments outstanding		Future Interest on outstanding		Present value of minimum lease payments	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Within one year	18.46	14.14	2.77	2.25	15.69	11.89
Later than one year and not later than five years	23.76	19.95	1.65	1.69	22.11	18.26
More than Five years	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total:</b>	<b>42.22</b>	<b>34.09</b>	<b>4.42</b>	<b>3.94</b>	<b>37.80</b>	<b>30.15</b>

**44.2** Group 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.

**44.3** Refer note no. 19.3 for terms and conditions in respect of hire-purchase of vehicles on finance lease.

**44.4 Operating Leases-Other than non-cancellable:**

Group has entered into lease transactions during the current financial year mainly for leasing of warehouses/offices/residential premises and 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 recognized in the Profit & Loss under respective heads.

**44.5 Future minimum lease payments under non-cancellable operating lease: (₹ in Millions)**

Due	Lease Payment	
	2018-19	2017-18
Within one year	1.58	2.14
Later than one year and not later than five years	2.03	3.60
More than Five years	-	-
<b>Total:</b>	<b>3.61</b>	<b>5.74</b>

**45. Contingent Liabilities & Commitments: (₹ in Millions)**

Particulars		Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>45.1 Claims against Group not acknowledged as debt:</b>			
a) Sales Tax / Entry Tax demands under appeal		9.49	9.49
b) Income tax Matters:			
Demand due to Additions / disallowances during Assessments, which are under Appeal		13.67	2.16
c) Excise / Service tax demands under appeal		81.53	76.80
d) Misc. claims against Group in Labour Court		1.07	-
<b>45.2 Guarantees against Performance / Security Deposit / EMD:</b>		<b>13,569.71</b>	<b>7,895.13</b>
<b>45.3 Other money for which Company is contingently liable:</b>			
a) Unutilized Letter of Credits		275.44	615.53
b) Outstanding LC Discounted		577.87	884.19
<b>45.4 Commitments:</b>			
Estimated amount of contracts remaining to be executed on Capital Account		302.93	132.92

**46. Related Party Disclosures as required by Indian Accounting Standard (IND AS-24):**

**a) Name of Related Parties :**

**i) Jointly Controlled Entity**

**Joint Venture**

Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
India	100% share in Profit/Loss	

**ii) Associate**

KEI Cables SA (PTY) Limited

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
South Africa	49%	N.A.

**iii) Co-Venturer of Joint Venture:**

Brugg Kabel AG Switzerland

**iv)**

Key Managerial Personnel (KMP):	Designation
Shri Anil Gupta	Chairman-cum-Managing Director
Shri Rajeev Gupta	Executive Director Finance & CFO
Shri Akshit Diviaj Gupta	Whole Time Director w.e.f. 10 <sup>th</sup> May, 2017
Shri Kishore Kunal	GM Corporate & Company Secretary
Smt. Archana Gupta	Non-Executive Director
Shri Kishan Gopal Somani	Independent Director
Shri Pawan Bholusaria	Independent Director
Shri Sadhu Ram Bansal	Independent Director
Shri Vikram Bhartia	Independent Director
Shri Vijay Bhushan	Independent Director
Smt. Shalini Gupta	Independent Director (w.e.f. 18 <sup>th</sup> February, 2019)
Shri Manoj Kakkar	Director in KEI Cables Australia PTY Limited, Subsidiary Company
Mr. Michael Wicks	Director in KEI Cables Australia PTY Limited, Subsidiary Company
Shri Kunal Gupta	Director in KEI Cables SA (PTY) Limited, Associate Company w.e.f. 12 <sup>th</sup> September, 2018
Ms. Thavashnee Pillay	Director in KEI Cables SA (PTY) Limited, Associate Company w.e.f. 12 <sup>th</sup> September, 2018

**v) Other related parties where KMP are interested**

Anil Gupta (HUF)

Projection Financial & Management Consultants Private Limited

Shubh Laxmi Motels & Inns Private Limited

Soubhagya Agency Private Limited

Dhan Versha Agency Private Limited

KEI Cables Private Limited

KEI International Limited

Physio Active Private Limited

**vi) Relatives of KMP with whom transaction have taken place:**

Shri Sunil Gupta

Late Smt. Sumitra Devi Gupta (Expired on 9<sup>th</sup> June, 2017 )

Smt. Shashi Gupta

Smt. Vimla Devi

Smt. Veena Agarwal

Smt. Shweta Jha

Shri Akshit Diviaj Gupta (From 1<sup>st</sup> April, 2017 to 9<sup>th</sup> May, 2017)

**vii) Other related parties where relatives of KMP are interested**

Sunil Gupta (HUF)

Ashwathama Constructions Private Limited

**viii) Post employee benefit plan for the benefitted employees**

KEI Industries Limited Employee Group Gratuity Fund

**(b) Transactions with related parties**

		(₹ in Millions)	
Sr. No.	Particulars	2018-19	2017-18
(i)	<b>Sales</b>		
	<b>Other related parties where KMP are interested</b>		
	Physio Active Private Limited	-	0.09
		-	0.09
(ii)	<b>Settlement of liabilities on behalf of related party</b>		
	<b>Jointly Controlled entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.01	0.62
		0.01	0.62
(iii)	<b>Interest expense on deposits/ Unsecured Loan</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	17.97	-
	Shri Akshit Diviaj Gupta	0.14	0.02
	Shri Kishore Kunal	-	0.05
		18.11	0.07
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	1.95	1.28
	KEI International Limited	0.05	-
	KEI Cables Private Limited	0.19	0.08
		2.19	1.36
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta	-	0.02
	Shri Sunil Gupta	0.53	0.35
	Smt. Shweta Jha	0.19	0.17
		0.72	0.54
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	0.36	0.31
		0.36	0.31
(iv)	<b>Lease Rental Paid</b>		
	<b>Key Managerial Personnel</b>		
	Smt. Archana Gupta	0.96	0.96
		0.96	0.96

(₹ in Millions)

Sr. No.	Particulars	2018-19	2017-18
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.68	0.60
	Projection Financial & Management Consultants Private Limited	6.10	2.90
	Dhan Versha Agency Private Limited	3.35	3.00
		10.13	6.50
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	17.10	14.40
		17.10	14.40
(v)	<b>Managerial remuneration</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	147.24	107.73
	Shri Rajeev Gupta	9.72	8.41
	Shri Akshit Diviaj Gupta	6.03	4.32
		162.99	120.46
(vi)	<b>Employee Benefits Expenses</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	3.25	2.56
		3.25	2.56
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Akshit Diviaj Gupta	-	0.24
		-	0.24
(vii)	<b>Expense on Share Based Payments to Employees</b>		
	Shri Rajeev Gupta	4.38	8.79
	Shri Kishore Kunal	1.22	2.46
		5.60	11.25
(viii)	<b>Director Meeting Fees paid</b>		
	<b>Key Managerial Personnel</b>		
	Smt. Archana Gupta	1.12	0.65
	Shri Kishan Gopal Somani	0.60	0.50
	Shri Pawan Bholusaria	1.72	1.10
	Shri Sadhu Ram Bansal	0.53	-
	Shri Vikram Bhartia	1.28	0.85
	Shri Vijay Bhushan	1.05	0.65
		6.30	3.75
(ix)	<b>Defined Benefit Obligation for Gratuity Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	45.00	36.06

(₹ in Millions)

Sr. No.	Particulars	2018-19	2017-18
	Shri Rajeev Gupta	5.24	4.39
	Shri Akshit Diviaj Gupta	0.72	0.07
	Shri Kishore Kunal	0.77	0.58
		51.73	41.10
(x)	<b>Defined Benefit Obligation for Leave Encashment Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	1.46	1.32
	Shri Akshit Diviaj Gupta	0.64	0.09
	Shri Kishore Kunal	0.60	0.50
		2.70	1.91
(xi)	<b>Contribution to post employee benefit plan</b>		
	<b>Post employee benefit plan for the benefitted employees</b>		
	KEI Industries Limited Employee Group Gratuity Fund	26.00	14.00
		26.00	14.00
(xii)	<b>Dividend Paid</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	13.68	8.21
	Shri Rajeev Gupta	0.27	0.10
	Shri Kishore Kunal	0.07	0.03
	Smt. Archana Gupta	0.84	0.50
	Shri Kishan Gopal Somani ₹ 1000/- (Previous Year: ₹ 600)	0.00	0.00
	Shri Pawan Bholusaria ₹ 4500/- (Previous Year: ₹ 2700)	0.00	0.00
	Shri Vikram Bhartia	0.01	0.01
		14.87	8.85
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	4.65	2.79
	Projection Financial & Management Consultants Private Limited	7.90	4.74
	Shubh Laxmi Motels & Inns Private Limited	3.48	2.09
	Soubhagya Agency Private Limited	3.13	1.88
	Dhan Versha Agency Private Limited	1.00	0.60
	KEI Cables Private Limited	1.58	0.95
		21.74	13.05
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta ₹ 1300 (Previous Year: ₹ 3,780/-)	0.00	0.00
	Smt. Shashi Gupta ₹ 1500 (Previous Year: ₹ 900/-)	0.00	0.00
	Smt. Vimla Devi	0.06	0.04
	Smt. Veena Agarwal NIL (Previous Year: ₹ 300/-)	-	0.00
		0.06	0.04



		(₹ in Millions)	
Sr. No.	Particulars	2018-19	2017-18
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF) ₹ 500 (Previous Year: ₹ 180/-)	0.00	0.00
		0.00	0.00
(xiii)	<b>Investment in equity shares</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2349 (Previous Year: NIL)	0.00	-
		0.00	-
(xiv)	<b>Equity Share Allotment ( ESOS Scheme)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	0.30	0.30
	Shri Kishore Kunal	0.08	0.08
		0.38	0.38
(xv)	<b>Security Premium on share allotment ( KEI ESOS-2015)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	4.95	4.95
	Shri Kishore Kunal	1.39	1.39
		6.34	6.34
(xvi)	<b>Advance Given</b>		
	<b>Jointly Controlled entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.05	7.76
		0.05	7.76
(xvii)	<b>Loan Given</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2443 (Previous Year: ₹ NIL)	0.00	-
		0.00	-
(xviii)	<b>Deposits/Unsecured Loan received during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	20.00	-
	Shri Akshit Diviaj Gupta	3.50	-
	Shri Kishore Kunal	-	1.20
		23.50	1.20
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	7.00	18.50
	KEI Cables Private Limited	3.00	-
	KEI International Limited	1.20	-
		11.20	18.50

(₹ in Millions)

