



# **PARTNERING SELF-RELIANCE POWERING RESILIENCE**



# Contents

## CORPORATE OVERVIEW

- 02 KEI at a Glance
- 04 A Look at Our Numbers
- 06 Partnering the Vision of Self-Reliant India
- 08 Powering Resilience Through Our Strengths
- 10 Letter From the Chairman-cum-Managing Director
- 12 Retail Segment  
Resilient Today to Rise Tomorrow
- 14 Institutional Segment (EHV Cables)  
Resilience by Being in a Different League
- 16 Institutional Segment (EPC)  
Resilience by Being Present Across the Value Chain
- 18 Export Segment  
Growing Our Resilience with Global Reach
- 19 Partnering for Community Resilience
- 21 Five-Year Financial Performance
- 22 Board of Directors
- 24 Corporate Information

## STATUTORY REPORTS

- 25 Directors' Report
- 63 Management Discussion and Analysis
- 74 Business Responsibility Report
- 82 Report on Corporate Governance

## FINANCIAL STATEMENTS

- 110 Independent Auditor's Report on Standalone Financial Statements
- 119 Standalone Financial Statements
- 200 Independent Auditor's Report on Consolidated Financial Statements
- 208 Consolidated Financial Statements
- 293 Notice of Annual General Meeting


**Self-Reliance and Resilience.** Two highly precious attributes for any organization, but especially critical during a period of dramatic socio-economic crisis, like the one the world is currently experiencing.

At KEI Industries Limited, by being one of the few players in the world to embed manufacturing capabilities for EHV 400kV cables, we are ready and committed to partner our Prime Minister's clarion call of **'Self-Reliant India'**. We are also demonstrating self-reliance through our in-house manufacturing prowess and backward integration. Further, our comprehensive range of solutions are used extensively in the domestic market as well as globally, endorsing our quality and processes that are benchmarked to the highest standards.





Our resilience is manifested in our growing operations of over five decades during which we have re-emerged stronger from several economic downturns and business challenges. With excellent capabilities, clear competitive strengths, an experienced team and financial stability, our robust business model gives us the confidence that we will successfully weather this phase of turbulence as well. As the wave of COVID-19 careens across the world, we have implemented multiple measures to ensure the safety of our people and maintain business continuity. Finally, the clear strategies we have in place for each of our different business segments, and our steadfast focus towards its efficient execution, position us well for taking maximum advantage of the opportunities as and when they unfold.



**There are extraordinary sources of strength in KEI that will enable us to achieve our long-term goals. By reaffirming our pledge to India's vision of self-reliance and powering our resilience, we are confident of navigating through these unprecedented times and delivering better value to our customers, our employees, our channel partners, our shareholders and communities.**

# KEI at a Glance

KEI Industries Limited ('KEI') is among India's leading manufacturers and marketers of cables and wires, with a comprehensive product portfolio ranging from housing wires to Extra High Voltage (EHV) cables. We are one of the few manufacturers of EHV cables in India. Leveraging our in-house cable production, we have strategically forward integrated into the Engineering, Procurement and Construction (EPC) services for power and transmission projects.

While KEI was incorporated in 1992, we have five decades of industry experience with our roots in a partnership firm established in 1968. Powered by our deep sectoral knowledge and strong capabilities, we have built a resilient business that has grown in scale, scope and size over the years. Today, we operate our business under three segments: Retail, Institutional and Exports. Our high-quality solutions have made us a trusted and preferred provider in each of our business segments.

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

## OUR BUSINESS SEGMENTS



### Retail



### Institutional

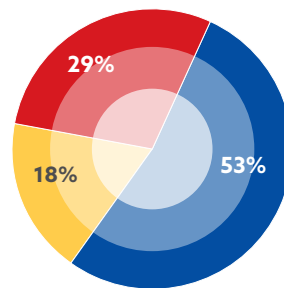
- HT, LT & Other Cables
- EHV Cables
- EPC Services



### Exports

## SEGMENT-WISE REVENUE MIX

Contribution to Revenue\* (in %)



## OUR PRODUCT MIX

- Extra-High Voltage Cables (EHV) up to 400kV

- High Tension (HT) & Medium Voltage Cables

- Low Tension (LT) Cables

- Control & Instrumentation Cables

- Speciality Cables

- Submersible Cables

- Rubber Cables

- PVC/Poly Wrapped Winding Wires (WW)

- Flexible & House Wires (HW)

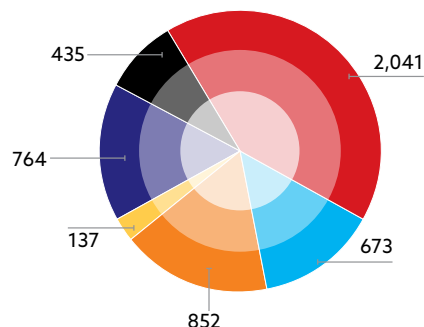
- Stainless Steel (SS) Wires

- EPC Services

## PRODUCT-WISE SALES FY 2019-20

Contribution to Revenue\* (₹ in Crores)

- EHV Cables
- LT / Power / Instrumentation / Rubber Cables
- HT Cables
- HW/WW
- SS Wires
- EPC (Excluding Cables)



\*revenue figures are before Ind AS adjustment

## OUR SECTORAL PRESENCE



**POWER**



**OIL REFINERIES**



**RAILWAYS**



**AUTOMOBILES**



**CEMENT**



**STEEL**



**FERTILIZERS**



**TEXTILE**



**REAL ESTATE**



**OUR  
GLOBAL  
FOOTPRINT**



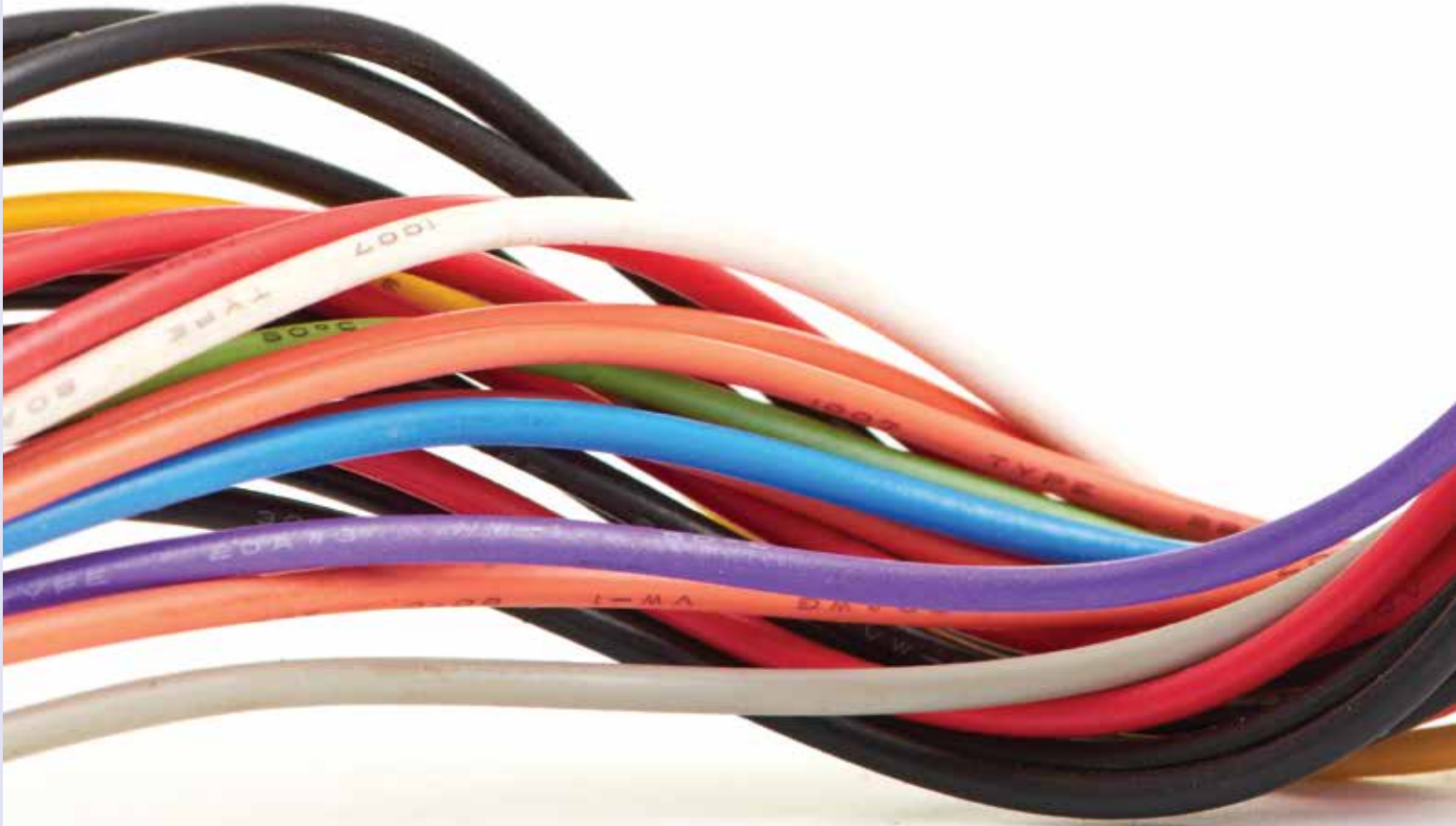
Our Products are  
exported to more than

**45  
COUNTRIES**



# A Look at Our Numbers

(Behind them is our story of growth and resilience)



₹ **4,884** Crores

Net Sales in FY 2019-20

as compared to ₹ 4,227 Crores  
in the previous year



**130%**

Growth in EHV cable sale

on a year-on-year basis



₹ **513** Crores

EBITDA for FY 2019-20

as compared to ₹ 449 Crores in the  
previous year



**16%**

Growth in Net Sales

on a year-on-year basis



**69%**

Growth in exports

on a year-on-year basis



**14%**

EBITDA growth

on a year-on-year basis



# 1,650

Distribution partners across India



# ₹ 255 Crores

Profit after tax for FY 2019-20

as compared to ₹182 Crores in the previous year



# ₹ 148 Crores

Landmark order received from Tamil Nadu Transmission Corporation Limited for EHV cables of 400kV



# ₹ 3,207 Crores

Strong Order Book

(as on May 31, 2020)



# 40%

PAT growth

on a year-on-year basis



# ₹ 500 Crores

Capital raised during the year through Qualified Institutional Placement (QIP)



# 2,400+

Employees

(as on May 31, 2020)



## Partnering the Vision of Self-Reliant India

**We are proud to partner India's journey towards self-reliance by being among the select few players globally to manufacture and supply 400kV EHV cables.**

# And there is more...



## IN-HOUSE MANUFACTURING

We operate through five state-of-the-art manufacturing facilities located in Bhiwadi (Rajasthan); Chopanki (Rajasthan); Pathredi (Rajasthan); and at Silvassa and Chinchpada (Dadra and Nagar Haveli). Our robust manufacturing prowess enables us to produce quality products to suit diverse customer requirements. We continue to enhance our capacity at regular intervals to meet the growing demand. During the year, we have strengthened our manufacturing capacity for house wires through completion of our greenfield expansion pursuant to the setting up of a new unit at Chinchpada, Silvassa.

## CUMULATIVE CAPACITY OVER THE LAST TWO YEARS

Product Category	Unit of Measurement	Capacity as on March 31, 2019	Capacity as on March 31, 2020
<input checked="" type="checkbox"/> EHV Cables	Kms	900	<b>900</b>
<input checked="" type="checkbox"/> HT Cables	Kms	11,100	<b>11,100</b>
<input checked="" type="checkbox"/> LT Power and other Cables	Kms	97,600	<b>113,100</b>
<input checked="" type="checkbox"/> Wires	Kms	817,000	<b>1,117,000</b>
<input checked="" type="checkbox"/> Stainless Steel Wires	MT	6,000	<b>6,600</b>

## BACKWARD INTEGRATION

We have been able to backward integrate our services by setting up in-house manufacturing of PVC. Backward integration enables us to exercise greater control over the manufacturing process and quality, thereby resulting in improved efficiencies and higher margins. It enables us to fulfill our customers' needs in a timely manner and enhance our ability to offer cost-competitive solutions.

## R&D CAPABILITIES

Our superior research and development capabilities empower us to deliver innovative, high-quality products. 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 expert R&D engineers, designers, and technicians. Our wide range of offerings coupled with our unwavering focus on design, technology, and quality help us to attract marquee corporate and institutional customers.

## WORLD-CLASS QUALITY AND SAFETY

We ensure adherence to the most stringent quality standards at each stage of the manufacturing process.



Our products are tested as per international standards by: KEMA (The Netherlands), FGH (Germany), TUV (Rheinland), SGS, IRS, ABS, CEIL, BRE (UK), LLOYDS REGISTER, BVQI, DNV, KVERNER POWERGAS, CPRI, ERDA, IDEMI, EIL, PDIL and MECON. Our manufacturing facilities conform with 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 quality management system. We have been consistently awarded the Superbrand status in India, reinforcing the respect and recognition earned by us.

# Powering Resilience Through Our Strengths



## **LARGE AND DIVERSIFIED PRODUCT PORTFOLIO**

Since our incorporation, 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. Our dedicated efforts towards boosting our product portfolio and our ability to meet customer requirements contribute significantly to our industry-leading position.



## **STRONG PREQUALIFICATION CREDENTIALS**

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 of supply to such entities, ability to meet specific technical requirements, financial strength, and price competitiveness of our product offerings.



## **WIDE CUSTOMER BASE**

The diversification of our product portfolio facilitates us to meet specific selection criteria of varied customers. Our capability and competence to customize our offerings as well as our pre-qualified status with power utilities and governmental agencies also gives us a competitive edge in the marketplace.



## **ESTABLISHED RELATIONSHIPS WITH INSTITUTIONAL CUSTOMERS**

Over the years, we have forged strong relationships with several institutional customers owing to our strong industry track record. The supply of technologically advanced products also enables us to maintain long-term relationships with power utilities and governmental agencies.



**Since our incorporation, 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.**





### ROBUST DISTRIBUTION NETWORK

We have continually strived to grow our retail reach through our network of authorized dealers and distributors pan-India. We have also set up marketing / project offices in key overseas markets to facilitate sale of our products to our international customers.



### TECHNOLOGY EDGE

We have deployed best-in-class IT solutions to cover key areas of our operations. We continue to make investments in best-in-class systems and processes to improve our operational efficiency, customer service, and decision-making process.