Sr. No.	Particulars	2018-19	2017-18
(xix)	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	7.80	5.00
	Smt. Shweta Jha	0.55	1.85
		8.35	6.85
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	-	4.00
		-	4.00
	<b>Deposits/Unsecured Loan paid during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	17.00	45.00
	Shri Akshit Diviaj Gupta	1.00	0.42
	Shri Kishore Kunal	-	1.20
		18.00	46.62
	<b>Other related parties where KMP are interested</b>		
(xx)	Anil Gupta (HUF)	-	3.00
		-	3.00
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta	-	0.65
	Shri Sunil Gupta	12.80	2.50
	Smt. Shweta Jha	-	1.75
		12.80	4.90
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	-	2.50
		-	2.50
	<b>Outstanding of Security Deposit Given</b>		
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	4.22	1.65
		4.37	1.80
(xxi)	<b>Expenses Payable</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	45.20	4.21
	Shri Rajeev Gupta	0.29	0.58
	Shri Akshit Diviaj Gupta	0.33	1.72
	Shri Kishore Kunal	0.13	0.17
		45.95	6.68
(xxii)	<b>Advance Outstanding</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)	0.33	0.91
		0.33	0.91

(₹ in Millions)			
Sr. No.	Particulars	2018-19	2017-18
(xxiii)	<b>Loan Outstanding</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2443 (Previous Year: ₹ NIL)	0.00	-
(xxiv)		0.00	-
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	0.47	0.75
		0.47	0.75
(xxiv)	<b>Credit balance of deposits/ unsecured loan outstanding as at the year end</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	208.00	205.00
	Shri Akshit Diviaj Gupta	2.50	-
		210.50	205.00
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	25.50	18.50
	KEI Cables Private Limited	3.80	0.80
	KEI International Limited	1.20	-
		30.50	19.30
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	-	5.00
	Smt. Shweta Jha	2.40	1.85
		2.40	6.85
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	4.00	4.00
		4.00	4.00

**c) Other Information**

- (i) Shri Anil Gupta, Chairman-cum-Managing Director has given personal guarantee to lender 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.
- (iv) All outstanding balances pertaining to loans and security deposits with related parties are at fair value.
- (v) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.
- (vi) Inter-corporate loans/advances have been given for business purposes only.
- (vii) Shri Manoj Kakkar, Director of Subsidiary Company M/s KEI Cables Australia PTY Limited is in employment with parent company and has not drawn any remuneration from M/s KEI Cables Australia PTY Limited.
- (viii) Shri Kunal Gupta, Director of Associate Company M/s KEI Cables SA (PTY) Limited is in employment with parent company and has not drawn any remuneration from M/s KEI Cables SA (PTY) Limited .

#### 47. Disclosure as per Indian Accounting Standard (IND AS) 108 “Operating Segments”:

**(i) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:**

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are regularly reviewed by the Company's Management to make decisions about resource allocation and performance assessment and (c) for which separate financial information is available.

The Company has three reportable segments as described under “Segment Composition” below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

**(ii) Reportable segments:**

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

**(iii) Segment composition**

Cable Segment comprises manufacturing, sale and marketing of all range of power cables such as - 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 etc.

Engineering, Procurement and Construction (EPC) projects Segment comprises of survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.

Stainless Steel Wire Segment comprises manufacturing sale and Job work related to Stainless Steel Wires.

**(iv) Segment Revenue, Expenditure & Profit:**

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's management.

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocated”.

Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

**(v) Segment Asset Liabilities and Capital Expenditure:**

The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities

Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

(₹ in Millions)

Particulars	Cables		Stainless steel Wire		EPC Projects		Unallocated		Inter-Segment Elimination		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Revenue (Gross)</b>												
External	30,611.66	24,313.27	1,380.20	1,182.55	10,332.55	9,561.48	-	-	(14.61)	(26.11)	42,309.80	35,031.19
Inter-Segment Revenue	3,024.65	3,019.06	-	-	-	-	-	-	(3,024.65)	(3,019.06)	-	-
<b>Total Revenue</b>	<b>33,636.31</b>	<b>27,332.33</b>	<b>1,380.20</b>	<b>1,182.55</b>	<b>10,332.55</b>	<b>9,561.48</b>	<b>-</b>	<b>-</b>	<b>(3,039.26)</b>	<b>(3,045.17)</b>	<b>42,309.80</b>	<b>35,031.19</b>
<b>Result</b>												
Segment Result	3,664.37	2,964.32	90.93	70.57	1,422.22	1,038.44	-	-	(14.61)	(26.11)	5,162.91	4,047.22
Unallocated Expenditure net of unallocated income							(1,062.01)	(890.27)			(1,062.01)	(890.27)
Interest Expenses							(1,356.08)	(1,118.69)			(1,356.08)	(1,118.69)
Interest Income							36.83	6.48			36.83	6.48
Dividend Income							0.22	0.04			0.22	0.04
<b>Profit Before Tax</b>	<b>3,664.37</b>	<b>2,964.32</b>	<b>90.93</b>	<b>70.57</b>	<b>1,422.22</b>	<b>1,038.44</b>	<b>(2,381.04)</b>	<b>(2,002.44)</b>	<b>(14.61)</b>	<b>(26.11)</b>	<b>2,781.87</b>	<b>2,044.78</b>
Tax including Deferred Tax											974.40	596.96
Net Profit											1,807.47	1,447.82
<b>Other Information</b>												
Segment Assets	17,453.73	14,768.13	614.83	624.72	7,251.88	5,727.35	2,316.21	1,078.80	-	-	27,636.65	22,199.00
Segment Liabilities	12,201.46	7,391.17	280.85	380.30	1,768.48	1,410.61	3,477.36	4,590.54	-	-	17,728.15	13,772.62
Capital Expenditure	1,132.65	539.19	11.09	32.39	21.03	11.11	46.72	57.88	-	-	1,211.48	640.57
Depreciation	274.41	253.51	11.69	10.11	9.94	7.76	43.44	50.93	-	-	339.48	322.31

(₹ in Millions)

#### Information about Geographical Segment (In Rupees):

Segment Revenue by location of customers	India		Outside India		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>External Revenue (Gross)</b>	<b>36,944.64</b>	<b>30,422.11</b>	<b>5,365.16</b>	<b>4,609.08</b>	<b>42,309.80</b>	<b>35,031.19</b>
<b>Addition to Non-Current Assets</b>	<b>1,248.23</b>	<b>550.27</b>	<b>1.15</b>	<b>1.19</b>	<b>1,249.38</b>	<b>551.46</b>

#### Information about major customers:

There are no customers having revenue exceeding 10% of total revenue

#### 48. Fair Value Measurements

Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows:

(₹ in Millions)

Particulars	Note Reference	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018			
		FVPL	FVOCI	Amortized Cost	Fair Value	FVPL	FVOCI	Amortized Cost	Fair Value
<b>Financial Assets</b>									
Investments	6								
- Equity Instruments		-	12.68	-	12.68	-	25.26	-	25.26
- Mutual funds		-	2.97	-	2.97	-	3.03	-	3.03
Loans	7 & 14	-	-	105.44	105.44	-	-	54.56	54.57
Trade receivables	11	-	-	10,909.28	10,909.28	-	-	10,228.40	10,228.40
Cash and Cash equivalents:	12	-	-	220.73	220.73	-	-	602.83	602.83
Bank Balances other than Cash and Cash equivalents:	13	-	-	1,732.67	1,732.67	-	-	168.78	168.78
Other Current financial assets	15	-	-	1,040.47	1,040.47	-	-	521.02	521.02
<b>Total Financial Assets</b>		-	<b>15.65</b>	<b>14,008.59</b>	<b>14,024.24</b>	-	<b>28.29</b>	<b>11,575.59</b>	<b>11,603.89</b>
<b>Financial Liabilities</b>									
Borrowings	19 & 22	5,058.62	-	-	5,058.62	7,498.31	-	-	7,498.31
Trade payables	23	-	-	10,206.36	10,206.36	-	-	6,284.66	6,284.66
Other Current Financial Liabilities:	24	-	-	3378.93	3,378.93	-	-	1,333.47	1,333.47
<b>Total Financial Liabilities</b>		<b>5,058.62</b>	-	<b>13585.29</b>	<b>18,643.91</b>	<b>7,498.31</b>	-	<b>7,618.13</b>	<b>15,116.44</b>

(i) Carrying amount of Trade Receivables, Trade Payables, other Current Financial Assets, other Current Financial Liabilities and Cash & Cash Equivalent are considered to be the same as their Fair Value due to their short term nature.

(ii) Carrying amount of Financial Assets and Liabilities carried Amortized Cost is considered a reasonable approximation of Fair Value.

(iii) Above table excludes Investment in Associate and Joint Venture, which are measured at equity method in accordance with IND AS-28, 'Investment in Associate and Joint Venture'.

#### 49. Fair Value Hierarchy:

This section explains the judgments and estimates made in determining fair values of financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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:

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 maximize 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.

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 <sup>st</sup> March, 2019	Note Reference	Level 1		Level 2		Level 3	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Financial assets</b>							
Investments at FVOCI	6						
- Equity Instruments		12.68	25.26	-	-	-	-
- Mutual funds		-	-	2.97	3.03	-	-
Loans	7 & 14	-	-	-	-	105.44	54.56
<b>Total Financial Assets</b>		12.68	25.26	2.97	3.03	105.44	54.56
<b>Financial liabilities</b>							
Borrowings	19 & 22	-	-	-	-	5,058.62	7,498.31
Other Current Financial Liabilities:	24	-	-	-	-	3,378.93	1,333.47
<b>Total Financial Liabilities</b>		-	-	-	-	8,437.55	8,831.78

Group's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

During the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 there were no transfers between level 1 and level 2 fair value measurements and no transfer into and out of level 3 fair value measurement.

#### 50. Financial Risk Management:

Group's businesses are subject to several risks and uncertainties including financial risks. Group'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.

Group's senior management oversees management of these risks. Senior professionals working to manage financial risks and appropriate financial risk governance framework for Group are accountable to Board of Directors and Audit Committee of the Parent Company. This process provides assurance to Group's senior management that Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group 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 Group's income and expenses, or value of its financial instruments. Group's exposure to and management of these risks are explained below.