### STRONG BALANCE SHEET

We are a well-funded business with adequate capital to meet business requirements. The proceeds of the QIP raised during the year has been utilized for repayment or prepayment of debts and meeting working capital requirements. High credit ratings and availability of substantial working capital lines further provide financial stability to our business.



### EXPERIENCED MANAGEMENT

Our Company is led by an eminent management team having extensive industry experience, which has given us a specialized understanding of the complexities involved in our business. Our business growth is also attributable to our strong management culture fostered by an entrepreneurial spirit.

# Letter from the Chairman-cum-Managing Director



**DEAR SHAREHOLDERS,**

*As I prepare this year's letter, the world is tackling an unprecedented crisis with the outbreak of the coronavirus pandemic. In this unusually changed landscape, we, at KEI, renew our commitment towards partnering the vision of self-reliant India and demonstrating business resilience. Led by our unflinching resolve to create better stakeholder value, our focus will be on navigating this acute phase of uncertainty while ensuring that we stay well-positioned for growth acceleration once the world recovers from the pandemic.*

## FINANCIAL REVIEW

Reviewing the year gone by, I take great satisfaction in reporting that your Company has delivered a robust performance. The results are even more commendable as they have been achieved against a tough operating backdrop. India was already facing a protracted economic slowdown even before the coronavirus pandemic took us all by surprise. The nationwide lockdown in the last 10 days of March significantly dented our revenue collections, particularly for our Retail segment as that is when a significant part of the invoicing for the fourth quarter takes place at the dealer level. Despite these challenges, we generated ₹ 4,884 Crores in Net Sales in FY 2019-20 as against ₹ 4,227 Crores in the previous year, a growth of 15.5%. We also delivered strong margins with Profit After Tax (PAT) growing by 40.3% to stand at ₹ 255 Crores, as against ₹ 182 Crores in the previous year.

Another highlight of the year was that we successfully raised ₹ 500 Crores through the Qualified Institutional Placement (QIP) route. With this, our Company's share capital has increased from ₹ 15.9 Crores comprising 7.95 Crore equity shares to ₹ 17.9 Crores comprising 8.95 Crore equity shares. The proceeds of the QIP have been utilized for repayment or prepayment of debts, meeting working capital requirements and general corporate purposes. This has further strengthened our balance sheet and improved our net cash position.

## SEGMENT-WISE REVIEW

As mentioned earlier, our Retail segment was adversely impacted by the COVID-19 outbreak and the lockdown

that ensued. Dealer network sales in the fourth quarter of FY 2019-20 was ₹ 321 Crores as compared to ₹ 405 Crores for the corresponding period in the previous year. This lower than expected fourth quarter results made its impact felt on our full-year retail sales which registered a flat year-on-year growth. Over the next few months, this segment is likely to continue facing challenges with slower offtake by the real estate sector and consumers deferring non-essential purchases. To ensure that we can scale-up our retail sales once the external situation improves, our focus remains on growing our dealer network. We will also continue to deepen our engagement with our channel partners and influencers to widen our customer base.

The Institutional segment reported a solid performance for the year under review. We have commenced FY 2020-21 on a strong footing as well as we recently bagged a landmark order for the execution and supply EHV cables of 400kV. KEI is amongst the few international players in the industry to manufacture and supply cables of 400kV and this is the largest single order we have received till date for 400kV cables. As the nation is trying to emerge from the shadows of the COVID-19 pandemic, the Government is strongly pushing for a self-reliant economy by promoting local manufacturing. With our world-class capabilities in EHV cable manufacturing, we are proud and determined to contribute to our nation's vision. Further, EHV cables are being increasingly used in underground power transmission and hydropower projects due to its inherent advantages of security and reliability. These dynamics combined with the Government's thrust on



'Vocal for Local' will, we believe, power an exciting future for our EHV division.

Our EPC division, which is a forward integration of our cables business, also delivered a steady performance for the year. For our EPC projects at various sites, we also depend on contractual labor. While the migrant workforce in India has been most affected by the COVID-19 impact, I am glad to share that at KEI, having always been proactive in ensuring timely payment to our contractors and providing conducive working conditions, we have been able to support our contract workers through this difficult period. We have not faced any labor issues till date at our project sites. In the coming months, as the economy slowly returns to normalcy and labor migration from villages to cities picks up, we do not foresee a labor shortage and expect to efficiently execute our ongoing projects.

We continue to be selective in undertaking EPC projects, bidding only for those that have a significant cabling requirement as that gives us a strategic advantage in earning better margins through the in-house supply of inputs. As infrastructure development is stepped up to kickstart the economy, along with the continued focus on improving power transmission and distribution, we are optimistic that our proven EPC track record for marquee projects under flagship Government schemes will position us well to win new contracts.

The execution of the prestigious, single-large order received from an Africa-based company propelled the performance of our Exports segment during the year. In FY 2020-21, we believe that our well-diversified geographical presence will enable us to deliver export revenue in line with past performance, excluding that in FY 2019-20, which was exceptional due to the single large order. Our ability to meet stringent pre-qualification parameters, foster strong customer relationships and customize our products to cater to niche demands across industries will empower us to maintain the growth momentum.

## PEOPLE INITIATIVES

Our business is powered by our committed and talented team of employees. Their expertise and experience will especially be pivotal in navigating these unprecedented times. We are taking stringent protection measures at all our locations to ensure the health and safety of our people. In line with our commitment to investing in the growth and development of our people, we completed a project with a leading consultancy firm for mapping, streamlining and benchmarking our HR processes. This will enable us

to align our human resources to our business strategies, thereby enabling our talent to realize their full potential while enabling the organization to achieve its goals.

## OUTLOOK

Moving into a challenging year, we already have a strong order book for our Institutional and Export segments. The Institutional orders include supply of cables for a nuclear power project, several metro projects, fertilizer and refinery expansions and railway projects. These ventures are being pursued with the same intensity by our customer post-COVID and thus we do not anticipate any delay in project execution and completion.

While we have adequate capital to meet business requirements, we recognize that the situation is fluid and are thus exercising prudence for all our spending to conserve cash and maintain liquidity. Keeping the uncertain times in perspective, we have also decided to defer all major capex till October 2020, when the external environment will be reviewed again. As we have built sufficient capacity, this postponement of capex will not impact our near and mid-term growth plans.

Finally, our consistent financial performance year-on-year is compelling evidence of our resilient operations. Among other things, our stable financial position has enabled us to invest in capital expenditure, including towards purchase of technology and R&D. Along with our in-house manufacturing capability and capacity, our excellent execution record, strong pre-qualification credentials, pan-India distribution network and sufficient cash reserves to fund greenfield capex, position us at a vantage point to capture growth when the cycle turns.

## CONCLUSION

In closing, I would like to express my gratitude to everyone who has contributed to our success – our customers, bankers, financial institutions, Central and State government bodies, channel partners, business associates, suppliers and employees, our community and to you, our shareholders. While the times ahead may be challenging, KEI remains committed to staying resilient and responding with alacrity to the evolving situation. Our strong fundamentals will continue to drive our momentum in the medium and long-term. Thank you for your continued trust.

Sincerely,

**Anil Gupta**

Chairman-cum-Managing Director

## RETAIL SEGMENT

# Resilient Today to Rise Tomorrow

We remain focused on growing our brand presence and connect through our distribution network and marketing initiatives. Our engagement efforts, along with our quality offerings, will enable our Retail segment to stay resilient through the challenges and resurge once markets revive.



**1,650**

Channel partners



**551**

Sales and marketing personnel



**38**

Marketing Offices



**22**

Depots

### OVERVIEW

Our Retail segment comprises house wires, winding and flexible wires, LT power cables and HT cables. We roll out our products through our robust network of pan-India authorized dealers and distributors.

Through our strong proposition of trust & quality, brand awareness and customer service, KEI has consistently achieved the 'Super Brand' status.



Over the past five years, we have consistently grown our reach and connect through aggressive promotion campaigns, outdoor marketing activities and sponsorships. We also undertake various above the line and below the line advertisement and promotion activities for a wider audience as well as for targeted potential customers. Seminars, architect meets, electrician meets, retailer meets, dealer meets, direct mailers to institutional customers, exhibitions and one-to-one customer interactions are among the many ways in which we have been deepening our connection at the ground level. Our brand communication strategies encompass digital, print and social media channels to ensure marketing effectiveness.



We aim to grow our Retail segment with the twin goal of diversifying our revenue streams and strengthening cash flows as it offers higher margins and requires lower working capital due to faster realizations and lower inventory of finished goods requisition compared to other business segments.





### OPERATIONAL HIGHLIGHTS

- The nationwide lockdown towards the end of the fiscal had a significant impact on our fourth quarter retail sales, with sales sliding down to ₹ 321 Crores as compared to ₹ 405 Crores of last year same period. The weak fourth quarter retail sales resulted in flat sales for the Retail division for the full year to ₹ 1,413 Crores as compared to ₹ 1,400 Crores in the previous year. The slowdown in real estate also impacted the retail demand for our products
- We added net 200 new dealers / distributors in the year, taking our channel partner strength to 1,650
- To cater to additional demand for housing wires, we have set up a new manufacturing facility at Chinchpada, Silvassa in Dadra and Nagar Haveli. Commercial production of the first phase commenced in FY 2019-20



### COMPELLING OPPORTUNITIES

The retail demand for cables and wires is influenced by infrastructure development, housing construction, power distribution and transmission. Government schemes for affordable housing, healthcare and education are expected to gain momentum, which in turn will lead to an increased demand for cables and wires in the retail market. The increased availability of electricity owing to multiple Government schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for rural electrification and 24x7 Power for All also augur well for the wires and cables industry. Rapid urbanization and rising disposable income will drive higher power offtake. Additionally, growing urbanization will lead to a growth in commercial spaces such as hospitals, educational institutions, malls and offices, boosting the demand for the wires and cables industry.

### THE WAY AHEAD

While there are challenges today due to the spread of the pandemic, the compelling opportunities in the medium and long-term make us look to the future with optimism. Committed to our goal of growing our Retail segment, we will continue to enter new markets by expanding our dealer and distribution network and pursuing additional market channels. In addition, we seek to gain further penetration and consolidate our position in geographies that we currently serve. We will also continue to deepen our engagement with our channel partners and influencers, including getting our products approved from architects and consultants, to serve our customers effectively and efficiently.



## INSTITUTIONAL SEGMENT (EHV CABLES)

# Resilience by Being in a Different League

We identified early that EHV 400kV was the right segment to foray into for our cables business. Investments were made. Capabilities were built. Today, as we stand proudly among the select few companies globally with this manufacturing expertise, it powers our distinct positioning on the global map and our resilience.



### OVERVIEW

Our institutional segment comprises EHV cables, HT and LT power cables, turnkey projects and stainless steel wires. For HT and EHV cables, the manufacturing process is technology and capital intensive, posing high entry barriers. In the category of 400kV EHV cables, we face less competition currently as only few companies in the world have established the capability to manufacture such cables. Stringent requirements for meeting compliances and securing product approvals in EHV cables further make it difficult for new players to enter the market.

EHV cables offer significant advantages over conventional overhead lines for sub-transmission and distribution of power, including higher power density, lower transmission

losses and efficient bulk-power delivery. Way back in 2010, we commenced the manufacture of EHV cables up to 200kV, in technical collaboration with Switzerland-based Brugg Kabel A.G. Our technology partner has over 100 years of experience in the manufacture of EHV cables up to 550kV. In 2016, our technical collaboration was extended up to and including 400kV. Backed by this strategic partnership, we provide high-end designs and process back-ups benchmarked to the highest global standards. Our EHV business also benefits from forward integration into EPC project execution, as 75-80% value of the EHV EPC project / contract consists of the value of the product.



### OPERATIONAL HIGHLIGHTS

- We recently bagged our first big order of EHV 400kV of ₹ 148 Crores from Tamil Nadu Transmission Corporation Limited. With this landmark cable order, we have reached another milestone reinforcing the exclusivity and excellence of our manufacturing competency
- Revenue from HT & LT cables stood at ₹ 2,714 Crores in FY 2019-20 as against ₹ 2,346 Crores in the previous year, a growth of 16%
- Revenue from EHV cables stood at ₹ 435 Crores in FY 2019-20 as against ₹ 189 Crores in the previous year, a growth of nearly 130%
- Order book of EHV cables including accessories, erection and commissioning stands at ₹ 716 Crores as on May 31, 2020

### COMPELLING OPPORTUNITIES

With underground power supply grid more secure and reliable than overhead network, the Government's thrust is on converting the overhead electric grid network infrastructure to underground infrastructure in certain cities. The focus on the development of smart city infrastructure will also lead to an increase in the demand for underground cables. Metro rail, high-end hospitals, hotels and shopping malls are emphasizing on underground cable networks as against overhead transmission segment to ensure public safety.

The Government has announced ₹ 102 Lakh Crores (USD 1.4 Trillion) National Infrastructure Pipeline to spend in the infrastructure sector over a five-year period, aligned with the vision to make India a USD5 Trillion economy by FY 2024-25. Infrastructure spend by the Government will boost demand for cables and wires. Aided by a slew of recent policy reforms, construction spending is also expected to pick up in sectors such as roads, railways, urban infrastructure – including metros and airports in major cities, and renewable energy, leading to a higher demand for cables from the institutional segment.

The Transmission & Distribution (T&D) sector accounts for a major share in demand of high voltage transmission



lines. 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) has led to the power T&D system being extended to remote villages. The expected improvement in T&D infrastructure and extensive rural electrification will drive cable demand upwards.

### THE WAY AHEAD

While COVID-19 and economic slowdown may impact institutional demand in the short-term, opportunities beyond these challenges remain robust. The Government has announced ₹ 90,000 Crores low risk loans to the discoms, which will come with state guarantees, to help them tide over the loss of business as industrial and commercial electricity consumption dropped significantly following the outbreak of the pandemic and nationwide lockdown. Further, the Government's thrust on 'Make in India' and 'Atma Nirbhar' has put the focus back on minimizing imports and promoting local manufacturing. With our established capabilities, we believe that we are well-positioned to serve the power cabling needs of the nation, especially in the specialized segment of EHV cables, and partner it towards the path of self-reliance.

## INSTITUTIONAL SEGMENT (EPC)

# Resilience by Being Present Across the Value Chain

Leveraging our strong competencies in LT, HT and EHV cables, our forward integration into EPC services makes our business well-positioned to seize unfolding opportunities as India invests in growing its infrastructure to boost economic development.