#### 50.1.1. CURRENCY RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY:

Group undertakes transactions denominated in foreign currencies mainly related to its operating activities. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Carrying amounts of Group's foreign currency denominated monetary assets and monetary liabilities at end of reporting period are as follows:

#### (a) Amount payable in foreign currency on account of the following:

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Import of Goods & Advance Received	USD	63,293,663	4,432.70	USD	5,542,067	359.45
	EURO	182,646	14.28	EURO	52,312	4.26
	CHF	782,555	54.71	CHF	25,200	1.74
	AUD	51,907	2.55	AUD	187,996	9.41
	SGD	-	-	SGD	3,322	0.17
Working Capital Loan (Buyer's Credit)	USD	-	-	USD	21,126,102	1,377.63
Capex (Term Loan / Buyer's Credit)	USD	-	-	USD	11,579,194	755.08
Royalty/Know How/License fee	EURO	531,640	41.58	EURO	279,167	22.75
Expenses Payable	USD	606,711	42.06	USD	425,360	27.74
	SGD	3,517	0.18	SGD	4,125	0.21
	GBP	143,919	13.11	GBP	45,034	4.20
	AED	53,750	1.01	AED	55,730	0.98
	AUD	19,587	0.96	AUD	116,914	5.89
	EURO	58,926	4.61	EURO	64,137	5.23
Statutory Dues Payable	AUD	-	-	AUD	375,138	18.90
Balance with Banks	GMD	-	-	GMD	153,216	0.21
Term Loan/ECB	USD	11,427,243	792.14	USD	7,045,416	459.43



**(b) Amount receivable in foreign currency on account of the following:**

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Exports of Goods & Advance Paid	USD	19,078,813	1,315.19	USD	6,093,010	393.77
	EURO	2,027,373	156.92	EURO	1,159,572	92.82
	SGD	-	-	SGD	159	0.01
	AUD	4,381,758	211.29	AUD	7,496,139	370.16
	GBP	73,806	6.59	GBP	8,349	0.76
Recoverables	AUD	7,805	0.14	AUD	-	-
	AED	61,068	1.15	AED	46,521	0.82
	USD	150,000	10.30	USD	-	-
	SGD	248	0.01	SGD	-	-
	ZAR	510	0	ZAR	-	-
	GMD	8,000	0.01	GMD	4,000	0.01
Balance with Banks	SGD	6,847	0.35	SGD	18,951	0.93
	AUD	935	0.05	AUD	168,877	8.34
	USD	4,851	0.33	USD	157,237	10.15
	GMD	11,328	0.02	GMD	-	-
	ZAR	1,150	0.01	ZAR	-	-
	AED	58,952	1.11	AED	72,521	1.28
Statutory Dues	AUD	26,910	1.30	AUD	-	-
	SGD	-	-	SGD	217	0.01

**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 recognized by Group that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in Millions)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
USD - Increase/ Decrease by 5%	(197.05)	(128.77)	197.05	128.77
EUR - Increase/ Decrease by 5%	4.82	3.03	(4.82)	(3.03)
AUD - Increase/ Decrease by 5%	10.46	17.21	(10.46)	(17.21)

**50.1.3. Price Risk - Potential Impact of Risk & Management Policy:**

- Group is exposed to price risk due to its investment in Equity Shares & Mutual Funds. Price risk arises due to uncertainties about future market values of these investments.
- Group reviews its investments at regular intervals in order to minimize price risk arising from investments in Equity Shares & Mutual Funds.
- Majority of investments of Group are publicly traded and listed in BSE/NSE. Carrying amounts of the Group'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 demonstrates 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 Profit Before Tax		Impact on Other Components of Equity Before Tax	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
NSE Index Increase by 5%	-	-	0.78	1.41
NSE Index Decrease by 5%	-	-	(0.78)	(1.41)

**50.1.5. Commodity Price Risk - Potential Impact of Risk & Management Policy:**

The Group 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 Aluminum. Due to the volatility of the prices of the Copper and Aluminum, Company has entered into various purchase contracts for these materials. The Parent Company's Board of Directors has adopted a risk management strategy regarding commodity price risk and its mitigation. The Group 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.

**50.1.6. Interest Rate Risk - Potential Impact of Risk & Management Policy:**

- Group invests in fixed deposits for a period between 3 months to 7 years. All fixed deposits are with scheduled bank, accordingly there is no significant interest rate risk pertaining to these deposits.
- 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. Group's exposure to risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and fixed deposits. Group's fixed rate borrowings and deposits are carried at amortized 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. The Group also uses interest rate swap to mitigate the interest rate risk.
- Risk is managed by Group by maintaining an appropriate mix between fixed and floating rate of borrowings.

Exposure of Group's borrowing to interest rate changes at end of reporting period are as follows:

(₹ in Millions)

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Variable rate borrowings	3,701.31	5,179.52
Fixed rate borrowings	2,293.09	3,241.68
<b>Total borrowings</b>	<b>5,994.40</b>	<b>8,421.20</b>

Refer Note No. 19 & 22 for maturities of Group borrowings.

**50.1.7. 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)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Interest Rate - Increase/ Decrease by 50 basis point (50 bps)	(4.47)	(4.19)	4.47	4.19

## 50.2. Credit Risk:

- (a) Credit risk refers to risk that counter-party will default on its contractual obligations resulting in financial loss to the Group.
- (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 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, Group aims to minimize its financial credit risk through application of risk management policies.
- (d) For financial instruments, Group attempts to limit credit risk by only dealing with reputed banks and financial institutions.
- (e) None of Group'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

**B:** Moderate Credit Risk

**C:** High Credit Risk

Group provides for Expected Credit Loss based on following:

Asset group	Basis of categorization	Provision for expenses credit loss
Low Credit Risk	Cash and Cash Equivalents, other Bank Balances and other Non Current Financial Assets	12 month expected credit loss
Moderate Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss
High Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss or fully provided

(₹ in Millions)

Credit rating	Particulars	Note reference	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A: Low credit risk	Cash and Cash Equivalents, other Bank Balances and other Non Current Financial Assets	8, 12 & 13	<b>1,959.67</b>	774.21
B: Moderate credit risk	Trade Receivables and Other Current Financial Assets	11 & 15	<b>11,949.75</b>	10,749.42
C: High credit risk	NIL		-	-

**A: Low Credit Risk:**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount Net of Impairment Provision
Cash and Cash Equivalents	12	220.73	-	220.73
Bank Balances other than Cash and Cash equivalents	13	1,732.67	-	1,732.67
Other Non-Current Financial Assets	8	6.27	-	6.27

(₹ in Millions)

As at 31 <sup>st</sup> 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 Non-Current Financial Assets	8	2.60	-	2.60

**B: Moderate Credit Risk:**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019						
Ageing	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount (Considered Good)	11 & 15	11,345.73	612.48	112.03	46.66	<b>12,116.90</b>
Expected Credit Losses (Loss Allowance Provision)		-	148.64	14.49	4.02	<b>167.15</b>
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		<b>11,345.73</b>	<b>463.84</b>	<b>97.54</b>	<b>42.64</b>	<b>11,949.75</b>

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018						
Ageing	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount (Considered Good)	11 & 15	10,126.06	692.42	37.57	55.27	<b>10,911.32</b>
Expected Credit Losses (Loss Allowance Provision)		-	155.92	1.34	4.64	<b>161.90</b>
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		<b>10,126.06</b>	<b>536.50</b>	<b>36.23</b>	<b>50.63</b>	<b>10,749.42</b>

**Reconciliation of Loss Provision – Trade Receivables**

(₹ in Millions)

Reconciliation of Loss Allowance	Loss allowance
<b>Impairment Loss allowance on 1<sup>st</sup> April, 2017</b>	<b>157.81</b>
Expected credit Loss (ECL) Recognized	4.09
Expected credit Loss (ECL) Reversal	-
<b>Impairment Loss allowance on 31<sup>st</sup> March, 2018</b>	<b>161.90</b>
Expected credit Loss (ECL) Recognized	5.25
Expected credit Loss (ECL) Reversal	-
<b>Loss Allowance on 31<sup>st</sup> March, 2019</b>	<b>167.15</b>

**C: High Credit Risk: Nil**

- Liquidity risk is the risk that Group will face in meeting its obligations associated with its financial liabilities. Group'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.
- Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.
- Cash flow from Operating Activities provides funds to service financial liabilities on a day-to-day basis.
- Group 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.
- Following table analyses Group's financial liabilities into relevant maturity grouping based on their contractual maturity for all non-derivative financial liabilities.

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	23	10,206.36	10,206.36	-	<b>10,206.36</b>
Borrowings	19 & 22	5,058.62	3,865.25	1,193.37	<b>5,058.62</b>
Unpaid dividend	24	1.69	1.69	-	<b>1.69</b>
Other current financial liabilities	24	3,377.24	3,377.24	-	<b>3,377.24</b>

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	23	6,284.66	6,284.66	-	<b>6,284.66</b>
Borrowings	19 & 22	7,498.31	6,041.69	1,456.62	<b>7,498.31</b>
Unpaid dividend	24	1.49	1.49	-	<b>1.49</b>
Other current financial liabilities	24	1,331.98	1,331.98	-	<b>1,331.98</b>

### 50.3 Current & Liquid Ratio:

Following table shows ratio analysis of Group for respective periods

PERIOD	CURRENT RATIO	LIQUID RATIO
<b>31<sup>st</sup> March, 2019</b>	1.23	0.84
<b>31<sup>st</sup> March, 2018</b>	1.24	0.85

Group 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 counter-parties have an obligation to return the securities to Company.

Under terms of major borrowings facilities, Group is required to comply with certain financial covenants and Group has complied with those covenants throughout the reporting period.

## 51. Capital Management:

### 51.1 Risk Management:

Capital management is driven by Group's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors of Parent Company seeks to maintain a prudent balance between different components of Group'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:

No changes were made in the objectives, policies or processes for managing capital during the year ended.

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Total number Equity shares outstanding	<b>78,925,438</b>	78,361,438
Interim dividend for the year	-	-
Final dividend ₹ in Millions (including Dividend Distribution Tax) for the year (not recognized) - Subject to approval of Shareholders in ensuing Annual General Meeting.	<b>114.18</b>	94.47

## 52. Interest in Other Entities:

### (a) Subsidiaries

Information of Subsidiary of Parent Company at 31<sup>st</sup> March, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the parent company, and the proportion of ownership interests held equals the voting rights held by the parent company. The country of incorporation or registration is also their principal place of business.

Name of Entity	Country of Incorporation	Functional Currency	Ownership interest held by the Group		Principal Activities
			As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	
KEI Cables Australia PTY LTD	Australia	AUD	90%	90%	Trading

No Dividend is received from Subsidiary.