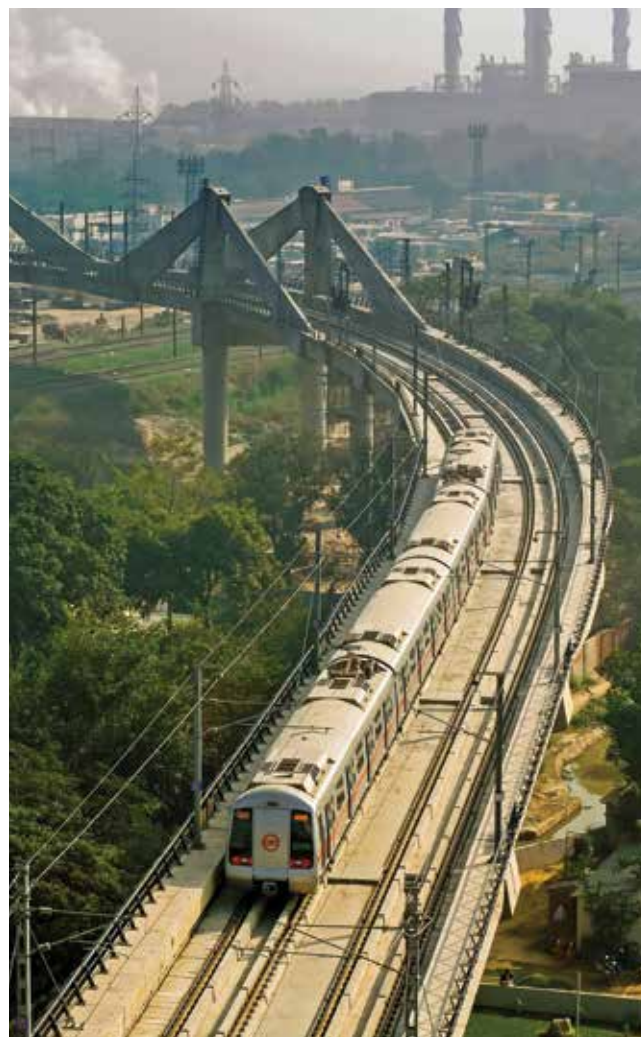


We have, over the course of time, forward integrated our operations by providing EPC services through which, we largely focus on projects and assignments with significant cabling requirements such as overhead as well as underground power transmission and distribution systems and railway electrification / substation on turnkey basis. Our forward integration processes, with our EPC projects segment team led by experienced professionals, enable us to ensure efficient and timely execution of projects. Powered by our domain expertise, we have successfully completed complex projects for some of the biggest names in the industry.

Cables and wires form a major proportion of the cost of power EPC projects. Our in-house production of EHV, HT and LT cables enables us to gain considerable cost efficiencies as these inputs contribute to nearly 25% to 30% in case of EPC for LT/HT cables and up to 75% to 80% in case of EPC for EHV cables.

#### OPERATIONAL HIGHLIGHTS

- Revenue from EPC division for FY 2019-20 was ₹ 764 Crores (apart from cable sales) as against ₹ 730 Crores in the previous year
- The EPC order book stands at ₹ 1,214 Crores as of May 31, 2020
- We have engaged with a leading consulting firm for systems and process / procedure updation and material flow management to drive greater operational efficiencies



#### COMPELLING OPPORTUNITIES

Rural electrification projects under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY); upgradation plans of existing sub-station infrastructure under Integrated Power Development Scheme (IPDS); robust and reliable inter and intra-state transmission systems to support the continued addition of generation capacity; investments in railway electrification, thrust on metro rail projects in major cities; replacement of overhead lines with underground cables; and a strong push for the renewable energy sector will lead to an increase in EPC business in the power sector.

#### THE WAY AHEAD

We have completed marquee EPC projects under the Government flagship schemes of IPDS as well as DDUGJY. Our reputation as a trusted EPC player in power transmission and distribution positions us well to secure new Government projects. Keeping profitability in perspective, we are strategically focusing on those projects that have significant cabling requirements. Additionally, we continue to ensure robust execution of our current orders. Prudent project selection and its efficient execution will enable us to ensure cash flows and better margins for our EPC segment.



## EXPORT SEGMENT

# Growing Our Resilience with Global Reach

**A business without borders can stay resilient to economic downturn. KEI's presence across the global landscape is vast, extending from Australia to the Middle East to the United States. Combining our global reach with our ability to offer customized solutions benchmarked to the highest standards, our Exports segment bolsters our resilience and growth potential.**

### OVERVIEW

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 across 45 countries. Our products are focused at meeting the requirements of the oil and gas and other infrastructure focused sectors. We continue to strengthen our pre-qualification credentials to meet the stringent parameters of our international customers and grow our customer base. Our competitive pricing policy coupled with our ability to offer customized solutions and specialty cables also drives higher acceptance for our products, enabling us to expand our global presence.

We have set up overseas marketing / project offices in United Arab Emirates, Nepal and Gambia to strengthen our marketing and customer outreach. To further this objective, we have also incorporated a subsidiary in Australia and have our representatives in Johannesburg, South Africa. 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.

### OPERATIONAL HIGHLIGHTS

- Our ability to execute large orders with local companies in the Middle East, Australia, Sri Lanka, Bangladesh and Nigeria has resulted in the Exports segment achieving a stellar growth. Export sales in FY 2019-20 stood at ₹899 Crores as against ₹ 532 Crores in the previous year, growing by 69%

### THE WAY AHEAD

We remain focused on entering new geographies while also strengthening our presence in key existing markets such as the Middle East, Australia, Sri Lanka, Bangladesh, South Africa, Nepal and Nigeria. 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. 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 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 intend to improve our brand recognition in overseas markets by participating in international trade exhibitions and undertaking promotional activities for our products.



# Partnering for Community Resilience

**We are committed to strengthening and improving the social, economic and environmental fabric of the communities where we live and work. To build community resilience and empower them for a brighter tomorrow, we are involved in numerous social projects in partnership with welfare organizations.**

Our CSR initiatives span across several critical areas of human progress, including healthcare, hunger and poverty eradication, education, environmental sustainability and sports promotion. This year, we also contributed funds towards India's fight against COVID-19.

## SUPPORTING HEALTHCARE

We are partnering with the International Society for Krishna Consciousness (ISKCON) to promote healthcare among local communities. This year, our continued support to ISKCON for the running of a wellness centre fostered a positive difference in the quality of life of the beneficiaries. Along with this, we also contributed directly towards the cause of healthcare.

## ERADICATING EXTREME HUNGER AND POVERTY

ISKCON is also our implementation partner for several of our hunger alleviation and food supply programs. Along with our regular food projects with ISKCON, this year, in wake of the COVID-19 outbreak, we also partnered with them to serve meals to migrant laborers and daily wage workers. We contributed ₹ 1.25 Crores towards this humanitarian cause. Fresh hot meals were delivered to more than 2 Lakhs homeless people every single day during the nationwide lockdown. We reached out to over



125 locations across Delhi using the services of 100 cooks and several volunteers.

During the year, we also extended our support to Sri Vidya Saraswathi Prasad Vitarana Sansthan and Sri Vidya Saraswathi Sri Sani Temple for installation of water coolers and water filters at several locations. In addition, we partnered with the Indian Council for Child Welfare to educate women on the importance of eating nutritional meals during their pregnancy.

## CONTRIBUTION TO THE PM CARES FUND

As a responsible social corporate, we have always risen to the needs of the nation. At a time when the coronavirus pandemic has caused enormous loss of lives and livelihoods across the country, it was our duty to demonstrate our support towards partnering the resilience of our nation. Joining hands with the Government to battle this huge ongoing challenge, we pledged ₹ 2 Crores to the Prime Minister's Citizen's Assistance and Relief in Emergency Situation Fund (PM CARES Fund).

## PROMOTING EDUCATION

Education and skill proficiency can empower communities to become self-reliant, build a better future for themselves



and foster self-respect. In keeping with this belief, we extended support to Kalpatru Society and Udbhav School (managed by IIMAAA Hyderabad Chapter Charitable Trust) to enable children from underprivileged backgrounds continue with their education. This year, through our support to Tata Community Initiative Trust, we also funded students across two skill development programs: electrical wireman course in Hyderabad and beauty advisor course in Mumbai.



#### ENCOURAGING SPORTS

Through our community welfare programs, we are encouraging children and budding talent to pursue sports and realize their full potential. This year, we associated with Zak Sports Maidan Pvt. Ltd. to nurture cricketing talent in the country. Our program is among the select few CSR efforts in the country delivering training and development opportunities for aspiring female cricketers. To promote cricket as women's sport and uplift the current stature of women's cricket, we also provided support to GVRIKSH for organizing a women's T-20 cricket tournament.

#### FUNDING FOR ANIMAL WELFARE

As part of our CSR endeavor, we extended support to several NGOs involved in animal welfare. Our financial contribution was used for providing shelter to cows.

#### CONTRIBUTION FOR DISASTER MANAGEMENT

KEI supported relief efforts in flood-hit Odisha by supplying cables to individuals and families impacted by the natural disaster.



# Five-Year Financial Performance

₹ in Crores

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Paid-up Capital	15.45	15.56	15.67	15.79	<b>17.90</b>
Net Worth	366.62	460.91	604.53	778.89	<b>1,506.76</b>
Net Sales	2,325.58	2,666.32	3,445.87	4,226.96	<b>4,884.27</b>
PBDIT	247.60	279.08	347.69	449.40	<b>512.51</b>
PBIT	222.32	250.68	315.46	415.45	<b>455.82</b>
PBT	95.34	126.25	204.16	279.30	<b>326.67</b>
Net Profit	62.20	93.83	144.56	181.87	<b>255.10</b>
Profitability Ratios (%)	2015-16	2016-17	2017-18	2018-19	2019-20
PBDIT	10.65	10.47	10.09	10.63	<b>10.49</b>
PBIT	9.56	9.40	9.15	9.83	<b>9.33</b>
PBT	4.10	4.73	5.92	6.61	<b>6.69</b>
Net Profit	2.67	3.52	4.20	4.30	<b>5.22</b>
ROE (Net Profit/Net Worth)	16.97	20.36	23.91	23.35	<b>16.93</b>
Growth Ratios (%)	2015-16	2016-17	2017-18	2018-19	2019-20
Net Sales	14.51	14.65	29.24	22.67	<b>15.55</b>
PBDIT	25.13	12.71	24.58	29.25	<b>14.04</b>
PBIT	28.30	12.76	25.84	31.70	<b>9.72</b>
PBT	80.30	32.42	61.71	36.80	<b>16.96</b>
Net Profit	81.61	50.85	54.07	25.81	<b>40.27</b>

# Board of Directors



1

## 1. MR. ANIL GUPTA

Promoter, Chairman-cum-  
Managing Director

Mr. Anil Gupta is a renowned expert in the Indian cables and wires industry and a strong believer of modern technology. He has spearheaded some pathbreaking innovations in the industry and has been the guiding force behind KEI's vision to become the undisputed leader in its category and build a robust corporate identity. Mr. Gupta commenced his journey with KEI in 1979 as a partner in the erstwhile Krishna Electrical Industries and soon rose to become its Chairman-cum-Managing Director. With almost 39 years of experience at the helm, Mr. Gupta has led the Company scale new heights of success. Mr. Gupta has initiated various policies on marketing, production, quality control and product development. His customer-centric approach blended with a futuristic vision has consistently ensured that KEI's cable and wire products meet the highest standards of quality. Mr. Gupta's perseverance and pioneering ideas have played a crucial role in KEI's long-term success. His contribution to the Company is extraordinary and unmatched.



2

## 2. MR. K.G. SOMANI

Non-Executive & Independent  
Director

Mr. K.G. Somani is the partner of M/s K.G. Somani & Co., Chartered Accountants, Delhi, and has extensive experience in Finance, Companies Act, Tax Laws. He has participated in a large number of seminars & conferences all over India and abroad. Mr. Somani is a Fellow member of ICAI and was elected as a member of the Central Council of the ICAI of India in 1979 and was a Council Member during 1979-1992. He was the President of ICAI in 1988-89 and has worked on all the standing committees during his continued membership of the council during 1979-1992. He was the Chairman of Professional Development Committee, Board of Studies and Company Law Committee of the Institute during this period and was the Chairman of the Technical Standards Committee of South Asian Federation of Accountants (SAFA).



3

## 3. MR. PAWAN BHOLUSARIA

Non-Executive & Independent  
Director

Mr. Pawan Bholusaria has sound knowledge of Finance, tax laws and has handled a large number of audits. He is a fellow Member of The Institute of Chartered Accountants of India and is a practicing Chartered Accountant. He is the partner of M/s P. Bholusaria & Co., Chartered Accountants and has more than 40 years of experience in public practice. He has audited the accounts of various Nationalized Banks, Mutual Funds, Government and Public Companies. Mr. Bholusaria is also on the Board of Directors of other private / public companies.



4

## 4. MR. VIJAY BHUSHAN

Non-Executive & Independent  
Director

Mr. Vijay Bhushan has acted as President of Association of National Exchanges Members of India (ANMI), which is an association of NSE & BSE Brokers. Mr. Bhushan is an MBA from the University of Delhi and has been actively associated with the capital market since 1981. He was elected as the President of Delhi Stock Exchange in the year 2001-02 and was also the Chairman of Federation of Indian Stock Exchanges representing 20 Stock Exchanges from 2002-04.



5



6



7



8



9



10

#### 5. MS. ARCHANA GUPTA

Non-Executive Director

Ms. Archana Gupta has played a pivotal role in transforming the Stainless Steel Wires Division at KEI. She has been instrumental in the expansion of this division and in defining the functional ambit and footprint of KEI. Under her able management, KEI's Stainless Steel Wires vertical has grown to become one of the most trusted names in the stainless steel wires industry in India. Ms. Gupta plays a principal role in the planning, organizing, and optimizing resources for the Stainless Steel Wires Division of KEI.

#### 6. MR. AKSHIT DIVIAJ GUPTA

Executive Director

Mr. Akshit Diviaj Gupta is a young and dynamic professional with a strong entrepreneurial background. He has experience in handling EPC projects and marketing functions of the Company. He holds a BBA degree in Management, an Honorary Graduate Fellowship, and has an acute interest and knowledge of diverse business activities.

#### 7. MR. VIKRAM BHARTIA

Non-Executive & Independent Director

Mr. Vikram Bhartia has more than 50 years of experience as an industrial entrepreneur. He holds a B. Tech. (Hons.) degree from IIT Kharagpur.