#### Subsidiary with material Non-Controlling Interests

Details of Subsidiary, KEI Cables Australia PTY LTD, with material non-controlling interests (NCI):

Name	Proportion of ownership interests and voting rights held by the NCI		Total Comprehensive Income allocated to NCI		Accumulated NCI	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
KEI Cables Australia PTY LTD	10%	10%	(1.12)	0.01	(1.11)	0.01

Summarized Financial Information for KEI Cables Australia PTY LTD before intra-group eliminations, is set out below:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Non-Current Assets	-	-
Current Assets	38.05	174.23
<b>Total Assets (A)</b>	<b>38.05</b>	<b>174.23</b>
Non-Current Liabilities	-	-
Current Liabilities	49.32	174.34
<b>Total Liabilities (B)</b>	<b>49.32</b>	<b>174.34</b>
<b>Net Assets C= (A-B)</b>	<b>(11.27)</b>	<b>(0.11)</b>
<b>Equity Attributable to Owners of the Parent</b>	<b>(10.14)</b>	<b>1.21</b>
<b>Non - Controlling Interests</b>	<b>(1.13)</b>	<b>0.13</b>

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Revenue	399.24	981.41
Expenditure	410.40	978.09
<b>Profit/(Loss) before Tax</b>	<b>(11.16)</b>	<b>3.32</b>
Current Tax	0.06	0.92
<b>Profit/(Loss) after Tax</b>	<b>(11.22)</b>	<b>2.40</b>
Profit for the year attributable to owners of the Parent	(10.10)	2.16
Profit for the year attributable to NCI	(1.12)	0.24
<b>Profit for the Year</b>	<b>(11.22)</b>	<b>2.40</b>
Other Comprehensive Income for the year ( net of tax)	0.04	(2.29)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Other Comprehensive Income for the year attributable to owners of the parent	0.04	(2.06)
Other Comprehensive Income for the year attributable to NCI	0.00	(0.23)
<b>Other Comprehensive Income for the year</b>	<b>0.04</b>	<b>(2.29)</b>
<b>Total Comprehensive income for the year</b>	<b>(11.18)</b>	<b>0.11</b>
Total Comprehensive Income for the year attributable to owners of the parent	(10.06)	0.10
Total Comprehensive Income for the year attributable to NCI	(1.12)	0.01
<b>Total comprehensive income for the year</b>	<b>(11.18)</b>	<b>0.11</b>

- (b) Summarized cash flow for KEI Cables Australia PTY LTD, before intragroup eliminations, is set out below:  
(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Cash Flows from Operating Activities	(17.91)	13.77
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	9.55	(5.65)
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>(8.36)</b>	<b>8.12</b>

(c) Joint Ventures and Associate

Set out below are the Joint Venture and Associate of the Group as at 31<sup>st</sup> March 2019 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. Group 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".

The Associate is a Jointly Controlled Entity within the meaning of IND AS - 111 on "Joint Arrangements". The Associate is form of separate entity and the Group is holding 49% of ownership Interest. Investment in Associate is Accounted for in Accordance with IND AS-28 "Investment in Associate and joint venture"

Name of Entity	Place of business	Functional Currency	Ownership Interest held by the Group		Relationship
			As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	
Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	India	INR	100%	100%	Joint Venture
Investments in KEI Cables SA (PTY) Limited	South Africa	ZAR	49%	NA	Associate



(d) Summarized Financial Information for Joint Venture's and Associates are set out below:

(₹ in Millions)

Particulars	KEI Cables SA (PTY) Limited		Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	
	As at 31 <sup>st</sup> March, 2019 *	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Non-Current Assets	-	N.A.	-	-
Current Assets * ( ₹ 5,395 )	0.01	N.A.	2.46	3.04
<b>Total Assets (A)</b>	<b>0.01</b>	<b>N.A.</b>	<b>2.46</b>	<b>3.04</b>
Non-Current Liabilities	-	N.A.	-	-
Current Liabilities * ( ₹ 2,393 )	0.00	N.A.	0.76	1.34
<b>Total Liabilities (B)</b>	<b>0.00</b>	<b>N.A.</b>	<b>0.76</b>	<b>1.34</b>
<b>Net Assets C= (A-B) * ( ₹ 3,003 )</b>	<b>0.00</b>	<b>N.A.</b>	<b>1.70</b>	<b>1.70</b>
a) Includes Cash and Cash Equivalents				
b) Includes Financial Liabilities (excluding Trade and Other Payables and Provisions)				

(e) Summarized statement of Profit & Loss for Joint Venture and Associates are set out below:

(₹ in Millions)

Particulars	KEI Cables SA (PTY) Limited		Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	
	As at 31 <sup>st</sup> March, 2019 *	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Revenue	-	N.A.	0.05	0.45
Cost of Materials Consumed	-	N.A.	-	-
Finance Costs ** ( ₹ 1,345 )	-	N.A.	0.00	0.01
Sub Contractor expense for turnkey projects	-	N.A.	-	-
Other Expenses * ( ₹ 1,756 )	0.00	N.A.	0.05	0.60
Tax expense	-	N.A.	-	-
<b>Profit/ (Loss) and Total Comprehensive Income for the year ***</b>	<b>(0.00)</b>	<b>N.A.</b>	<b>(0.00)</b>	<b>(0.16)</b>

(f) Reconciliation of carrying amounts is set out below:

(₹ in Millions)

Particulars	KEI Cables SA (PTY) Limited*	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland
<b>Closing Net Assets (31<sup>st</sup> March, 2017)</b>	N.A.	<b>1.87</b>
Profit/ (Loss) for the year	N.A.	(0.16)
Capital Distribution	N.A.	-
<b>Closing Net Assets (31<sup>st</sup> March, 2018)</b>	<b>N.A.</b>	<b>1.71</b>
Profit/ (Loss) for the year ***	(0.00)	(0.00)
Capital Distribution * ( ₹ 2,349 )	0.00	-
<b>Closing Net Assets (31<sup>st</sup> March, 2019)</b>	<b>0.00</b>	<b>1.70</b>
Group share in %	49%	100%
<b>Carrying Amount ( ₹ 1,471 )</b>	<b>0.00</b>	<b>1.70</b>

Note: \*\*\* Net Loss ( ₹ 1,756 ) related " KEI Cables SA (PTY) Limited, and ( ₹ 3,581 ) related to " Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland.

**53. Statement pursuant to Section 129(3) of Companies Act, 2013 related to Subsidiary, Joint Venture and Associate**

**Part "A" : Subsidiary**

(₹ in Millions)

Sr. No.	Particulars	KEI Cables Australia PTY LTD
1	The date since when subsidiary was acquired	14 <sup>th</sup> December, 2015
2	Reporting period for subsidiary	01.07.2018 to 30.06.2019
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.	49.0760
5	Share Capital	0.01
6	Reserve and Surplus	(11.28)
7	Total Assets	38.05
8	Total Liabilities	49.32
9	Investments	-
10	Turnover	399.24
11	Profit Before Taxation	(11.16)
12	Provision for Taxation	0.06
13	Profit after Taxation	(11.22)
14	Proposed Dividend	-
15	% of Holding by Parent Company	90%

**Part "B" : Associate and Joint Venture**

**Statement pursuant to Section 129(3) of Companies Act, 2013 related to Associate and Joint Venture**

(₹ in Millions)

Sr. No.	Particulars	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland **	KEI Cables SA (PTY) Limited *
1	Latest Balance Sheet Date	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2019
2	Date on which the Joint Venture and Associate was acquired	24 <sup>th</sup> June, 2014	12 <sup>th</sup> September, 2018
3	Shares of Joint Venture and associate held by the parent company on the year end		
	Numbers	N.A.	490 Equity Share
	Amount of Investment in Associate and Joint venture *(₹ 2349)	Nil	0
	Extent of Share in Profit/Loss and Holding of Share ( %)	100%	49%
4	Description of how there is significant influence	Jointly Controlled Entity & Share in Profit/Loss 100%	Associate
5	Reason why the Joint Venture is not consolidated		
6	Net worth Attributable to Shareholding as per latest audited Balance Sheet * ( ₹ 3,003 )	1.70	0.00
7	Profit / (Loss) for the year		
	(i) Considered in Consolidation **Net Loss (₹ 3,581) *Net Loss (₹ 1,756)	(0.00)	(0.00)
	(ii) Not Considered in Consolidation	-	-

**54. Additional Information in pursuant to Schedule III of the Companies Act, 2013: (₹ in Millions)**

S. No	Name of the Entity	Own-ership Interest	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
			As % of Consolidated net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
1	<b>Parent</b>	-	100.12%	7,788.93	100.68%	1,818.71	100.21%	(19.05)	100.69%	1,799.66
2	<b>Subsidiaries</b>									
A	Foreign									
a.)	KEI Cables Australia PTY LTD	90.00%	(0.13%)	(10.14)	(0.62%)	(11.22)	(0.21%)	0.04	(0.63%)	(11.18)
3	<b>Non - Controlling Interest in All Subsidiaries</b>	10.00%	(0.01%)	(1.13)	(0.06%)	(1.12)	0.00%	-	0.00%	(1.12)
4	<b>Joint Ventures</b>									
	Investments Accounted for using Equity Method							-		
A	Indian									
a.)	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	100.00%	0.02%	1.70	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
B	Foreign									
a.)	Investments in KEI Cables SA (PTY) Limited	49.00%	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
	<b>TOTAL</b>		100%	7779.36	100.00%	1806.37	100.00%	(19.01)	100%	1787.36

**55. Events After Balance Sheet Date:**

- (a) Board of Directors of Parent Company have Proposed Dividend ₹ 1.20 per share on face value of ₹ 2.00 per share (Previous year ₹ 1.00 per share on face value of ₹ 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 ₹ 114.18 Millions (Previous Year: ₹ 94.47 Millions) Including Dividend Distribution Tax.
- (b) During the year one of the major customer of Subsidiary went to liquidation and the amount recoverable from that customer has been written off as a bad debt. The inventory lying with that customer has been taken back by the Subsidiary and is valued at an estimated realisable value. The Subsidiary is negotiating to re-sell the inventory to third parties. Although no formal contract has been signed, the inventory has been valued at the current negotiated price.

**56. Previous Year's figures have been re-grouped / re-arranged wherever necessary.**

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: 21<sup>st</sup> May, 2019

**(ANIL GUPTA)**

Chairman-cum-Managing Director

DIN: 00006422

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

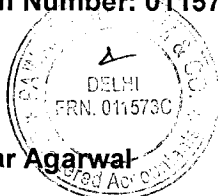


**Review Report to  
The Board of Directors  
KEI Industries Limited  
New Delhi**

**LIMITED REVIEW REPORT OF THE INDEPENDENT AUDITORS ON THE UNAUDITED  
STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON  
DECEMBER 31, 2019.**

1. We have reviewed the accompanying statement of unaudited standalone financial results of KEI Industries Limited (the 'Company') for the quarter ended December 31, 2019 and the year to date results for the period April 1, 2019 to December 31, 2019 together with notes thereon (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, and in compliance with Regulation 33 of the Listing Regulations is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principle laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



**CA Pawan Kumar Agarwal**  
**Partner**  
**M.No.092345**  
**UDIN: 20082345A AAAAG 3176**

**Place: New Delhi**  
**Date : January 20, 2020**



# KEI INDUSTRIES LIMITED

Regd Office: D-90 OKHLA INDUSTRIAL AREA PHASE I NEW DELHI-110 020  
 Phone: 91-11-26818840/26818642 Fax: 91-11-26811959/26817225 Web: www.kei-ind.com  
 (CIN: L74899DL1992PLC051527)



## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

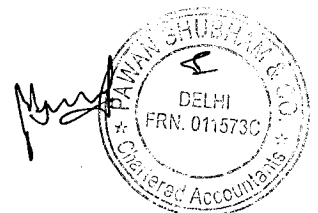
(₹ in Millions)

Particulars	Quarter ended 31-12-2019 Unaudited	Quarter ended 30-09-2019 Unaudited	Quarter ended 31-12-2018 Unaudited	Nine Month ended 31-12-2019 Unaudited	Nine Month ended 31-12-2018 Unaudited	Year ended 31-03-2019 Audited
<b>1 Income from Operations</b>						
(a) Revenue/ Income From Operations	13,142.20	12,301.65	10,874.85	36,257.41	29,681.75	42,269.63
(b) Other Income	46.06	42.92	11.39	140.94	35.04	71.91
<b>Total Income</b>	<b>13,188.26</b>	<b>12,344.57</b>	<b>10,886.24</b>	<b>36,398.35</b>	<b>29,716.79</b>	<b>42,341.54</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	9,306.92	9,160.00	7,958.23	26,906.33	21,912.56	30,366.89
(b) Purchase of stock-in-trade	83.85	6.75	20.44	102.97	26.71	25.96
(c) Changes in inventory of finished goods, work-in-progress, stock in trade and scrap	(172.46)	(653.68)	(294.89)	(1,805.25)	(1,667.33)	(1,046.05)
(d) Sub Contractor expense for EPC projects	328.76	355.66	104.79	1,054.04	995.19	1,121.17
(e) Employee benefits expense	592.14	566.62	432.52	1,674.19	1,260.70	1,733.94
(f) Finance Costs	329.86	355.46	347.17	1,014.87	938.58	1,361.54
(g) Depreciation and amortisation expense	141.22	136.80	85.14	429.65	253.12	339.48
(h) Other expenses	1,610.20	1,644.17	1,476.96	4,570.86	4,107.35	5,645.57
<b>Total Expenses</b>	<b>12,220.49</b>	<b>11,571.78</b>	<b>10,130.36</b>	<b>33,947.66</b>	<b>27,826.88</b>	<b>39,548.50</b>
<b>3 Profit / (Loss) before Exceptional items and Tax (1-2)</b>	<b>967.77</b>	<b>772.79</b>	<b>755.88</b>	<b>2,450.69</b>	<b>1,889.91</b>	<b>2,793.04</b>
<b>4 Exceptional items</b>	-	-	-	-	-	-
<b>5 Profit / (Loss) before Tax (3-4)</b>	<b>967.77</b>	<b>772.79</b>	<b>755.88</b>	<b>2,450.69</b>	<b>1,889.91</b>	<b>2,793.04</b>
<b>6 Tax Expenses</b>						
Current Tax	245.82	153.91	256.97	644.73	638.51	924.68
Deferred Tax	(0.77)	(142.81)	15.00	(136.58)	32.00	49.65
<b>Total Tax Expenses</b>	<b>245.05</b>	<b>11.10</b>	<b>271.97</b>	<b>508.15</b>	<b>670.51</b>	<b>974.33</b>
<b>7 Net Profit / (Loss) for the period (5-6)</b>	<b>722.72</b>	<b>761.69</b>	<b>483.91</b>	<b>1,942.54</b>	<b>1,219.40</b>	<b>1,818.71</b>
<b>8 Other Comprehensive Income/(Loss)</b>						
(a) Items that will not be reclassified to profit and loss in subsequent period, net of tax	(1.26)	(8.59)	(1.83)	(18.10)	(12.89)	(19.05)
(b) Items that will be reclassified to profit and loss in subsequent period, net of tax	-	-	-	-	-	-
<b>Other Comprehensive Income/(Loss) for the period (Net of Tax Expense)</b>	<b>(1.26)</b>	<b>(8.59)</b>	<b>(1.83)</b>	<b>(18.10)</b>	<b>(12.89)</b>	<b>(19.05)</b>
<b>9 Total Comprehensive Income for the period (7+8)</b>	<b>721.46</b>	<b>753.10</b>	<b>482.08</b>	<b>1,924.44</b>	<b>1,206.51</b>	<b>1,799.66</b>
<b>10 Paid-up equity share capital</b> (Face Value of ₹ 2/- each)	<b>159.01</b>	<b>159.01</b>	<b>157.85</b>	<b>159.01</b>	<b>157.85</b>	<b>157.85</b>
<b>11 Reserves excluding Revaluation Reserves as per balance sheet</b>						<b>7,631.08</b>
<b>12 Earnings Per Share (of ₹ 2/- each) (not annualised):</b>						
a) Basic (₹)	9.09	9.65	6.14	24.55	15.52	23.12
b) Diluted (₹)	8.93	9.48	6.09	24.20	15.34	22.88

### Standalone Segment-wise Revenue, Results, Assets and Liabilities

<b>1. Segment Revenue ( Revenue / Income from operations )</b>						
a) Segment - Cables	10,995.04	9,947.94	8,781.87	29,491.88	23,847.83	33,596.14
b) Segment - Stainless Steel Wire	325.51	339.07	335.36	982.45	1,009.04	1,380.20
c) Segment - EPC Projects	3,984.74	3,206.97	2,586.28	10,265.48	6,467.79	10,332.55
d) Unallocated Segment	-	-	-	-	-	-
<b>Total</b>	<b>15,305.29</b>	<b>13,493.98</b>	<b>11,703.51</b>	<b>40,739.81</b>	<b>31,324.66</b>	<b>45,308.89</b>
Less: Inter segment elimination	20.66	(97.59)	120.25	24.32	50.98	14.61
<b>Total</b>	<b>15,284.63</b>	<b>13,591.57</b>	<b>11,583.26</b>	<b>40,715.49</b>	<b>31,273.68</b>	<b>45,294.28</b>
Less: Inter segment Revenue	2,142.43	1,289.92	708.41	4,458.08	1,591.93	3,024.65
<b>Sales / Income from Operations</b>	<b>13,142.20</b>	<b>12,301.65</b>	<b>10,874.85</b>	<b>36,257.41</b>	<b>29,681.75</b>	<b>42,269.63</b>
<b>2. Segment Results Profit / (Loss) before tax and interest from each segment</b>						
a) Segment - Cables	1,321.03	1,042.15	1,035.79	3,254.18	2,601.62	3,681.00
b) Segment - Stainless Steel Wire	13.67	12.43	13.20	45.25	80.68	90.93
c) Segment - EPC Projects	467.18	317.76	500.89	1,228.23	983.94	1,422.22
<b>Total</b>	<b>1,801.88</b>	<b>1,372.34</b>	<b>1,549.88</b>	<b>4,527.66</b>	<b>3,666.24</b>	<b>5,194.15</b>
Less: Inter segment results	113.63	(80.63)	120.25	134.25	50.98	14.61
<b>Net Segment Results</b>	<b>1,688.25</b>	<b>1,452.97</b>	<b>1,429.63</b>	<b>4,393.41</b>	<b>3,615.26</b>	<b>5,179.54</b>
Less: I) Interest	329.86	355.46	347.17	1,014.87	938.58	1,361.54
II) Other un- allocable expenditure net off un- allocable income	390.62	324.72	326.58	927.85	786.77	1,024.96
<b>Total Profit Before Tax</b>	<b>967.77</b>	<b>772.79</b>	<b>755.88</b>	<b>2,450.69</b>	<b>1,889.91</b>	<b>2,793.04</b>
<b>3. Segment Assets</b>						
a) Segment - Cables	20,418.10	20,301.98	17,928.16	20,418.10	17,928.16	17,461.91
b) Segment- Stainless Steel Wire	680.58	641.55	674.26	680.58	674.26	614.83
c) Segment - EPC Projects	8,615.14	7,402.90	5,227.21	8,615.14	5,227.21	7,251.88
d) Unallocated Segment	2,139.12	2,449.78	582.86	2,139.12	582.86	2,314.50
<b>Total</b>	<b>31,852.94</b>	<b>30,796.21</b>	<b>24,412.49</b>	<b>31,852.94</b>	<b>24,412.49</b>	<b>27,643.12</b>
<b>4. Segment Liabilities</b>						
a) Segment - Cables	12,996.67	12,996.88	8,498.84	12,996.67	8,498.84	12,199.06
b) Segment- Stainless Steel Wire	278.60	257.93	343.52	278.60	343.52	280.85
c) Segment - EPC Projects	1,374.37	1,452.16	1,168.58	1,374.37	1,168.58	1,769.62
d) Unallocated Segment	7,508.60	7,165.78	7,209.30	7,508.60	7,209.30	5,604.66
<b>Total</b>	<b>22,158.24</b>	<b>21,872.75</b>	<b>17,220.24</b>	<b>22,158.24</b>	<b>17,220.24</b>	<b>19,854.19</b>

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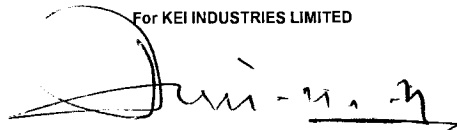


**Notes:**

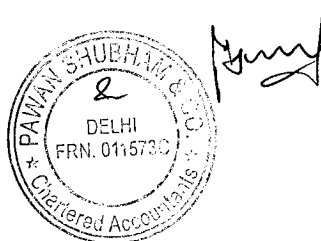
- 1) The above results have been reviewed by the Audit Committee at their Meeting held on January 20, 2020 and thereafter approved by the Board of Directors at their Meeting held on January 20, 2020.
- 2) This Statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3) Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' using the modified retrospective approach. On transition, the adoption of new standard resulted in reduction of ₹11.65 Millions from retained earnings with recognition of Right of Use Asset of ₹ 170.32 Millions and ₹ 181.97 Millions as lease liability. The effect of this adoption is not material on profit and earnings per share for the quarter and nine months ended on December 31, 2019.
- 4) Effective April 1, 2019, based on technical report on useful life of Plant & Machinery evaluated by an independent valuer, the Company has revised useful life of certain plant and machinery. Due to change in useful life of certain plant & machinery depreciation for the quarter and nine months ended on December 31, 2019 is higher by ₹ 39.14 Millions and ₹ 118.58 Millions respectively.
- 5) The Board of Directors of the Company had approved raising of funds through Qualified Institutional Placements (QIPs) on 12.11.2019 and the shareholders has approved the same on 15.01.2020 through Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 6) During the nine months ended on December 31, 2019 the Share Allotment Committee has allotted 5,79,000 Equity Shares upon exercise of equivalent number of stock options, under KEI Employee Stock Option Scheme, 2015 to the eligible employees.
- 7) During the nine months ended December 31, 2019, the Nomination and Remuneration Committee has granted 13,95,000 Stock Options to eligible employees under KEI Employee Stock Option Scheme, 2015 which will vest over a period of 3 years.
- 8) Tax expense for the quarter and nine months ended December 31, 2019 reflect changes made via The Taxation Laws (Amendment) Act, 2019 as applicable to the company.
- 9) The Statutory Auditors have carried out Limited Review of the financial results of the Company under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The auditors have expressed an unmodified report of the above results.
- 10) Previous year / periods figures have been regrouped / reclassified, wherever necessary.
- 11) The above results of the Company are available on the Company's website [www.kei-ind.com](http://www.kei-ind.com) and also at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Place of Signing : New Delhi  
Date: January 20, 2020

For KEI INDUSTRIES LIMITED



ANIL GUPTA  
Chairman-cum-Managing Director  
DIN: 00006422





**Review Report to**  
**The Board of Directors**  
**KEI Industries Limited**  
**New Delhi**

**LIMITED REVIEW REPORT OF THE INDEPENDENT AUDITORS ON THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON DECEMBER 31, 2019.**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of KEI Industries Limited (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 associate and joint venture for the quarter and nine months ended December 31, 2019 (the 'Statement') attached herewith, being submitted by the Parent pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

2. This Statement which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the India Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this statement based on our review.