#### 8. MR. RAJEEV GUPTA

Executive Director (Finance) & CFO

Mr. Rajeev Gupta has around 27 years of experience in Corporate Finance and is presently heading the Finance & Accounts Department of KEI. Mr. Gupta is a B.Com. and a Chartered Accountant.

#### 9. MR. SADHU RAM BANSAL

Non-Executive & Independent Director

Mr. Bansal has a wealth of experience of more than 36 years in finance, banking, and administrative functional capacities. He is a former Chairman & Managing Director of Corporation Bank. Mr. Bansal holds an MA degree in English and is a Certified Associate of Indian Institute of Bankers (CAIIB) and an Associate of Indian Institute of Banking & Finance (AIIBF).

#### 10. MS. SHALINI GUPTA

Non-Executive & Independent Director

Ms. Shalini Gupta is a Business and Technology professional with over 21 years of experience. She has held various senior roles in strategy and technology with emphasis on planning, long range roadmapping, budgeting, pre-sales and sales operations, project execution and account management. She has prior experience in rolling out and program managing large, complex transformational projects as well as managing multiple internal and external stakeholders. She has multi-cultural experience and has lived and worked in both the US and India.



# Corporate Information

## BOARD OF DIRECTORS

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

**Ms. Archana Gupta**  
Director

**Mr. Akshit Diviaj Gupta**  
Director

**Mr. Pawan Bholusaria**  
Director

**Mr. K.G. Somani**  
Director

**Mr. Vijay Bhushan**  
Director

**Mr. Vikram Bhartia**  
Director

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

**Mr. Sadhu Ram Bansal**  
Director

**Ms. Shalini Gupta**  
Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kishore Kunal

## AUDITORS

M/s. Pawan Shubham & Co.  
Chartered Accountants  
New Delhi

## BANKERS

Bank of Baroda  
State Bank of India  
Punjab National Bank  
Union Bank of India  
Axis Bank Ltd  
ICICI Bank Ltd  
IndusInd Bank Ltd  
IDFC First Bank Ltd

Indian Overseas Bank  
RBL Bank Ltd  
HDFC Bank Ltd  
DCB Bank Ltd  
IDBI Bank Ltd  
Bank of India  
Kotak Mahindra Bank Ltd  
Bank of Bahrain & Kuwait B.S.C  
The Lakshmi Vilas Bank Ltd

## REGISTRAR & SHARE TRANSFER AGENT

MAS Services Ltd.  
T-34, 2<sup>nd</sup> Floor,  
Okhla Industrial Area,  
Phase - II,  
New Delhi - 110 020  
CIN: U74899DL1973PLC006950  
Ph: +91-11- 26387281/82/83  
Fax: +91-11- 26387384  
Email: info@masserv.com  
Website: www.masserv.com

## CORPORATE & REGISTERED OFFICE

D-90, Okhla Industrial Area,  
Phase - I,  
New Delhi - 110 020  
CIN: L74899DL1992PLC051527  
Ph: +91-11-26818840/8642  
Fax: +91-11-26811959/7225  
Email: cs@kei-ind.com  
Website: www.kei-ind.com

## WORKS OFFICE

- SP-919-920, 922  
RIICO Industrial Area,  
Phase-III, Bhiwadi,  
Dist. Alwar (Rajasthan) -  
301 019
- 99/2/7, Madhuban  
Industrial Estate, Village  
Rakholi, Silvassa, Union  
Territory of Dadra & Nagar  
Haveli - 396 240.  
Plot No. A- 280-284,  
RIICO Industrial Area,  
Chopanki,  
Dist. Alwar (Rajasthan) -  
301 019
- Plot No. SP2-874,  
RIICO Industrial Area,  
Pathredi,  
Dist. Alwar (Rajasthan) -  
301 019
- Survey No. 1/1/2/5,  
Village Chinchpada,  
Silvassa, Union Territory of  
Dadra & Nagar  
Haveli - 396 230

# Directors' Report

## To The Members

Your Directors have pleasure in presenting their 28<sup>th</sup> Annual Report, together with the Audited Annual Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2020.

## FINANCIAL SUMMARY

The Company's financial performances for the year ended March 31, 2020 along with previous year's figures are summarized below:

(₹ in Millions)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue from Operations and Other Income</b>	<b>49,044.54</b>	<b>42,381.74</b>	<b>49,007.35</b>	<b>42,341.54</b>
Profit before Finance Costs, Depreciation and Amortisation Expenses and Tax Expenses	5,137.08	4,477.43	5,125.07	4,494.06
Less: Finance Cost	1,291.51	1,356.08	1,291.51	1,361.54
Less: Depreciation and Amortisation Expenses	566.89	339.48	566.89	339.48
<b>Profit before Exceptional Items and Tax</b>	<b>3,278.68</b>	<b>2,781.87</b>	<b>3,266.67</b>	<b>2,793.04</b>
<b>Profit/(Loss) before share of Profit/(Loss) of Joint Venture &amp; Associates Company and Tax</b>	<b>3,278.68</b>	<b>2,781.87</b>	<b>3,266.67</b>	<b>2,793.04</b>
Share of Profit/(Loss) of Joint Venture (net of Tax)	(0.13)	(0.00)	-	-
Share of Profit/(Loss) of Associate Company (net of Tax)	(0.00)	(0.00)	-	-
<b>Profit before Tax</b>	<b>3,278.55</b>	<b>2,781.87</b>	<b>3,266.67</b>	<b>2,793.04</b>
<b>Tax Expenses</b>				
-Current Tax	863.94	928.81	863.94	928.74
-Deferred tax (Credit/Charge)	(136.36)	49.65	(136.36)	49.65
Short/(Excess) Provision-Earlier Years	(11.94)	(4.06)	(11.94)	(4.06)
<b>Profit for the Year</b>	<b>2,562.91</b>	<b>1,807.47</b>	<b>2,551.03</b>	<b>1,818.71</b>
Other Comprehensive Income for the year, net of tax	(9.22)	(19.01)	(10.35)	(19.05)
<b>Total Comprehensive income for the year, net of tax</b>	<b>2,553.69</b>	<b>1,788.46</b>	<b>2,540.68</b>	<b>1,799.66</b>
<b>Profit for the year attributable to:</b>				
<b>Equity Shareholders of the parent Company</b>	<b>2,562.96</b>	<b>1,808.59</b>	<b>2,551.03</b>	<b>1,818.71</b>
<b>Non-controlling interest</b>	<b>(0.05)</b>	<b>(1.12)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year attributable to:</b>				
<b>Equity Shareholders of the parent company</b>	<b>2,553.63</b>	<b>1,789.58</b>	<b>2,540.68</b>	<b>1,799.66</b>
<b>Non-controlling interest</b>	<b>0.06</b>	<b>(1.12)</b>	<b>-</b>	<b>-</b>

## REVIEW OF BUSINESS OPERATIONS ON STANDALONE BASIS

In the last month of financial year 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing Union & State Governments to enforce lock-downs of all economic activity. For your Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to supply and services for all our customers globally.

Although there are uncertainties due to the pandemic, the strong balance sheet position, profitability and inherent resilience of the business model position the Company well to navigate the challenges and emerge stronger.

During the year, your Company's turnover increased to ₹ 48,842.66 millions as against ₹ 42,269.63 millions in FY 2018-19, showing a strong growth of 15.55 %. During the year under review, turnover from Cables & Wires stood at ₹ 39,824.13 millions as compared to ₹ 33,596.14 millions in FY 2018-19, turnover from Stainless Steel Wire Products was flat during FY 2019-20 at ₹ 1,375.27 millions as compared to ₹ 1,380.20 millions in FY 2018-19 and Income from Turnkey Projects (excluding Cables) contributed a turnover of ₹ 7,643.26 millions in FY 2019-20 as compared to ₹ 7,293.29 millions in FY 2018-19. During the year under review, Profit before Tax stood at ₹ 3266.67 millions as compared to ₹ 2,793.04 millions in the preceding year and Net Profit stood at ₹ 2551.03 millions as compared to ₹ 1,818.71 millions in the preceding year.

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Company has a subsidiary "KEI Cables Australia PTY Ltd" in Australia and an associate company with 49% ownership interest under name of KEI Cables SA (PTY) Ltd with principal place of business in South Africa. Further, Company has a Joint Venture under the name of "Joint Venture of M/s KEI Industries Ltd., New Delhi & M/s Brugg Kabel AG, Switzerland" (JV). This JV is a jointly controlled entity within the meaning of Ind AS-111 on "Financial Reporting of Interests in Joint Ventures". This JV is in the form of an Association of Persons (AOP) and the Company is having 100% share in Profit/Loss in this AOP. No share capital is invested in the Joint Venture by the respective members of JV.

Further, a separate report on the performance and financial position of the Subsidiary, Associate and Joint Venture is included in the consolidated

financial statements pursuant to Section 129 (3) of the Companies Act, 2013 in AOC-1 and is annexed to financial statements in the Annual Report.

## CONSOLIDATED FINANCIAL STATEMENTS

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

## RESERVES

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

## DIVIDEND & APPROPRIATIONS

The Board of Directors of the Company at their meeting held on March 09, 2020 has declared an interim dividend of ₹ 1.50/- (i.e. 75%) per Equity share on the Equity shares of face value of ₹ 2/- each for the financial year 2019-20 which has resulted in cash outflow of ₹ 161.85 Millions (including Dividend Distribution Tax ₹ 27.59 Millions). The Board has not recommended a final dividend and the interim dividend of ₹ 1.50/- per equity share declared by the Board on 9<sup>th</sup> March, 2020 shall be considered as the final dividend for the Financial Year 2019-20. Thus, the total dividend for the Financial Year 2019-20 remains ₹ 1.50/- per equity share of ₹ 2/- each.

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

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

No material changes and commitments affecting the financial position of the Company occurred



between the end of financial year to which this financial statements relates and the date of this Report.

Public health epidemics or outbreaks could adversely impact our business. In December 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. While initially the outbreak was largely concentrated in China and caused significant disruptions to its economy, it has now spread to several other countries and infections have been reported globally.

The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others. In particular, the continued spread of the coronavirus globally could adversely impact our operations, including among others, our manufacturing and supply chain, sales and marketing and could have an adverse impact on our business and our financial results for the coming quarters.

## CHANGE IN NATURE OF BUSINESS

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

## RATING BY EXTERNAL RATING AGENCIES

### (A) CORPORATE GOVERNANCE RATING BY CARE:

CARE Rating Limited (CARE) has reaffirmed **"CARE CGR3+" (Pronounced as CGR three plus)** rating assigned to the Corporate Governance practices of the Company on May 13 2020.

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

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

### (B) BANK FACILITIES RATING BY ICRA:

ICRA Limited has reaffirmed the **[ICRA] A Stable (pronounced ICRA A Stable)** rating to Long Term Bank Facilities availed by the Company vide its letter dated 17<sup>th</sup> March, 2020. Instrument / Facilities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments / facilities carry low credit risk. ICRA Limited has also reaffirmed the rating to Short Term Bank Facilities and Commercial Paper as **[ICRA] A1 (pronounced ICRA A One)** vide its letter dated 17<sup>th</sup> March, 2020. Instruments / Facilities with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments/facilities carry lowest credit risk.

### (C) BANK FACILITIES RATING BY CARE:

CARE Rating Limited (CARE) has re-affirmed the rating assigned to Long Term Bank Facilities availed by the Company as **'CARE A Stable; Positive (Pronounced as Single A; Outlook: Stable)** on 01<sup>st</sup> October, 2019. Facilities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments / facilities carry low credit risk. CARE Rating Limited (CARE) has upgraded the rating assigned to Short Term Bank Facilities availed by the Company as **[CARE]A1 (pronounced CARE A One)** on 01<sup>st</sup> October, 2019. Instruments / Facilities with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments/facilities carry lowest credit risk.

### (D) FIXED DEPOSIT RATING BY ICRA AND CARE:

ICRA Limited has assigned the rating **MA+ Stable (pronounced MA plus Stable)** to Medium Term Instrument i.e. Fixed Deposits Programme of the Company on 17<sup>th</sup> March, 2020. MA+ indicate adequate credit quality rating assigned by ICRA. The rated deposits carry average credit risk.

Further, CARE Rating Limited (CARE) has reaffirmed **'CARE A (FD) Stable; [Pronounced as Single A (Fixed Deposits) Outlook: Stable]'** rating to the Medium Term Instrument i.e. Fixed Deposits Scheme of the Company on 01<sup>st</sup> October, 2019.

## UNPAID / UNCLAIMED DIVIDEND

Un-claimed / Unpaid Dividend for the Financial Year 2011-12 has been transferred to the Investor Education and Protection Fund established by the Central Government. Further, amount of Un-claimed / Un-paid Dividend for the Financial Year 2012-13 is due for deposit to the Investors Education and Protection Fund.

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

During the year under review, your Company has transferred ₹1,61,296/- as unclaimed / unpaid dividend in respect of financial year 2011-12 to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time).

Further, the total amount lying in the Unpaid Dividend Account(s) of the Company in respect of the last seven years and when such unpaid Dividend is due for transfer to Investor Education Protection Fund is disclosed in a separate section titled Report on Corporate Governance and has been included in this Annual Report.

Further, during the year under review, your Company has transferred 10,569 Equity shares into the Demat Account of Investor Education and Protection Fund held with NSDL (DPID/Client ID IN300708/10656671) and CDSL (DPID/Client ID 12047200/13676780) pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time) i.e., shares on which dividend has not been claimed for seven consecutive years i.e., from FY 2011-12.

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### a) Composition

- i) As on date, Company has 10 Directors with an Executive Chairman. Of the 10 Directors, 3 are Executive Directors and 7 are Non-Executive Directors including two Women Directors (including one Independent Director) and 5 other Independent Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii) None of the Director on the Board is a director in more than 10 Public Companies or a member of more than 10 Committees or a Chairman of more than 5 Committees across all listed companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2020 have been disclosed by all the Directors of the Company.
- iii) None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.
- iv) Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### b) Change in Director(s) and Key Managerial Personnel

As per Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mr. Rajeev Gupta (**holding DIN: 00128865**), Whole-Time Director of the Company (designated as Executive Director (Finance) & CFO) of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The details of Directors being recommended for appointment / re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is contained in the accompanying Notice convening ensuing Annual General Meeting

of the Company. Appropriate Resolution(s) seeking shareholders' approval is also included in the Notice.

### c) Declaration by Independent Directors

All the Independent Directors of the Company have given their declaration for the FY 2019-20 that they continue to meet all the criteria as specified under Section 149(6) & (7) of the Companies Act, 2013 and under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent of the management in respect of their position as an "Independent Director" in the Company.

Further pursuant to MCA notification no. G.S.R. 804(E) dated December 01, 2019 all the Independent Directors have registered themselves with the databank of Indian Institute of Corporate Affairs (IICA).

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company duly met 6 (Six) times during the financial year from April 01, 2019 to March 31, 2020 on May 21, 2019, August 05, 2019, November 12, 2019, December 05, 2019, January 20, 2020, and March 09, 2020.

Further, during the year, a separate meeting of the Independent Directors of the Company was held on March 09, 2020 to discuss and review the performance of all other non- Independent Directors, Chairperson of the Company and the Board as a whole and for reviewing and assessing the matters as prescribed under Schedule IV of Companies Act, 2013 and under Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### CHANGE IN CAPITAL STRUCTURE

During the year, Share Allotment Committee of the Board of Directors has issued and allotted 5,79,000 equity shares of face value of ₹ 2/- each to eligible employees under KEI Employees Stock Option Scheme 2015. Further, Qualified Institutions Placement (QIP) Committee of the Board on January 28, 2020, has issued and allotted 10,000,000 Equity Shares of face value of ₹ 2/- each, to eligible qualified institutional buyers at an issue price of ₹ 500 per Equity Share (including a premium of ₹ 498 per Equity Share), aggregating to ₹ 5000 million (Rupees Five Thousand Millions only) under Qualified Institutions Placement. Accordingly, the paid-up share capital of the Company has increased

from 78,925,438 equity shares of face value of ₹ 2/- each to 89,504,438 equity shares of face value of ₹ 2/- each.

### FORMAL ANNUAL EVALUATION

As the ultimate responsibility for sound governance and prudential management of a Company lies with its Board, it is imperative that the Board remains continually pro-active and effective. An important way to achieve this objective is through an annual evaluation of the performance of the Board, its Committees and all the individual Directors.

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

In accordance with the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 30, 2020 undertook an annual evaluation of the performance of the Board, its Committees and all the individual Directors.

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

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

Further, given the turbulent times such as the global coronavirus pandemic, the workforce's resilience is paramount in business continuity.

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



## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## DETAILS IN RESPECT OF FRAUD REPORTED BY THE AUDITORS

There were no instances of fraud reported by the auditors.

## NOMINATION AND REMUNERATION POLICY

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

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

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT-9 as per the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure B** and forms part of this report and is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

## DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. Further, the Risk Management Policy has also been uploaded on the Company's website and is available at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

## FIXED DEPOSITS

During the year, an amount of ₹45.55 million was received by the Company as fixed deposit. As on March 31, 2020 fixed deposit aggregating to ₹114.20 million are outstanding. There are no fixed deposits remaining unpaid or unclaimed as at the end of the year. Further, no amount of principal or interest was outstanding or in default as on March 31, 2020.

## LISTING OF SHARES

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

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

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

## ADEQUACY OF INTERNAL FINANCIAL CONTROL

In the opinion of the Board, your Company has in place an adequate system of internal control commensurate with its size and nature of business. This system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Board has appointed M/s Jagdish Chand & Co., Chartered Accountants as Internal Auditors of the Company for the financial year 2020-21 and its audit reports are submitted directly to the Audit Committee of Board which reviews and approves performance of internal audit function and ensures the necessary checks and balances that may need to be built into the control system.

## HUMAN RESOURCES

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

## POLICY ON MATERIAL SUBSIDIARY

The Company has framed a Policy on Material Subsidiary under Regulations 16(1)(c) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 which is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

## AUDIT COMMITTEE

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

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

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

Further, the Board has not denied any recommendation of Audit Committee during the Financial Year.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

## SHARES

### a. BUY BACK OF SECURITIES

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

### b. SWEAT EQUITY

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

### c. BONUS SHARES

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

### d. EMPLOYEES STOCK OPTION PLAN

During the year, Share Allotment Committee of the Board has allotted 5,79,000 Equity Shares of face value ₹ 2/- each to eligible employees of the Company at an exercise price of ₹ 35/- per share pursuant to KEI Employee Stock Option Scheme, 2015.

### e. QUALIFIED INSTITUTIONS PLACEMENT (QIP)

During the year, Qualified Institutions Placement (QIP) Committee of the Board on January 28, 2020, has issued and allotted 10,000,000 Equity Shares of face value of ₹2/- each, to eligible qualified institutional buyers at an issue price of ₹500 per Equity Share (including a premium of ₹498 per Equity Share), aggregating to ₹5000 million (Rupees Five Thousand Millions only) under Qualified Institutions Placement.

#### UTILISATION OF QUALIFIED INSTITUTIONAL PLACEMENT (QIP) PROCEEDS

The funds raised through QIP have been utilized as per the objects / purpose of the QIP Issue as stated in the Placement Document of the Company and there was no deviation in the utilization of QIP proceeds. The details of utilization of QIP proceeds are as under:

Original Object	Modified Object, if any	Original Allocation (Net of QIP expenses)	Modified allocation, if any (Net of QIP expenses)	Funds Utilised Up to March 31, 2020	Funds Utilised Up to August 06, 2020
Net Proceeds of the QIP has been / to be used for the purposes of pre-payment and / or repayment of outstanding indebtedness (whether in whole or in part), working capital, and general corporate requirements, and / or any other purposes, as may be permissible under applicable law and approved by the Board / Committee.	Not applicable	₹ 4853.57 Million	₹ 4853.57 Million	₹ 3973.02 Million	₹ 4853.57 Million

A certificate in this regard has been obtained from the Statutory Auditors of the Company, confirming the utilization of the QIP proceeds as per the objects stated in the Placement Document of the Company.

### AUDITORS

#### a) Statutory Auditors:

M/s. PAWAN SHUBHAM & CO., Chartered Accountants (Firm Registration Number 011573C) were appointed as Statutory Auditors of the Company at the Annual General Meeting (AGM) held on July 19, 2017 for a term of five consecutive years i.e., from the conclusion of 25<sup>th</sup> AGM till the conclusion of 30<sup>th</sup> AGM of the Company to be held in the year 2022 pursuant to Section 139 of the Companies Act, 2013.

#### Statutory Auditors' Report

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

#### a) Cost Auditor:

Your Board of Directors has re-appointed M/s. S. Chander & Associates, Cost Accountants (Membership No.: 9455) as Cost Auditor of the Company to conduct audit of Cost Records maintained by the Company for the Financial Year 2020-21 in accordance with Section 148 and the Companies (Cost Records and Audit) Rules, 2014 after obtaining his consent and certificate under Section 139, 141 and 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 where they have confirmed their consent and eligibility to act as Cost Auditors of the Company.

Your Company has maintained cost records and accounts as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

#### Cost Audit Report

There are no qualifications, reservations or adverse remarks made by Cost Auditors in their Report for FY 2019-20. Further, the Cost Audit Report for the FY 2019-20 was filed on September 03, 2019.

#### b) Secretarial Auditors

The Board of Directors has appointed Mr. Sumit Batra (Membership No. FCS - 7714 & CP No. - 8072), Proprietor of S.K. Batra & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules made thereunder for conducting Secretarial Audit of the Company for the financial year 2020-21.

#### Secretarial Audit Report

The Secretarial Audit Report for the FY 2019-20 as submitted by Secretarial Auditors in Form MR-3 is annexed to this Report as **Annexure - C** and form part of this report.

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



## Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2020 on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder, was obtained from M/s S.K. Batra & Associates, Secretarial Auditors, and submitted to the stock exchanges.

## CORPORATE SOCIAL RESPONSIBILITY

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

The Annual Report on Company's CSR activities of the Company as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure-D** and forms part of this report.

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

During the year, your Company has duly complied with the provisions of Section 186 of the Companies Act, 2013. The particulars of loan given, Corporate Guarantees provided and Investment made by the Company during the year are as follows:

Sl. No.	Particulars of Loan given, Corporate guarantees and Investment made u/s 186 of the Companies Act, 2013	Amount (₹ in Millions)
1.	Loan of AUD 37,000 given to Subsidiary namely "KEI Cables Australia Pty Ltd".	1.82
2.	Loan of ZAR 23,00,000 given to associate Company namely "KEI Cables SA Pty Ltd".	10.97
3.	First Loss Default Guarantee in favour of IDBI Bank Limited against Channel Financing Facility provided to the Dealers of the Company.	300.00
4.	First Loss Default Guarantee in favour of ICICI Bank Limited against Channel Financing Facility provided to the Dealers of the Company.	150.00
5.	First Loss Default Guarantee in favour of Axis Bank Limited against Channel Financing Facility provided to the Dealers of the Company.	500.00
6.	First Loss Default Guarantee in favour of State Bank of India against Channel Financing Facility provided to the Dealers of the Company.	600.00
<b>Total</b>		<b>1562.79</b>

## PREVENTION OF SEXUAL HARASSMENT

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

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

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

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

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

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

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

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the Financial Year, the Company has not entered into any materially significant related party contracts/ arrangements or transactions with the Company's promoters, Directors, management or their relatives, which could have had a potential conflict with the interests of the Company. All the contracts/arrangements or transactions entered into by the Company with Related party(ies) are in conformity with the provisions of the Companies Act, 2013.

The particulars of every contract or arrangement if entered into by the Company with the related parties referred to in sub – section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form AOC – 2 in **Annexure G** and forms part of this Report.

The Company presents a statement of all related party contracts / arrangements or transactions entered into by the Company before the Audit Committee for its consideration and review on quarterly basis.

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

## **CORPORATE GOVERNANCE**

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

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

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

## **BUSINESS RESPONSIBILITY REPORT**

In terms of Regulation 34(2)(f) of SEBI (Listing

Obligation and Disclosure Requirements) Regulations, 2015, detailed information on the initiatives taken by the Company from an environmental, social and governance perspective is provided in the Business Responsibility Report which forms part of this Report.

## **APPRECIATIONS**

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

This Financial Year has seen the outbreak of a global pandemic which has sent tremors in all sectors of the economy. Your Company is no exception and is fighting the adversities. Yet, the trust that it has gained over the years has been of immense additional support. The continued co-operation and support of its loyal customers has enabled the Company to make every effort in understanding their unique needs and deliver maximum customer satisfaction. Our employees at all levels, have been core to our existence and their hard work, co-operation and support is helping us as a company face all challenges. Our vendors, who form a part of our global footprint reinforce our presence across the globe and relentlessly push forward in establishing the KEI brand. Our Company is always grateful for their efforts.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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

**For and on behalf of  
Board of Directors of KEI Industries Limited**

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

**Date: August 06, 2020  
Place: New Delhi**

## ANNEXURE -A

### NOMINATION AND REMUNERATION POLICY

#### 1. INTRODUCTION:

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

#### 2. DEFINITIONS:

- i) **'Act'** means the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).
- ii) **'Company'** means "KEI Industries Limited".
- iii) **'Board of Directors' or 'Board'**, in relation to the Company, means the collective body of the directors of the Company.
- iv) **'Committee'** means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder and Clause 49 of Listing Agreement.
- v) **'Policy'** means "Nomination and Remuneration Policy".
- vi) **'Key Managerial Personnel'** means
  - a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
  - b) Chief Financial Officer;
  - c) Company Secretary; and
  - d) Such other officer as may be prescribed.

vii) **'Senior Management'** means the personnel of the Company who are the members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors i.e. Vice President Cadre.

#### 3. INTERPRETATION :

Words and expressions used in this policy and not defined herein shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

#### 4. OBJECTIVE:

The objective of this policy is to ensure that:

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

#### 5. ROLE OF THE COMMITTEE:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel, Senior Management and other employees of the Company.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To carry out evaluation of every Directors' performance.



- d) To devise a policy on Board diversity.
- e) To Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- f) To formulate suitable Employee Stock Option Scheme in terms of SEBI (ESOS & ESPS) Guidelines, 1999 (as amended from time to time) for the benefit of employees and Directors of the Company.
- g) To adopt rules and regulations for implementing the Scheme from time to time.
- h) To frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended from time to time) and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 (as amended from time to time), by the Company and its employees, as applicable.
- i) To consider such other matters as the Board may specify and other areas that may be brought under the purview / role of Committee as specified in Listing Agreement and the Companies Act, 2013 as and when amended.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

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

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

- The Committee shall identify and ascertain the integrity, qualification, expertise and

experience of the person for appointment as Managing Director/ Whole-time Director/ Manager/ Non-executive/ Executive Director/ Independent Director/ KMP/ Senior Management and shall recommend to the Board his /her appointment.

- The Committee has discretion to decide whether qualification, expertise and experience possessed by a person who is considered to be appointed is sufficient / satisfactory for the concerned position.
- The integrity, qualification, expertise and experience of other employees shall be determined by HR Department in accordance with HR Policy of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

## **8. REMUNERATION OF DIRECTORS, KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES:**

### **i) Remuneration to Directors, KMP and other Employees:**

#### **1. Fixed pay:**

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

by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### **2. Minimum Remuneration:**

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

#### **3. Provisions for excess remuneration:**

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

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

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

Apart from the Directors, Key Managerial Personnel and Senior Management, the remuneration for rest of the employees will be determined on the basis of role and position of an individual employee, including professional experience, performance, responsibility, job complexity and local market conditions. The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the Human Resource Department and HODs of various departments.

Pursuant to the provisions of Companies Act 2013 and Listing Agreement, all the Executive Director(s), Managerial Personnel (except

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

## **II) Remuneration to Non-Executive / Independent Directors:**

### **a. Sitting Fees:**

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

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

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

### **c. Stock Options:**

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

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

## **III) Remuneration to Directors in Other Capacity:**

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

- a) The services rendered are of a professional nature; and

- b) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of the profession.