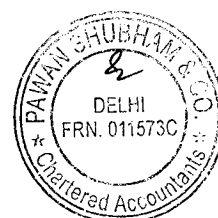
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

S. No.	Company Name	Relationship
1.	KEI Industries Limited	Parent Company
2.	KEI Cables Australia PTY Limited	Subsidiary Company
3.	KEI Cables SA (PTY) Limited	Associate
4.	KEI Industries Ltd. New Delhi & Brugg Kabel AG Switzerland	Joint Venture

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.





6. The accompanying Statement includes unaudited interim financial information and other unaudited financial information of a subsidiary which has not been reviewed by their auditor, whose interim financial results reflect Group's share of total revenue of Rs. 1.99 Millions and Rs. 37.36 Millions, total net profit after tax Rs. 1.77 Millions and Rs. (0.08) Millions, total comprehensive profit of Rs. 1.21 Millions and Rs. 0.34 Millions for the quarter and nine months ended December 31, 2019 respectively, as considered in the Statement. They also include unaudited interim financial information and other unaudited financial information of an associate and joint venture which reflect Group's share of total net profit after tax of Rs. 0.88 Millions and Rs. 0.19 Millions for the quarter and nine months ended December 31, 2019, respectively. These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in these respects are solely on such unaudited interim financial information and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of above matter.

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



**CA Pawan Kumar Agarwal**  
**Partner**  
**M.No.092345**  
**UDIN: 20092345AAAAAH8660**

**Place: New Delhi**  
**Date: January 20, 2020**



## STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED DECEMBER 31, 2019

(₹ in Millions)

Particulars	Quarter ended 31-12-2019 Unaudited	Quarter ended 30-09-2019 Unaudited	Quarter ended 31-12-2018 Unaudited	Nine Month ended 31-12-2019 Unaudited	Nine Month ended 31-12-2018 Unaudited	Year ended 31-03-2019 Audited
<b>1 Income from Operations</b>						
(a) Revenue/ Income From Operations	13,142.19	12,336.99	10,881.83	36,292.74	29,726.47	42,309.80
(b) Other Income	47.88	42.93	13.03	142.80	35.07	71.94
<b>Total income</b>	<b>13,190.07</b>	<b>12,379.92</b>	<b>10,894.86</b>	<b>36,435.54</b>	<b>29,761.54</b>	<b>42,381.74</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	9,306.92	9,160.00	7,958.23	26,906.33	21,912.56	30,366.89
(b) Purchase of stock-in-trade	83.85	6.75	25.72	102.97	39.02	38.78
(c) Changes in inventory of finished goods, work-in-progress, stock in trade and scrap	(172.45)	(617.97)	(294.89)	(1,769.53)	(1,667.33)	(1,081.77)
(d) Sub Contractor expense for EPC projects	328.76	355.68	104.79	1,054.04	995.19	1,121.17
(e) Employee benefits expense	592.14	566.62	432.52	1,874.19	1,260.70	1,733.94
(f) Finance Costs	329.73	355.60	348.83	1,014.88	940.27	1,356.08
(g) Depreciation and amortisation expense	141.21	136.80	85.14	429.64	253.12	339.48
(h) Other expenses	1,810.38	1,844.58	1,480.52	4,572.41	4,138.69	5,725.30
<b>Total Expenses</b>	<b>12,220.54</b>	<b>11,608.02</b>	<b>10,140.86</b>	<b>33,984.93</b>	<b>27,872.22</b>	<b>39,599.87</b>
<b>3 Profit/ (loss) before share of profit / (loss) of joint venture &amp; Associate, exceptional items and tax (1-2)</b>	<b>969.53</b>	<b>771.90</b>	<b>754.00</b>	<b>2,450.61</b>	<b>1,889.32</b>	<b>2,781.87</b>
<b>4 Share of profit/ (loss) of joint venture (net of tax)</b>	<b>(0.08)</b>	<b>(0.00)</b>	<b>(0.05)</b>	<b>(0.08)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>5 Share of profit/ (loss) of Associate Company (net of tax)</b>	<b>0.95</b>	<b>(0.68)</b>	<b>(0.00)</b>	<b>0.26</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>6 Profit / (Loss) before exceptional items and Tax (3+4+5)</b>	<b>970.40</b>	<b>771.22</b>	<b>753.95</b>	<b>2,450.79</b>	<b>1,889.32</b>	<b>2,781.87</b>
<b>7 Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8 Profit / (Loss) before Tax (6-7)</b>	<b>970.40</b>	<b>771.22</b>	<b>753.95</b>	<b>2,450.79</b>	<b>1,889.32</b>	<b>2,781.87</b>
<b>9 Tax Expenses</b>						
Current Tax	245.82	153.91	256.90	644.73	638.50	924.75
Deferred Tax	(0.77)	(142.81)	15.00	(136.58)	32.00	49.65
<b>Total Tax Expenses</b>	<b>245.05</b>	<b>11.10</b>	<b>271.90</b>	<b>508.15</b>	<b>670.50</b>	<b>974.40</b>
<b>10 Net Profit / (Loss) for the period (8-9)</b>	<b>725.35</b>	<b>760.12</b>	<b>482.05</b>	<b>1,942.64</b>	<b>1,218.82</b>	<b>1,807.47</b>
<b>11 Other Comprehensive Income/(Loss)</b>						
(a) Items that will not be reclassified to profit and loss in subsequent period, net of tax	(1.26)	(8.59)	(1.83)	(18.10)	(12.89)	(19.05)
(b) Items that will be reclassified to profit and loss in subsequent period, net of tax	(0.55)	1.74	0.21	0.42	2.33	0.04
<b>Other Comprehensive Income/(Loss) for the period (Net of Tax Expense)</b>	<b>(1.81)</b>	<b>(6.85)</b>	<b>(1.62)</b>	<b>(17.68)</b>	<b>(10.56)</b>	<b>(19.01)</b>
<b>12 Total Comprehensive Income for the period (10+11)</b>	<b>723.54</b>	<b>753.27</b>	<b>480.43</b>	<b>1,924.96</b>	<b>1,208.26</b>	<b>1,788.46</b>
<b>13 Profit/(Loss) attributable to</b>						
Equity Shareholders of Parent's Company	725.18	760.20	482.23	1,942.85	1,218.88	1,808.59
Non Controlling Interests	0.17	(0.08)	(0.18)	(0.01)	(0.06)	(1.12)
<b>14 Other Comprehensive Income attributable to</b>						
Equity Shareholders of Parent's Company	(1.75)	(7.02)	(1.64)	(17.72)	(10.79)	(19.01)
Non Controlling Interests	(0.06)	0.17	0.02	0.04	0.23	0.00
<b>15 Total Comprehensive Income attributable to</b>						
Equity Shareholders of Parent's Company	<b>723.43</b>	<b>753.18</b>	<b>480.59</b>	<b>1,924.93</b>	<b>1,208.09</b>	<b>1,789.58</b>
Non Controlling Interests	<b>0.11</b>	<b>0.09</b>	<b>(0.16)</b>	<b>0.03</b>	<b>0.17</b>	<b>(1.12)</b>
<b>16 Paid-up equity share capital</b>	<b>159.01</b>	<b>159.01</b>	<b>157.85</b>	<b>159.01</b>	<b>157.85</b>	<b>157.85</b>
(Face Value of ₹ 2/- each)						
<b>17 Reserves excluding Revaluation Reserves as per balance sheet</b>						
Other Equity						7,622.62
Non Controlling Interest						(1.11)
<b>18 Earnings Per Share (of ₹ 2/- each) (not annualised):</b>						
a) Basic (₹)	9.12	9.63	6.11	24.55	15.51	22.98
b) Diluted (₹)	8.97	9.46	6.06	24.21	15.33	22.74

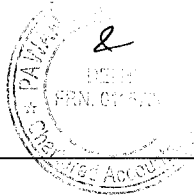
### Consolidated Segment-wise Revenue, Results, Assets and Liabilities