## **9. EVALUATION OF DIRECTORS:**

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

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

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

## **10. MINUTES OF COMMITTEE MEETING:**

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

## **11. AMENDMENT TO THE POLICY:**

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

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

## **12. DISCLOSURE:**

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



## ANNEXURE - B

### Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31<sup>st</sup> March, 2020

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

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	<b>L74899DL1992PLC051527</b>
ii)	Registration Date	<b>31/12/1992</b>
iii)	Name of the Company	<b>KEI INDUSTRIES LIMITED</b>
iv)	Category / Sub-Category of the Company	<b>Public Listed Company / Limited by Shares</b>
v)	Address of the Registered office and contact details	<b>D-90, Okhla Industrial Area, Phase-1, New Delhi-110020 Tel: 011-268188440/ 8642/ 0242 Fax: 011-26817225, 26811959 E-mail: <a href="mailto:info@kei-ind.com">info@kei-ind.com</a>/ <a href="mailto:cs@kei-ind.com">cs@kei-ind.com</a></b>
vi)	Whether listed Company	<b>Yes</b>
vii)	Name, Address and Contact details of Registrar and Transfer Agent	<b>Mas Services Limited T-34, II<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel: 011- 26387281/82/83 Fax: 011- 26387384 E-mail: <a href="mailto:info@masserv.com">info@masserv.com</a></b>

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

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company#
1	Cables	27320	64.11
2	Winding Wires, Flexible & House Wires	27320	17.44
3	Turnkey Projects (excluding Cable)	42202	15.64

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

# On the basis of Gross Turnover

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

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN / A.C.N	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	KEI Industries Ltd., New Delhi & Brugg Kabel AG, Switzerland (JV) (D-90, Okhla Industrial Area, Phase-I, New Delhi - 110020)	N.A	Associate	NIL#	2(6) of the Companies Act, 2013
2	KEI Cables Australia Pty Limited (Tellam & Cassady, Level 1, 7 Marie Street, Milton QLD - 4064)	609804551	Subsidiary	90*	2(87) of the Companies Act, 2013
3	KEI Cables SA Pty Limited (Unit 1, Benoni Multi Park, 32 V DYK Road, Benoni, Gauteng - 1501)	2018/492439/07	Associate	49**	2(6) of the Companies Act, 2013

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

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

\*\* Company has formed an Associate under name of KEI Cables SA (PTY) Ltd with principal place of business in South Africa (w.e.f. 12/09/2018). The Associate is in form of a separate entity and the company is holding 49% ownership interest.

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

#### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2019)				No. of Shares held at the end of the year (as on 31/03/2020)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/ HUF	19168466	0	19168466	24.29	19168466	0	19168466	21.42	-2.87
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	17080000	0	17080000	21.64	17080000	0	17080000	19.08	-2.56
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total (A)(1)	36248466	0	36248466	45.93	36248466	0	36248466	40.50	-5.43
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	36248466	0	36248466	45.93	36248466	0	36248466	40.50	-5.43

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2019)				No. of Shares held at the end of the year (as on 31/03/2020)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	12318347	0	12318347	15.61	18460071	0	18460071	20.62	5.02
b) Banks / Financial Institutions	45787	0	45787	0.06	1135262	0	1135262	1.27	1.21
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Alternate Investment Fund	2704638	0	2704638	3.43	2421275	0	2421275	2.71	-0.72
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h) FII	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Others (Foreign Portfolio Investors)	8558969	0	8558969	10.84	13691251	0	13691251	15.30	4.45
k) Any other (Foreign Institutional Investors)	0	0	0	0.00	99684	0	99684	0.11	0.11
<b>Sub-Total (B)(1)</b>	<b>23627741</b>	<b>0</b>	<b>23627741</b>	<b>29.94</b>	<b>35807543</b>	<b>0</b>	<b>35807543</b>	<b>40.01</b>	<b>10.07</b>
<b>2. Non-institutions</b>									
a) Bodies Corporate									
i) Indian	1989865	1000	1990865	2.52	1656549	0	1656549	1.85	-0.67
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	10641311	105309	10746620	13.62	10253867	88287	10342154	11.55	-2.06
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	4789289	0	4789289	6.07	4018667	0	4018667	4.49	-1.58
c) Others									
(i) NRIs / OCBs	634399	17500	651899	0.83	590186	17500	607686	0.68	-0.15
(ii) Clearing Members	169489	0	169489	0.21	234631	0	234631	0.26	0.05
(iii) Trust	16698	0	16698	0.02	8000	0	8000	0.01	-0.01
(iv) Director's & their relatives	489210	0	489210	0.62	402491	0	402491	0.45	-0.17
(v) Unclaimed Suspense A/c IEPF	187182	0	187182	0.24	176751	0	176751	0.20	-0.04
d)NBFCs registered with RBI	7979	0	7979	0.01	1500	0	1500	0.00	-0.01
<b>Sub-Total (B)(2)</b>	<b>18925422</b>	<b>123809</b>	<b>19049231</b>	<b>24.14</b>	<b>17342642</b>	<b>105787</b>	<b>17448429</b>	<b>19.49</b>	<b>-4.64</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>42553163</b>	<b>123809</b>	<b>42676972</b>	<b>54.07</b>	<b>53150185</b>	<b>105787</b>	<b>53255972</b>	<b>59.50</b>	<b>5.43</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>78801629</b>	<b>123809</b>	<b>78925438</b>	<b>100.00</b>	<b>89398651</b>	<b>105787</b>	<b>89504438</b>	<b>100.00</b>	<b>0.00</b>
<i>* Reason for change in % of shareholding is - increase in share capital due to allotment of equity shares to Qualified Institutional Buyers under QIP and allotment of shares under "KEI-ESOS 2015" during the FY 2019-20.</i>									



**(ii) Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year (01/04/2019)			Shareholding at the end of the Year (31/03/2020)			% change in shareholding during the year*
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Anil Gupta	13680776	17.33	0.00	13680776	15.29	0.00	-2.05
2	Anil Gupta (HUF)	4650375	5.89	0.00	4650375	5.20	0.00	-0.70
3	Mrs. Archana Gupta	837315	1.06	0.00	837315	0.94	0.00	-0.13
4	Shubh Laxmi Motels & Inns Pvt. Ltd.	3480000	4.41	0.00	3480000	3.89	0.00	-0.52
5	Soubhagya Agency Pvt. Ltd.	3125000	3.96	0.00	3125000	3.49	0.00	-0.47
6	KEI Cables Pvt. Ltd.	1575000	2.00	0.00	1575000	1.76	0.00	-0.24
7	Projection Financial & Management Consultants Pvt. Ltd.	7900000	10.01	0.00	7900000	8.83	0.00	-1.18
8	Dhan Versha Agency Pvt. Ltd.	1000000	1.27	0.00	1000000	1.12	0.00	-0.15
	<b>Total</b>	<b>36248466</b>	<b>45.93</b>	<b>0.00</b>	<b>36248466</b>	<b>40.50</b>	<b>0.00</b>	<b>-5.43</b>

**\* Reason for change in % of shareholding is - increase in share capital due to allotment of equity shares to Qualified Institutional Buyers under QIP and allotment of shares under "KEI-ESOS 2015" during the FY 2019-20.**

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

Sl. No.	Promoter's Name	Shareholding at the beginning of the year (01/04/2019)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+) / Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020 / end of the year 31/03/2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company*
1	Mr. Anil Gupta	13680776	17.33	1-Apr-2019	-	NA		
				31-Mar-2020			13680776	15.29
2	Promoters (other than above)	22567690	28.60	1-Apr-2019	-	NA		
				31-Mar-2020			22567690	25.21

**\* During the year, no change occurred in the total shareholding of the Promoters. Further, change in % of shareholding is on account of increase in share capital due to allotment of equity shares to Qualified Institutional Buyers under QIP and allotment of shares under "KEI-ESOS 2015" during the FY 2019-20.**

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2019)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020/ end of the year 31/03/2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC- EDELWEISS MID CAP FUND#	682344	0.86	1-Apr-2019				
				5-Apr-2019	47649	Buy	729993	0.82
				26-Apr-2019	13311	Buy	743304	0.83
				24-May-2019	-29786	Sell	713518	0.80
				31-May-2019	-35092	Sell	678426	0.76
				7-Jun-2019	26329	Buy	704755	0.79
				19-Jul-2019	19798	Buy	724553	0.81
				2-Aug-2019	19313	Buy	743866	0.83
				9-Aug-2019	20470	Buy	764336	0.85
				23-Aug-2019	19995	Buy	784331	0.88
				20-Sep-2019	22788	Buy	807119	0.90
				27-Sep-2019	11010	Buy	818129	0.91
				29-Nov-2019	-8385	Sell	809744	0.90
				6-Dec-2019	-18240	Sell	791504	0.88
				24-Jan-2020	-953	Sell	790551	0.88
				13-Mar-2020	-849	Sell	789702	0.88
				31-Mar-2020			789702	0.88
2	ICICI PRUDENTIAL S&P BSE 500 ETF*	25	0.00	1-Apr-2019				
				17-May-2019	42	Buy	67	0.00
				24-May-2019	21	Buy	88	0.00
				5-Jul-2019	21	Buy	109	0.00
				26-Jul-2019	21	Buy	130	0.00
				16-Aug-2019	21	Buy	151	0.00
				23-Aug-2019	22	Buy	173	0.00
				30-Aug-2019	21	Buy	194	0.00
				27-Sep-2019	41	Buy	235	0.00
				30-Sep-2019	21	Buy	256	0.00
				4-Oct-2019	21	Buy	277	0.00
				11-Oct-2019	21	Buy	298	0.00
				18-Oct-2019	3	Buy	301	0.00
				25-Oct-2019	21	Buy	322	0.00
				22-Nov-2019	21	Buy	343	0.00
				27-Dec-2019	24	Buy	367	0.00
				10-Jan-2020	21	Buy	388	0.00
				31-Jan-2020	1000021	Buy	1000409	1.12
				7-Feb-2020	21	Buy	1000430	1.12
				14-Feb-2020	11	Buy	1000441	1.12
				6-Mar-2020	65	Buy	1000506	1.12
				20-Mar-2020	224661	Buy	1225167	1.37
				27-Mar-2020	70053	Buy	1295220	1.45
				31-Mar-2020			1295220	1.45

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2019)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020/ end of the year 31/03/2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
3	VANDERBILT UNIVERSITY ELEPHANT ASSET MANAGEMENT LONDON LLP#	631590	0.80	1-Apr-2019				
				5-Apr-2019	-25000	Sell	606590	0.68
				31-May-2019	-60000	Sell	546590	0.61
				28-Jun-2019	9397	Buy	555987	0.62
				5-Jul-2019	20159	Buy	576146	0.64
				27-Sep-2019	-86000	Sell	490146	0.55
				1-Nov-2019	-14953	Sell	475193	0.53
				8-Nov-2019	-34992	Sell	440201	0.49
				22-Nov-2019	38208	Buy	478409	0.53
				29-Nov-2019	5792	Buy	484201	0.54
				28-Feb-2020	50000	Buy	534201	0.60
				6-Mar-2020	8465	Buy	542666	0.61
				31-Mar-2020			542666	0.61
4	DSP EQUITY & BOND FUND*	0	0.00	1-Apr-2019				
				31-Jan-2020	3000000	Buy	3000000	3.35
				7-Feb-2020	65365	Buy	3065365	3.42
				14-Feb-2020	88069	Buy	3153434	3.52
				21-Feb-2020	120539	Buy	3273973	3.66
				28-Feb-2020	38790		3312763	3.70
				31-Mar-2020			3312763	3.70
5	AJAY UPADHYAYA#	1000000	1.27	1-Apr-2019				
				4-Oct-2019	-110104	Sell	889896	0.99
				10-Jan-2020	110104	Buy	1000000	1.12
				6-Mar-2020	-16000	Sell	984000	1.10
				13-Mar-2020	-25000	Sell	959000	1.07
				20-Mar-2020	-184035	Sell	774965	0.87
				27-Mar-2020	-247738	Sell	527227	0.59
				31-Mar-2020			527227	0.59
6	HDFC SMALL CAP FUND	3474696	4.40	1-Apr-2019				
				24-May-2020	28691	Buy	3503387	3.91
				31-May-2020	156000	Buy	3659387	4.09
				21-Jun-2020	6000	Buy	3665387	4.10
				28-Jun-2000	47200	Buy	3712587	4.15
				12-Jul-2020	21173	Buy	3733760	4.17
				19-Jul-2020	58400	Buy	3792160	4.24
				26-Jul-2020	28100	Buy	3820260	4.27
				2-Aug-2020	14000	Buy	3834260	4.28
				9-Aug-2020	78400	Buy	3912660	4.37
				16-Aug-2020	53200	Buy	3965860	4.43
				23-Aug-2020	50000	Buy	4015860	4.49
				30-Aug-2020	8200	Buy	4024060	4.50
				31-Mar-2020			4024060	4.50



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2019)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020/ end of the year 31/03/2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
7	SUNDARAM MUTUAL FUND A/C SUNDARAM INFRASTRUCTURE ADVANTAGE FUND	863244	1.09	1-Apr-2019				
				5-Apr-2019	108644	Buy	971888	1.09
				12-Apr-2019	19955	Buy	991843	1.11
				19-Apr-2019	21400	Buy	1013243	1.13
				10-May-2019	46026	Buy	1059269	1.18
				27-Sep-2019	227312	Buy	1286581	1.44
				18-Oct-2019	43000	Buy	1329581	1.49
				25-Oct-2019	10000	Buy	1339581	1.50
				1-Nov-2019	15000	Buy	1354581	1.51
				29-Nov-2019	-2432	Sell	1352149	1.51
				13-Dec-2019	-1474	Sell	1350675	1.51
				24-Jan-2020	-33076	Sell	1317599	1.47
				31-Jan-2020	197316	Buy	1514915	1.69
				28-Feb-2020	107458	Buy	1622373	1.81
				6-Mar-2020	-1086	Sell	1621287	1.81
				20-Mar-2020	18073	Buy	1639360	1.83
				31-Mar-2020			1639360	1.83
8	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)#	638914	0.81	1-Apr-2019				
				10-Jan-2020	-3228	Sell	635686	0.71
				31-Jan-2020	-2179	Sell	633507	0.71
				14-Feb-2020	-10229	Sell	623278	0.70
				6-Mar-2020	-4532	Sell	618746	0.69
				20-Mar-2020	-12629	Sell	606117	0.68
				31-Mar-2020	-9822	Sell	596295	0.67
9	VINTAGE EQUITY FUND	1550000	1.96	1-Apr-2019				
				31-Mar-2020			1550000	1.73
10	GOVERNMENT PENSION FUND GLOBAL*	0	0.00	1-Apr-2019				
				31-Jan-2020	1223000	Buy	1223000	1.37
				31-Mar-2020			1223000	1.37
11	GOLDMAN SACHS INDIA LIMITED*	0	0.00	1-Apr-2019				
				27-Dec-2019	755304	Buy	755304	0.84
				31-Jan-2020	667706	Buy	1423010	1.59
				28-Feb-2020	-20270	Sell	1402740	1.57
				20-Mar-2020	-45545	Sell	1357195	1.52
				31-Mar-2020			1357195	1.52
12	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	1082138	1.37	1-Apr-2019				
				12-Apr-2019	14398	Buy	1096536	1.23
				19-Apr-2019	29798	Buy	1126334	1.26
				10-May-2019	13666	Buy	1140000	1.27
				31-Dec-2019	170000	Buy	1310000	1.46
				3-Jan-2020	12305	Buy	1322305	1.48
				6-Mar-2020	108692	Buy	1430997	1.60
				13-Mar-2020	191308	Buy	1622305	1.81
				20-Mar-2020	116695	Buy	1739000	1.94
				27-Mar-2020	94900	Buy	1833900	2.05
				31-Mar-2020			1833900	2.05

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2019)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020/ end of the year 31/03/2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
13	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA FOCUSED EQUITY FUND	5300000	6.72	1-Apr-2019				
				24-May-2019	-40000	Sell	5260000	5.88
				31-May-2019	-400000	Sell	4860000	5.43
				9-Aug-2019	100000	Buy	4960000	5.54
				30-Aug-2019	16130	Buy	4976130	5.56
				27-Sep-2019	-29333	Sell	4946797	5.53
				30-Sep-2019	-30000	Sell	4916797	5.49
				4-Oct-2019	-35132	Sell	4881665	5.45
				11-Oct-2019	-3386	Sell	4878279	5.45
				18-Oct-2019	-18279	Sell	4860000	5.43
				1-Nov-2019	-15335	Sell	4844665	5.41
				8-Nov-2019	-44665	Sell	4800000	5.36
				17-Jan-2020	-75000	Sell	4725000	5.28
				31-Jan-2020	-212000	Sell	4513000	5.04
				7-Feb-2020	-138000	Sell	4375000	4.89
				20-Mar-2020	207105	Buy	4582105	5.12
				27-Mar-2020	174074	Buy	4756179	5.31
				31-Mar-2020			4756179	5.31
14	ALQUITY SICAV - ALQUITY INDIAN SUBCONTINENT FUND#	624132	0.79	1-Apr-2019				
				5-Apr-2019	-12062	Sell	612070	0.68
				31-May-2019	-30333	Sell	581737	0.65
				7-Jun-2019	-115297	Sell	466440	0.52
				18-Oct-2019	-81842	Sell	384598	0.43
				25-Oct-2019	-27436	Sell	357162	0.40
				1-Nov-2019	-5394	Sell	351768	0.39
				6-Dec-2019	-9955	Sell	341813	0.38
				13-Dec-2019	-7621	Sell	334192	0.37
				20-Dec-2019	-81728	Sell	252464	0.28
				31-Mar-2020			252464	0.28
15	SOMERSET EMERGING MARKETS SMALL CAP FUND LLC*	0	0.00	1-Apr-2019				
				31-Jan-2020	265761	Buy	265761	0.30
				7-Feb-2020	192536	Buy	458297	0.51
				14-Feb-2020	117286	Buy	575583	0.64
				21-Feb-2020	7838	Buy	583421	0.65
				28-Feb-2020	252676	Buy	836097	0.93
				6-Mar-2020	229011	Buy	1065108	1.19
				13-Mar-2020	55799	Buy	1120907	1.25
				31-Mar-2020			1120907	1.25

# Ceased to be in the Top 10 shareholders as on 31-03-2020. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2019.

\* Not in the list of Top 10 Shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the Top 10 Shareholders as on 31-03-2020.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01/04/2019)		As on Benpos Date	Increase (+) / Decrease (-) in No. of Shares	Reason for [Increase (+) / Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020 end of the year 31/03/2020)*	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Anil Gupta (Director and KMP)	13680776	17.33	1-Apr-2019		Nil		
					0.00	Movement during the year		
				31-Mar-2020			13680776	15.29
2	Mr. Rajeev Gupta (Director and KMP)	404910	0.51	1-Apr-2019				
				6-Sep-2019	-70000	Sell		
				24-Sep-2019	-106219	Sell		
				27-Sep-2019	150000	Allotment of equity shares under KEI ESOS-2015		
				31-Mar-2020			378691	0.42
3	Mr. Kishore Kunal (KMP)	98045	0.12	1-Apr-2019				
				6-Sep-2019	-20000	Sell		
				24-Sep-2019	-28694	Sell		
				27-Sep-2019	42000	Allotment of equity shares under KEI ESOS-2015		
				31-Mar-2020			91351	0.10
4	Ms. Archana Gupta (Director)	837315	1.06	1-Apr-2019		Nil		
					0.00	Movement during the year		
				31-Mar-2020			837315	0.94
5	Mr. Vijay Bhushan (Director)	0	0.00	1-Apr-2019		Nil		
					0.00	Movement during the year		
				31-Mar-2020			0.00	0.00
6	Mr. Vikram Bhartia (Director)	10000	0.01	1-Apr-2019		Nil		
					0.00	Movement during the year		
				31-Mar-2020			10000	0.01
7	Mr. Pawan Bholusaria (Director)	4500	0.01	1-Apr-2019		Nil		
						Movement during the year		
				31-Mar-2020			4500	0.01
8	Mr. Kishan Gopal Somani (Director)	1000	0.00	1-Apr-2019		Nil		
					0.00	Movement during the year		
				31-Mar-2020			1000	0.00



Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01/04/2019)		As on Benpos Date	Increase (+) / Decrease (-) in No. of Shares	Reason for [Increase (+) / Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020 end of the year 31/03/2020)*	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
9	Mr. Akshit Diviaj Gupta (Whole-time Director and KMP)	0	0.00	1-Apr-2019		Nil Movement during the year		
					0.00			
				31-Mar-2020			0.00	0.00
10	Mr. Sadhu Ram Bansal (Director)	0	0.00	1-Apr-2019		Nil Movement during the year		
					0.00			
				31-Mar-2020			0.00	0.00
11	Ms. Shalini Gupta (Director)	0	0.00	1-Apr-2019		Nil Movement during the year		
					0.00			
				31-Mar-2020			0.00	0.00

*\* Reason for change in % of shareholding is - increase in share capital due to allotment of equity shares to Qualified Institutional Buyers under QIP and allotment of shares under "KEI-ESOS 2015" during the FY 2019-20.*

#### V. INDEBTEDNESS:

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

(₹ in Millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,691.75	218.50	84.15	5,994.40
ii) Interest due but not paid	3.35	-	-	3.35
iii) Interest accrued but not due	3.19	-	-	3.19
<b>Total (i+ii+iii)</b>	<b>5,698.29</b>	<b>218.50</b>	<b>84.15</b>	<b>6,000.94</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,228.01	60.00	45.55	1,333.56
• Reduction	(3,562.10)	(86.50)	(15.50)	(3,664.10)
<b>Net Change</b>	<b>(2,334.09)</b>	<b>(26.50)</b>	<b>30.05</b>	<b>(2,330.54)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,360.29	192.00	114.20	3,666.49
ii) Interest due but not paid	3.63	-	-	3.63
iii) Interest accrued but not due	0.28	-	-	0.28
<b>Total (i+ii+iii)</b>	<b>3,364.20</b>	<b>192.00</b>	<b>114.20</b>	<b>3,670.40</b>

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Anil Gupta (CMD)	Mr. Rajeev Gupta (ED (Finance) & CFO)	Mr. Akshit Diviaj Gupta (Whole Time Director)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.00	11.38	6.73	59.11
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	5.85	-	-	5.85
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	73.63	-	73.63
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	126.28	-	-	126.28
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Contribution to PF	0.02	0.02	0.02	0.07
	Total (A)	173.15	85.03	6.75	264.93
	Ceiling as per the Act	10% of Net Profit for all the Executive Directors - Managing and Whole-time Directors; 5 % of Net Profit to any one Managing or Whole-time director.			

\* The shareholders' approval in the 26<sup>th</sup> Annual General Meeting of the Company has been accorded for payment of Commission to Mr. Anil Gupta upto 5% of the net profit of the Company after deducting his salary and perquisites.

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

**B. Remuneration to other directors: (₹ in Millions)**

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Vijay Bhushan (ID)	Mr. Vikram Bhartia (ID)	Mr. Pawan Bholusaria (ID)	Mr. Kishan Gopal Somani (ID)	Mrs. Archana Gupta (NED)	Mr. Sadhu Ram Bansal (ID)	Ms. Shalini Gupta (ID)	
1	<b>Independent Directors (ID)</b>								
	• Fee for attending board committee meetings (including board meetings)	0.98	1.35	1.87	0.98	N.A	0.60	0.45	6.23
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (1)	0.98	1.35	1.87	0.98	-	0.60	0.45	6.23
2	<b>Other Non-Executive Directors (NED)</b>								
	• Fee for attending board committee meetings (including board meetings)	-	-	-	-	1.05	-	-	1.05
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	1.05	-	-	1.05
	Total (B)=( 1+2)	0.98	1.35	1.87	0.98	1.05	0.60	0.45	7.28
	Total Managerial Remuneration								272.21#
	Overall Ceiling as per the Act	11 % of Net Profits of the Company.*							

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

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

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

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		MD/ CEO* (Mr. Anil Gupta)	Company Secretary (Mr. Kishore Kunal)	CFO* (Mr. Rajeev Gupta)	WTD* (Mr. Akshit Diviaj Gupta)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		3.66			3.66
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0.03			0.03
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		0.00			0.00
2.	Stock Option		20.61			20.61
3.	Sweat Equity		-			0.00
4.	Commission		-			0.00
	- as % of profit		-			0.00
	- others, specify (Contribution to PF)		0.02			0.02
5.	Others, please specify		-			0.00
	<b>Total</b>		<b>24.32</b>			<b>24.32</b>

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

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

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

For and on behalf of  
Board of Directors of KEI Industries Limited

Place: New Delhi  
Date: August 06, 2020

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



## **ANNEXURE - C**

### **FORM NO. MR-3**

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

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

The Members

**KEI Industries Limited**

L74899DL1992PLC051527

D-90, Okhla Industrial Area,

Phase-1, New Delhi -110020

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

Based on our verification of the KEI Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliances - Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by KEI Industries Limited (**"the Company"**) for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of :-

- (i) The Companies Act, 2013 (**"the Act"**) and rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye - laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable to the Company during the Financial Year 2019-2020**);
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; (**Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year 2019-2020**);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the Financial Year 2019-2020**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**Not applicable to the Company during the Financial Year 2019-2020**); and
- (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952;

- (vii) Employees State Insurance Act, 1948;
- (viii) Environment Protection Act, 1986 and other Environmental Laws;
- (ix) Factories Act, 1948;
- (x) Indian Contract Act, 1872;
- (xi) Industrial Dispute Act, 1947;
- (xii) Minimum Wages Act, 1948;
- (xiii) Payment of Bonus Act, 1965;
- (xiv) Payment of Gratuity Act, 1972;
- (xv) Payment of Wages Act, 1936;
- (xvi) Contract Labour (Regulation & Abolition) Act, 1970;
- (xvii) Maternity Benefit Act, 1961;
- (xviii) Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
- (xix) Apprentices Act, 1961;
- (xx) Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- (xxi) Industrial Employment (Standing Orders) Act, 1946 and other applicable labour laws.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period:-

- (i) The Company has made allotment of 10,000,000 (Ten million) equity shares of face value of Rs.2/- each at an Issue Price of Rs. 500/- (including premium of Rs.498/-) to Qualified Institutional Buyers (QIB) under Qualified Institutions Placement pursuant to Chapter VI of SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2018 as amended and pursuant to Section 42 & 62 of the Companies Act, 2013 on 28.01.2020.
- (ii) The Company has made allotment of 5,79,000 equity shares under, "KEI-Employees Stock option Scheme-2015" pursuant to SEBI (Share Based Employee Benefit) Regulations, 2014.

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

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

**CS SUMIT KUMAR**  
**PROPRIETOR**  
**S.K. BATRA & ASSOCIATES**  
**COMPANY SECRETARIES**  
**CP NO.: 8072, FCS NO. 7714**

**Place: New Delhi**  
**Dated: August 06, 2020**

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

**"Annexure-A"**

The Members  
**KEI Industries Limited**  
L74899DL1992PLC051527  
D-90, Okhla Industrial Area,  
Phase-1, New Delhi -110 020

**Our Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2020 of even date is to be read along with this letter**

We report that:-

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

**Place: New Delhi**  
**Dated: August 06, 2020**

**CS SUMIT KUMAR**  
**PROPRIETOR**  
**S.K. BATRA & ASSOCIATES**  
**COMPANY SECRETARIES**  
**CP NO.: 8072, FCS NO. 7714**

## **ANNUAL REPORT ON CSR ACTIVITIES (FY: 2019-20)**

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The CSR policy framed by the CSR Committee (constituted by the Board) has been approved by the Board of Directors at its meeting held on 08.08.2014 in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

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

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

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

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

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

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

(₹ in millions)

- |   |                |
|---|----------------|
| 3. Average net profit of the company for last three financial years:                | <b>2066.23</b> |
| 4. Prescribed CSR Expenditure (2 % of the amount as in item 3 above):               | <b>41.33</b>   |
| 5. Unspent amount of previous Financial Years                                       | <b>29.89</b>   |
| 6. Amount to be spent (including for previous Financial Years)                      | <b>71.22</b>   |
| 7. Details of CSR spent during the financial year:                                  |                |
| a) Total amount spent during the financial year:                                    | <b>58.15</b>   |
| b) Amount unspent, if any:  | <b>13.07</b>   |
| c) Manner in which the amount spent during the financial year is provided as below: |                |

S. No.	CSR project or activity identified	Sector in which the Project is covered (as per Schedule VII of the Companies Act, 2013)	Projects or programs i) Local area or other ii) The State and district where projects or programs was undertaken	Amount outlay (budget) project or programs Wise (₹ in millions)	Amount spent on the projects or programs Sub heads: i) Direct expenditure on projects or programs ii) Overheads (₹ in millions)	Cumulative expenditure upto the reporting period (₹ in millions)	Amount spent : Direct or through implementing agency
1 (i)	Promoting Health Care	CI (i)	Mathura, Uttar Pradesh	5.00	5.0	5.0	Through International Society for Krishna Consciousness (ISKCON)
(ii)	Eradicating Extreme Hunger and Poverty	CI (i)	Delhi	30.00	15.00	15.00	Through International Society for Krishna Consciousness (ISKCON)
(iii)	Eradicating Extreme Hunger and Poverty- (Fund for supply of Food- Covid-19 Relief)	CI (i)	Delhi		5.00	5.00	Through International Society for Krishna Consciousness (ISKCON)