<b>1. Segment Revenue ( Revenue / Income from operations )</b>						
a) Segment - Cables	10,995.03	9,983.28	8,788.85	29,527.21	23,892.55	33,636.31
b) Segment - Stainless Steel Wire	325.51	339.07	335.36	982.45	1,009.04	1,380.20
c) Segment - EPC Projects	3,984.74	3,206.97	2,588.28	10,265.48	8,487.79	10,332.55
d) Unallocated Segment	-	-	-	-	-	-
<b>Total</b>	<b>15,305.28</b>	<b>13,529.32</b>	<b>11,710.49</b>	<b>40,775.14</b>	<b>31,369.38</b>	<b>45,349.06</b>
Less: Inter segment elimination	20.66	(97.59)	120.25	24.32	50.98	14.61
<b>Total</b>	<b>15,284.62</b>	<b>13,626.91</b>	<b>11,590.24</b>	<b>40,750.82</b>	<b>31,318.40</b>	<b>45,334.45</b>
Less: Inter segment Revenue	2,142.43	1,289.92	708.41	4,458.08	1,591.93	3,024.65
<b>Sales / Income from Operations</b>	<b>13,142.19</b>	<b>12,336.99</b>	<b>10,881.83</b>	<b>36,292.74</b>	<b>29,726.47</b>	<b>42,309.80</b>
<b>2. Segment Results Profit / (Loss) before tax and interest from each segment</b>						
a) Segment - Cables	1,322.68	1,041.39	1,035.55	3,254.11	2,802.72	3,664.37
b) Segment - Stainless Steel Wire	13.67	12.43	13.20	45.25	80.68	90.93
c) Segment - EPC Projects	467.18	317.76	500.89	1,228.23	983.94	1,422.22
<b>Total</b>	<b>1,803.53</b>	<b>1,371.58</b>	<b>1,549.64</b>	<b>4,527.59</b>	<b>3,667.34</b>	<b>5,177.52</b>
Less: Inter segment results	113.63	(80.63)	120.25	134.25	50.98	14.61
<b>Net Segment Results</b>	<b>1,689.90</b>	<b>1,452.21</b>	<b>1,429.39</b>	<b>4,393.34</b>	<b>3,616.36</b>	<b>5,162.91</b>
Less: i) Interest	329.73	355.60	348.83	1,014.88	940.27	1,356.08
ii) Other un- allocable expenditure net off un- allocable income	390.64	324.71	326.58	927.85	786.77	1,024.98
<b>Total Profit Before Tax</b>	<b>969.53</b>	<b>771.90</b>	<b>754.00</b>	<b>2,450.61</b>	<b>1,889.32</b>	<b>2,781.87</b>
<b>3. Segment Assets</b>						
a) Segment - Cables	20,410.18	20,292.99	17,936.00	20,410.18	17,938.00	17,453.73
b) Segment- Stainless Steel Wire	680.58	641.55	674.26	680.58	674.26	614.83
c) Segment - EPC Projects	8,615.14	7,402.90	5,227.21	8,615.14	5,227.21	7,251.88
d) Unallocated Segment	2,141.00	2,450.79	584.56	2,141.00	584.58	2,316.21
<b>Total</b>	<b>31,846.90</b>	<b>30,788.23</b>	<b>24,422.03</b>	<b>31,846.90</b>	<b>24,422.03</b>	<b>27,636.65</b>
<b>4. Segment Liabilities</b>						
a) Segment - Cables	12,999.71	13,000.07	8,505.03	12,999.71	8,505.03	12,202.17
b) Segment- Stainless Steel Wire	278.60	257.93	343.52	278.60	343.52	280.85
c) Segment - EPC Projects	1,374.37	1,452.16	1,168.58	1,374.37	1,168.58	1,769.62
d) Unallocated Segment	7,508.60	7,165.79	7,209.30	7,508.60	7,209.30	5,604.65
<b>Total</b>	<b>22,161.28</b>	<b>21,875.95</b>	<b>17,226.43</b>	<b>22,161.28</b>	<b>17,226.43</b>	<b>19,857.29</b>

**Notes:**

- 1) The above results have been reviewed by the Audit Committee at their Meeting held on January 20, 2020 and thereafter approved by the Board of Directors at their Meeting held on January 20, 2020.
- 2) This Statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The said Financial Results of the Parent Company and its Subsidiary, Associate and Joint Venture has been prepared in accordance with Ind AS 110 "Consolidated Financial statements".
- 3) Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' using the modified retrospective approach. On transition, the adoption of new standard resulted in reduction of ₹ 11.65 Millions from retained earnings with recognition of Right of Use Asset of ₹ 170.32 Millions and ₹ 181.97 Millions as lease liability. The effect of this adoption is not material on profit and earnings per share for the quarter and nine months ended on December 31, 2019.
- 4) Effective April 1, 2019, based on technical report on useful life of Plant & Machinery evaluated by an Independent valuer, the Company has revised useful life of certain plant and machinery. Due to change in useful life of certain plant & machinery depreciation for the quarter and nine months ended on December 31, 2019 is higher by ₹ 39.14 Millions and ₹ 118.58 Millions respectively.
- 5) The Board of Directors of the Company had approved raising of funds through Qualified Institutional Placements (QIPs) on 12.11.2019 and the shareholders has approved the same on 15.01.2020 through Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 6) The Consolidated Financial Results include the Financial Result of the following Subsidiary, Joint Venture and Associate: KEI Cables Australia Pty Ltd (subsidiary), Joint Venture of KEI Industries Ltd. New Delhi & Brugg Kabel AG Switzerland and KEI Cables SA Pty Ltd, South Africa (Associate).
- 7) During the nine months ended on December 31, 2019 the Share Allotment Committee has allotted 5,79,000 Equity Shares upon exercise of equivalent number of stock options, under KEI Employee Stock Option Scheme, 2015 to the eligible employees.
- 8) During the nine months ended December 31, 2019, the Nomination and Remuneration Committee has granted 13,95,000 Stock Options to eligible employees under KEI Employee Stock Option Scheme, 2015 which will vest over a period of 3 years.
- 9) Tax expense for the quarter and nine Months ended December 31, 2019 reflect changes made via The Taxation Laws (Amendment) Act, 2019 as applicable to the company.
- 10) The Statutory Auditors have carried out Limited Review of the financial results of the Company under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The auditors have expressed an unmodified report of the above results.
- 11) Previous year / periods figures have been regrouped / reclassified, wherever necessary.
- 12) The above results of the Company are available on the Company's website [www.kei-ind.com](http://www.kei-ind.com) and also at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Place of Signing : New Delhi  
Date: January 20, 2020



For KEI INDUSTRIES LIMITED

ANIL GUPTA  
Chairman-cum-Managing Director  
DIN: 00006422

## PROPOSED ALLOTTEES

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue and the percentage of post-Issue paid-up Equity Share capital that may be held by them in our Company is set forth below:

S. No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital
1.	ALLIANZ GLOBAL INVESTORS GMBH ACTING ON BEHALF OF ALLIANZGI-FONDS GS INDIA EQUITY	0.03%
2.	ASHMORE INDIA OPPORTUNITIES FUND	0.15%
3.	BNP PARIBAS ARBITRAGE	0.13%
4.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED	0.04%
5.	DSP DYNAMIC ASSET ALLOCATION FUND	0.06%
6.	DSP EQUITY & BOND FUND	0.74%
7.	DSP EQUITY FUND	0.53%
8.	DSP EQUITY OPPORTUNITIES FUND	0.88%
9.	DSP INDIA T.I.G.E.R. FUND	0.16%
10.	DSP TAX SAVER FUND	0.99%
11.	EAM EMERGING MARKETS MASTER FUND LIMITED	0.12%
12.	EAM LONG - ONLY EMERGING MARKETS MASTER FUND LIMITED	0.18%
13.	EDELWEISS ALPHA FUND SCHEME 1	0.11%
14.	GOLDMAN SACHS INDIA FUND LTD	1.59%
15.	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY SMALLER COMPANIES	0.80%
16.	ICICI PRUDENTIAL EQUITY SAVINGS FUND	0.15%
17.	ICICI PRUDENTIAL LARGE & MID CAP FUND	0.30%
18.	ICICI PRUDENTIAL SMALLCAP FUND	0.63%
19.	ICICI PRUDENTIAL VALUE FUND - SERIES 18	0.04%
20.	INVESCO TRUSTEE PRIVATE LIMITED - A/C INVESCO INDIA CONTRA FUND	0.42%
21.	L&T EMERGING BUSINESS FUND	0.61%
22.	MORGAN STANLEY ASIA SINGAPORE PTE - ODI	0.20%
23.	NORGES BANK - GOVERNMENT PENSION FUND GLOBAL	1.37%
24.	PIONEER INVESTMENT FUND	0.87%
25.	SOCIETE GENERALE	0.13%
26.	SUNDARAM EQUITY HYBRID FUND	0.09%
27.	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES I	0.08%
28.	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES II	0.09%
29.	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES III	0.08%
30.	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES IV	0.07%
31.	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES V	0.02%
32.	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND SERIES IV	0.03%
33.	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND - SERIES - III	0.03%
34.	SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM TAX ADVANTAGE FUND - SERIES - IV	0.02%
35.	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP - SERIES - XVII	0.04%
36.	SUNDARAM SMALL CAP FUND	0.33%
37.	TATA AIA LIFE INSURANCE COMPANY LIMITED - AGGRESSIVE GROWTH FUND	0.03%
38.	TATA AIA LIFE INSURANCE COMPANY LIMITED - GROWTH FUND	0.02%

<b>S. No.</b>	<b>Name of the proposed Allottee</b>	<b>Percentage of post-Issue paid-up Equity Share capital</b>
39.	TATA AIA LIFE INSURANCE COMPANY LIMITED - INDIA CONSUMPTION FUND	0.02%
40.	TATA AIA LIFE INSURANCE COMPANY LIMITED - MULTI CAP FUND	0.05%
41.	TATA AIA LIFE INSURANCE COMPANY LIMITED - TOP 200 FUND	0.03%
42.	TATA AIA LIFE INSURANCE COMPANY LIMITED - WHOLE LIFE MID CAP EQUITY FUND	1.01%

\* Based on beneficiary position data of the Company as on January 24, 2020 and includes the Allocation made in the Issue

# The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective depository participant identification number and client identification number.

Note: The details as set forth in the table above are subject to allotment in the Issue.

## **DECLARATION**

Our Company certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

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

Place: New Delhi  
Date: January 28, 2020

## DECLARATION

We, the Directors of the Company certify that:

- (i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- (iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

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**Anil Gupta**

Chairman-cum-Managing Director

I am severally authorized by the Qualified Institutions Placement Committee of the Company, vide resolution dated, January 28, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

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**Anil Gupta**

Chairman-cum-Managing Director

Place: New Delhi

Date: January 28, 2020

## ISSUER

**KEI INDUSTRIES LIMITED**  
**Registered and Corporate Office**  
D-90, Okhla Industrial Area  
New Delhi – 110 020  
India  
**Website:** www.kei-ind.com  
**CIN:** L74899DL1992PLC051527

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## COMPANY SECRETARY AND COMPLIANCE OFFICER

**Kishore Kunal**  
D-90, Okhla Industrial Area  
New Delhi – 110 020  
India  
**Telephone:** +91 (11) 2681 8840  
**E-mail:** cs@kei-ind.com

<b>SOLE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER</b>	<b>BOOK RUNNING LEAD MANAGERS</b>	
<b>Edelweiss Financial Services Limited</b> 14 <sup>th</sup> floor, Edelweiss House Off C.S.T. Road, Kalina Mumbai, Maharashtra – 400 098 India	<b>Elara Capital (India) Private Limited</b> Indiabulls Finance Centre, Tower 3 21 <sup>st</sup> Floor, Senapati Bapat Marg Elphinstone Road (West) Mumbai, Maharashtra – 400 013 India	<b>SBI Capital Markets Limited</b> 202, Maker Tower 'E' Cuffe Parade, Mumbai Maharashtra – 400 005 India

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## INDIAN LEGAL COUNSEL TO THE ISSUE

**Khaitan & Co**  
Ashoka Estate, 12<sup>th</sup> Floor  
24, Barakhamba Road  
New Delhi – 110 001  
India

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## SPECIAL INTERNATIONAL LEGAL COUNSEL TO THE BRLMs

**Duane Morris & Selvam LLP**  
16 Collyer Quay, Floor 17  
Singapore 049318

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## STATUTORY AUDITORS TO OUR COMPANY

**Pawan Shubham & Co., Chartered Accountants**  
603, Laxmi Deep Building  
9 District Centre, Laxmi Nagar  
New Delhi – 110 092  
India

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## ADVISORS TO THE ISSUE

**Monarch Networth Capital Limited**  
Office No.901 / 902, 9<sup>th</sup> Floor, Atlanta Centre  
Opp. Udyog Bhavan, Sonawala Road, Goregaon (East)  
Mumbai, Maharashtra – 400 063  
India

## APPLICATION FORM



### KEI INDUSTRIES LIMITED

(Originally incorporated pursuant to the conversion of a partnership firm "Krishna Electrical Industries" on December 31, 1992 under the Companies Act, 1956. Our Company was incorporated as a public company with limited liability, on December 31, 1992, under the laws of the Republic of India, with a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi)

**Registered & Corporate Office:** D-90, Okhla Industrial Area, New Delhi - 110 020, India

**Website:** [www.kei-ind.com](http://www.kei-ind.com) | **CIN:** L74899DL1992PLC051527

**Telephone No.:** +91 (11) 2681 8840 / 8642 / 0242 / 4920 | **Facsimile No.:** +91 (11) 2681 1959 / 7225 / 0699 | **Email:** cs@kei-ind.com

### APPLICATION FORM

**Name of the Bidder: [●]**

**Form No. [●]**

**Date: [●]**

**QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH ("EQUITY SHARES") AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING UP TO APPROXIMATELY ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 ("PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED, BY KEI INDUSTRIES LIMITED ("COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 518.14 PER EQUITY SHARE AND WE MAY OFFER DISCOUNT OF UP TO 5 % ON THE FLOOR PRICE AS APPROVED BY THE SHAREHOLDERS OF OUR COMPANY.**

Only "Qualified Institutional Buyers" ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and who (i) are not otherwise excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations (ii) hold a valid and existing registration under the applicable laws in India (as applicable), (iii) are not restricted from participating in the Issue under the applicable laws, including the SEBI ICDR Regulations and other applicable laws, and (iv) are eligible to invest in this Issue; can submit this Application Form. The Equity Shares offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act"), or the securities laws of any state of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections of the preliminary placement document dated January 23, 2020 ("PPD") under "Selling Restrictions" and "Transfer Restrictions".

**ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES") IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFS IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. FVCIS ARE ALSO PERMITTED TO PARTICIPATE IN THE ISSUE UNDER THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES.**

**To,**  
**The Board of Directors**  
**KEI Industries Limited**  
D-90, Okhla Industrial Area, Phase-I, New Delhi - 110 020, India

**Dear Sirs,**

On the basis of the serially numbered PPD of the Company, and subject to the terms and conditions mentioned in the other sections of the PPD, applicable laws and regulations and in this section of Application Form, we hereby submit our Bid cum Application Form for the Allotment of the Equity Shares at the terms and price indicated below. We confirm that we are a QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and (i) are not otherwise excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, and (ii) are not restricted from participating in the Issue under the applicable laws, including the SEBI ICDR Regulations and other applicable laws. We are not a promoter (as defined in SEBI ICDR Regulations) of the Company, or any person related to the Promoter, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars and other applicable laws.

We confirm that the application size / aggregate number of Equity Shares applied for by us does not exceed the relevant regulatory or approved limits. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, if applicable, in accordance with Chapter VI of the SEBI ICDR Regulations, and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that each foreign portfolio investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (such foreign portfolio investor, an "FPI") (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "Eligible FPIs"), has submitted a separate Application Form and asset management companies of mutual funds would have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each fund. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holders of the Equity Shares which may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the applicant and the applicant has all the relevant approvals. We authorize you to place our name in the register of members of the Company as holders of the Equity Shares that may be Allotted to us. We note that the Company, in consultation with Edelweiss Financial Services Limited, the Global Coordinator and Book Running Lead Manager, Elara Capital (India) Private Limited and SBI Capital Markets Limited, the Book Running Lead Managers (collectively referred to as the "BRLMs"), is entitled, in its absolute discretion to accept or reject this Application Form without assigning any reason thereof.

We agree and consent that: (i) our names, address, PAN, contact details, bank details, email-id, and the number of Equity Shares Allotted along with other relevant information as may be required will be recorded by the Company in the format prescribed in terms of the PAS Rules, (ii) in the event that any Equity Shares are Allotted to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our name will be included in the Placement Document as proposed allottees, if applicable,

STATUS (Please ✓)			
FI	Scheduled Commercial Banks & Financial Institutions	AIF	Alternative Investment Fund
MF	Mutual Funds	NIF	National Investment Fund
FPI	Eligible Foreign Portfolio Investors*	IF	Insurance Funds
VCF	Venture Capital Funds	SI-NBFC	Systemically Important NBFC
IC	Insurance Companies	FVCI	Foreign Venture Capital Funds
OTH	Others _____		(Please Specify)
<b>DECLARATION OF SHAREHOLDING</b> – as on the date of Application Form (Please round-off to two decimal places)			
Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", please see " <i>Application Form</i> " under Issue Procedure section of the PPD.			
*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue			



along with the percentage of our post issue shareholding in the Company, for which purpose BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi as required in terms of the PAS Rules. We are also aware that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of the BSE and the NSE, and we consent to such disclosure. We further confirm that our bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. Further, we agree to comply with the rules and regulations that are applicable to us, including restriction on transferability and lock-in. In this regard, we authorise the Company to issue instructions to the depositories for such restriction on transferability, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in “Notice to Investors”, “Representations by Investors”, “Issue Procedure”, “Selling Restrictions” and “Transfer Restrictions” of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs for the Issue, each of which is entitled to rely and are relying on these representations and warranties in consummating the Issue, (ii) that we were outside the United States at the time the offer of the Equity Shares was made to us, that we have signed this Application Form outside the United States and that we are purchasing the Equity Shares in accordance with the applicable laws of the jurisdiction where the offer was made to us, (iii) that we have been provided a serially numbered copy of the PPD, and have read it in its entirety including in particular, the “Risk Factors” therein, (iv) to abide by the PPD and the Placement Document (when issued), this Application Form, the confirmation of allocation note (the “CAN”), when issued, and the terms, conditions and agreements contained therein, (v) that if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office, (vi) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part, (vii) that we shall not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until the final listing and trading approvals for the Equity Shares are issued by the BSE and the NSE, and (viii) to the best of our knowledge and belief, we, together with other persons that belong to our same group or are under common control, have not applied for more than 50% of the Issue and that the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation: the expression: Eligible QIBs belonging to the “same group” shall derive meaning from Regulation 180 (2) of the SEBI ICDR Regulations and mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and ‘Control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

We hereby agree to accept the Equity Shares applied for, or such lesser number as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, PD and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below. The Bid Amount payable by us for the Equity Shares to be allotted in the Issue has been / will be remitted to the designated bank account, only through electronic mode pursuant to duly completed Application Form. We acknowledge and agree that we shall not make any payment in cash or cheque. We also agree that the amount payable for the Equity Shares in the Issue is being (shall be) made from the bank account maintained in our name and the Bid Amount may be refunded to the same bank account (i) if the Company is unable to issue and Allot the Equity Shares offered in the Issue; or (ii) if there is a cancellation of the Issue; or (iii) in case of rejection of Bids or non-allocation of Equity Shares; or (iv) in the event, the Bid Amount per Equity Share exceeds the Issue Price per Equity Share. We further confirm that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell the Equity Shares, for a period of one year from the date of Allotment, otherwise than on the floor of a recognized stock exchange. Further, we acknowledge that we shall not have the right to revise or withdraw our Bid after the Bid/Issue Closing Date. By making this application, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. We further represent that in making our investment decision, we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information. We satisfy any and all relevant suitability standards for investors in the Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in the Equity Shares, and are able to sustain a complete loss of our investment in the Equity Shares.

BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT	
Name of the Account	KEI INDUSTRIES LIMITED – QIP ESCROW ACCOUNT
Name of the Bank	Axis Bank Limited
Address of the Branch of the Bank	C-75, Ground Floor, Shivalik Road, Malviya Nagar, New Delhi – 110 017, India
Account Type	Escrow account
Account Number	920020005419044
IFSC code	UTIB0000206
MICR Code	110211024
Tel No.	+ 91 95828 02061 and + 91 95828 02062
E-mail.	malviyanagar.branchhead@axisbank.com and malviyanagar.operationshead@axisbank.com

The Bid Amount should be transferred pursuant to the PPD. All payments must be made only by way of electronic funds transfer, in favour of “KEI INDUSTRIES LIMITED – QIP ESCROW ACCOUNT”. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bidding Period i.e. within the Bid Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

APPLICANT DETAILS (In Block Letters)			
NAME OF APPLICANT*			
REGISTERED ADDRESS			
NATIONALITY			
COUNTRY, CITY AND CODE			
PHONE NO.		FAX NO.	
EMAIL			

<b>FOR FPIs**</b>	Registration #:	<b>For AIFs***/ MFs/ VCFs***/ FVCIs/ SI-NBFCs/ ICs</b>	Registration #:
<p>*Name should exactly match with the name in which the beneficiary account is held. Any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs. Mutual Fund Bidders are requested to provide details of the Bids made by each Scheme of the Mutual Fund.</p> <p>**In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.</p> <p>***Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</p>			

DEPOSITORY ACCOUNT DETAILS											
Depository Name(Please ✓)	National Security Depository Limited					Central Depository Services (India) Limited					
Depository Participant Name											
DP – ID	I	N									
Beneficiary Account Number											(16 digit beneficiary account. No. to be mentioned above)
<p>The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.</p> <p>You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.</p>											

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number	i)	IFSC Code	ii)
Bank Name	iii)	Bank Branch Address	iv)
NO. OF EQUITY SHARES BID		BID AMOUNT PER EQUITY SHARE (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)
BID AMOUNT (RUPEES)			
(In figures)	(In words)		

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		FAX NO.	
EMAIL			

OTHER DETAILS		ENCLOSURES ATTACHED	
PAN**		Attested/ certified true copy of the following: <input type="checkbox"/> Copy of PAN Card or PAN allotment letter <input type="checkbox"/> Copy of FPI Registration Certificate /MF Registration certificate /SEBI certificate of registration for AIFs/FVCI/VCF/SI-NBFC Registration Certificate <input type="checkbox"/> FIRC <input type="checkbox"/> Copy of notification as a public financial institution <input type="checkbox"/> Copy of IRDAI registration certificate <input type="checkbox"/> Certified true copy of Power of Attorney <input type="checkbox"/> Other, please specify: _____	
Date of Application			
	a. Signature of Authorised Signatory		

\*The application form is liable to be rejected if any information provided is incomplete or inadequate.

\*\*It is to be specifically noted that the applicant should not submit the GIR number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground

Note: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

The PPD and the Placement Document sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.