S. No.	CSR project or activity identified	Sector in which the Project is covered (as per Schedule VII of the Companies Act, 2013)	Projects or programs i) Local area or other ii) The State and district where projects or programs was undertaken	Amount outlay (budget) project or programs Wise (₹ in millions)	Amount spent on the projects or programs Sub heads: i) Direct expenditure on projects or programs ii) Overheads (₹ in millions)	Cumulative expenditure upto the reporting period (₹ in millions)	Amount spent : Direct or through implementing agency
2	The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares Fund)	Cl (viii)	India	20.00	20.00	20.00	Through PM Cares Fund
3	Promoting Education	Cl (ii)	Jewar, Uttar Pradesh	0.50	0.50	0.50	Through Kalpatru Society
4	Promote Rural Sport	Cl (vii)	Delhi	0.50	0.50	0.50	Zak Sports Maidan Pvt. Ltd.
5	Animal Welfare	Cl (iv)	Delhi	0.10	0.10	0.10	Through Acharya Sushil Gau Sadan
6	Animal Welfare	Cl (iv)	Mathura	2.00	2.00	2.00	Through Shri Man Mandir Seva Sansthan
7	Promoting Education and Skill Development	Cl (ii)	Mumbai, Maharashtra, Hyderabad, Andhra Pradesh	1.55	1.55	1.55	Through Tata Community Initiative Trust
8	Eradicating Extreme Hunger and Poverty	Cl (i)	Vergal-, Siddipet, Telangana	1.0	1.0	1.0	Through Sri Vidya Saraswathi Prasad Vitarana sansthan
9	Promote Rural Sport	Cl (vii)	Rohini, New Delhi & Gurgaon, Haryana	2.20	2.20	2.20	Through GVIKSH
10	Promoting Education	Cl (ii)	Uttarakhand- Himanchal Pradesh	2.20	2.20	2.20	Through Bharat Lok Shiksha Parisad
11	Eradicating Extreme Hunger and Poverty	Cl (i)	Village and Mandal, Vargal Dist. Siddipet Telangana	1.10	1.10	1.10	Through Sri Vidya Saraswathi Sri Sani Temple
12	Promoting Education	Cl (ii)	Hyderabad	0.10	0.10	0.10	Through Udbhav School (IIMAAA Hyderabad Chapter Charitable Trust)
13	Animal Welfare	Cl (iv)	Mathura	0.10	0.10	0.10	Through Shri Mataji Gauvansh Seva Sansthan
14	Eradicating hunger, poverty and malnutrition	Cl (i)	Dadra & Nagar Haveli	0.005	0.005	0.005	Through Indian Council for Child Welfare
15	Disaster Management	Cl (xii)	Orissa	0.098	0.098	0.098	Directly by Company
16	Promoting Health Care	Cl (i)	India	1.70	1.70	1.70	Directly by Company
	<b>Total</b>			<b>68.15</b>	<b>58.15</b>	<b>58.15*</b>	

# Includes, amount spent for earlier years.

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

The Company would be meeting its CSR obligations during Financial Year 2020-21, including the amount unspent in line with the progress of the relevant projects.

#### 9. Responsibility Statement :

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

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

(PAWAN BHOLUSARIA)  
Chairman of CSR Committee  
DIN: 00092492

Date: August 06, 2020  
Place: New Delhi

## ANNEXURE - E

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

Clause under Rule 5(1) : (i), (ii)		
Name of Director / KMP and Designation	Ratio of remuneration of each Director/ to median remuneration of employees	% increase in Remuneration in the FY 2019-20
Mr. Anil Gupta (Chairman-cum-Managing Director)	1:80	17%
Mr. Rajeev Gupta [(Executive Director (Finance) & CFO)]	1:21	15%
Mr. Akshit Diviaj Gupta (Whole Time Director)	1:13	12%
Mr. Kishore Kunal (Company Secretary & Compliance Officer)	1:7	19%

Clause under Rule 5(1)	Prescribed Requirement	Particulars
(iii)	Percentage increase in the median remuneration of employees in the financial year	9%
(iv)	Number of permanent employees on the rolls of Company (including FTA)	2346
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	i) Average percentage increase in the salaries of employees other than the managerial personnel - 8% ii) Average percentage increase in the salaries of managerial personnel - 16%
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Nomination and Remuneration Policy of the Company.

Note: Above information of remuneration/salary excludes commission paid to CMD and value of ESOP to employees

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

Sl. No	Name and Designation	Total Gross Remuneration (In Millions)**	Nature of Employment	Qualification	Experience (in years)	Date of commencement of employment in the Company	Age (in years)	Last Employment held before joining the Company
1	Mr. Anil Gupta, CMD	173.15	Permanent	B. Com	39	31/12/1992	61	NA

Sl. No	Name and Designation	Total Gross Remuneration (In Millions)**	Nature of Employment	Qualification	Experience (in years)	Date of commencement of employment in the Company	Age (in years)	Last Employment held before joining the Company
2	Mr. Rajeev Gupta, ED (Finance) & CFO	85.03	Permanent	B.com (Hons.), CA	27	14/12/1993*	56	NA
3	Mr. Pawan Kumar Aggarwal, Executive Director (Projects)	77.50	Permanent	B.Sc., Diploma (Electronics)	38	01/10/1982	61	NA
4	Mr. Manoj Kakkar, Executive Director (Sales & Marketing)	29.90	Permanent	B.Com, PGDM (Marketing)	31	18/12/1990	51	Premier Cable
5	Mr. Lalit Sharma, COO	33.10	Permanent	B.Tech. (E&C)	24	10/09/2007	45	Plaza Group
6	Mr. K C Sharma Sr. VP (Operations)	21.25	Permanent	Diploma (Electrical)	38	17/01/1994	60	Victor Cables
7	Mr. Manish Mantri, Sr. VP (EPC)	20.35	Permanent	B.E. (Chemical)	25	24/01/2012	50	RR Kabel Ltd.
8	Mr. Adarsh Kumar Jain, AVP (Finance)	27.38	Permanent	B.Sc., CA	23	16/09/2002	45	Jagdish Chand & Co.
9	Mr. Kishore Kunal, GM (Corporate) & Company Secretary	24.32	Permanent	B.Com, CS, LLB	17	15/12/2004	38	Shri Rathi Steel Limited
10	Mr. Dilip Kumar Barnwal, VP (Operations)	17.53	Permanent	B.E (Electrical)	27	24/08/2005	53	Ruchika Cables Pvt. Ltd.

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

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

\* Appointed as Director w.e.f. April 21, 2006. However, he is working with the Company w.e.f. December 14, 1993.

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

## ANNEXURE - F

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

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

### A. CONSERVATION OF ENERGY -

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

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

- Roof top of Solar Power has been increased from 2.0 MW to 3.5 MV & is operating successfully.
- Minimized generation of waste through the application of reduce, reuse and recycle principles across units.

- Curing chamber doors completely changed to reduce the leakage of steam.
- Started using Self cured XLPE compound to reduce the time of curing.
- All compressors were centralized and converted to Variable Frequency Drives (VFD).
- Replaced air wiping through compressed air with 0.25 KWH air blowers synchronized with main motor.
- Usage of air knife wipers on extruders instead of compressed air for water wiping.
- Usage of Natural gas against Diesel and Furnace Oil in Boiler to eliminate toxic emission in to the environment.
- Steam boilers were replaced with Hot Water Generators in HT Plant (Bhiwadi) & Chopanki plant resulting in saving of energy & water.
- Online energy (electricity & diesel) monitoring system installed.
- Solenoid valves were attached with the capstans of the extruders to reduce the air wastage.
- PU connectors were replaced with Aluminium connectors to minimize the leakage of air.
- 150 CFL lights were replaced with 34W & 80W LED lights.
- 50 HP and 150 HP DC motors and drive were replaced with AC motors and drive for 65 mm and 120 mm extruders.
- One High mast LED light in Rakholi and 3 in Chinchpada were installed

#### **CONSERVATION TOWARDS ENVIORNMENT-**

- Installation of Zero Liquid discharge (ZLD) Plant to treat the waste water, purify and recycle it.
- Installation of Sewage Treatment Plant (STP):- Waste water is circulated through STP and treated water is used in washrooms and gardening through separate pipeline.
- Started using pallets attached with imported copper baskets for our export consignments
- Battens were made out of the pallets attached with imported copper baskets
- RO waste water were used for toilets.
- PH boosters were installed in RO plant. DM plant was stopped and chemical treated water was stopped draining to ground and polluting.
- 150 trees were planted in Chinchpada plant.
- Usage of HDPE sheet for cable drum packing for domestic supplies in place of wooden battens to save environment

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

#### **B. TECHNOLOGY ABSORPTION -**

##### **a) Efforts made towards technology absorption:**

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

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

##### **c) New Product Development:**

- Special Cable Development
  - LT Coaxial Cable 3.5C240 SQMM.
  - Light Reflective Rubber Cable 3CX300+2CX150+1CX50
  - Rubber Cable 3CX35+3CX10 (33KV)
  - EHV 400kV, 1C x 2500 Sq.mm Enameled copper cable.



- Non Magnetic Double SS Tape 220kV 1Cx 2000 Sq.mm cable
- Stainless Steel Tape corrugation & Double Brass Tape 132kV 1C x630 SQMM
- 3CX300 SQMM 66KV(E) along with optical fiber.
- 1Cx630 SQMM 110kV with optical Fibre in Metal tube.
- Flexible Aluminium cables, Aluminium FS cables, Fire rated cables, Ceramified Silicone FS wires, Cables suitable for -60 deg.C, Solar cables.
- Rubber compounds: Developed and modified compounds chemically as per European Standards for special applications as per Indian market's requirements.
- Embedded OFC for EHV Cable introduced.
- FR HDPE jacketed cable developed.
- FRLS jacket for EHV cable introduced.
- Non Magnetic Stainless Steel corrugated sheath developed.
- Bi-Color jacketed MV Cable for South African market developed.
- Round Compact 1200sq.mm Aluminum- Conductor Developed.
- Individual sheathed Triplex Cable for Australian market developed.
- Developed and manufactured 400kv Cables.

**d) Product Improvements:**

- Worked towards enhancing QC and improvised on the testing equipment used in our laboratories.
- In order to enhance the quality of our products, we have developed new international vendors for special materials as per international standards and have imported them at cost effective prices.
- Nano dies introduced for Round Compact Conductor.
- New Packing developed, which is cost effective & replacing wood as packing material.

**e) Process Improvement:**

- Renew of ISO 9001:2015, ISO 14001:2015 & NABL- ISO/IEC 17025:2017 certification along with up gradation of OHSAS 18001:2007 to ISO 45001:2018.
- New plant commissioned at Chinchpada, Silvassa for manufacturing of House wires.
- Warehouse arranged in Bhiwadi for reducing plant congestion.
- Bending test rig developed for 400 KV cable.
- Degassing checking equipment developed indigenously based on weight loss.
- Pulling eye designed and developed for vertical installation
- Test set up developed for testing Rigidity of cable
- Installation of Fire Extinguisher Ball.
- Laser Beam sensor installation on the high speed machines
- Installed new machines, like Extruders, Aluminium RBD machines, drum twisters, tapping machine, with latest technology to enhance production capacity and improve production precision at all our plants.
- EOT converted to VFD drive.
- Instead of Battens, PP sheet introduced for packing of drums .
- Master carton sealing machine introduced to avoid the theft/damage of packing.
- Fire hydrant system was installed in the plant.
- CO2 flooding system was installed in IT room and Battery room.

- 250 KVA UPS from Mitsubishi was added in the plant.
- One additional 5 T lift was installed for ease of house wire/flexible dispatches.
- High speed on-line taping before extrusion developed.
- A very high speed stranding machine based on new technology planned at Pathredi.
- New Process of Solar cable harnessing has been introduced in Bhiwadi plant.
- Purchasing of drawn Copper in basket form (1.60mm) rather than in 8mm Rod form for fine wire drawing.
- Replaced 1+3 Laying machine with Drum Twister (2600mm) in HT Plant to enhance the productivity of laying process.
- 72 Bobbin Armoring changed in LT Plant to enhance the productivity of armoring process
- Expansion of Flexible and House wire in Silvassa.
- 800 mm Niehoff buncher was installed.
- All Niehoff Bunchers were modified to gear system to avoid lay variation in conductor.
- All Niehoff bunchers were connected to UPS to avoid breakage of conductors/ bow incase of power failure.
- Inhouse developed the RoHS compound which got passed from outside Lab.
- NABL Quality Assurance Laboratory Management certification was received
- 1010 KVA Old DG setwere replaced with new 1010 KVA DG set
- 100 mm new extruder was installed.
- New compounding machine GR 3500 was installed in Dapada plant.
- Pneumatic brakes were installed in GI rewinding take up to avoid accidents during wire breaks.
- Spare 11 KV express feeder was installed for uninterrupted power supply during HT Cable faults in monsoon season.
- Hydraulic dock leveler was installed in Dapada plant for facilitating loading & unloading of containers.

**f) Benefits as a result of R & D Activities:**

- **Special PVC Compound have been developed in house.**
  - Special FRLS : This compound withstand at (-40) degree centigrade.
  - Special ST2 : This compound can withstand at (-40) degree centigrade.
  - Special ST2(5V90- Aus std): This compound can withstand at 105 degree centigrade
  - RoHS & REACH: Since there is demand for environment friendly compound i.e. (Lead free/ Phthalate free) so Company has developed this compound in house and the same has been certified by third party laboratory.
  - TM-55 : This compound has been developed with high abrasive resistance. It was the need of high abrasive compound in outer sheath process to withstand the rocky /hard land/ jungle Area like GOA.
  - TPE Compound : A subtype of PVC compound for lead inner sheathing.
  - Type D: Highly flexible PVC insulation grade compound used for lift cables
  - ST3: Highly flexible PVC Sheathing grade compound used for lift cables.
  - Cadmium based orange color compound: This compound can prevent color fade ness for long time
- **Special Rubber Compound have been developed in house.**
  - SHF-2 (LSZH) : Mud and ozone resistance compound for offshore projects.
  - SW-4 (LSZH) : Ozone resistance for offshore projects
  - Solar Cable Compound (LSZH) : Specially made for solar cables

- (-40) degree and (-60) degree: Specially made for the supplies where the environment temperature goes up to minus 60 degree centigrade (European countries).
- 35KV compound for 33KV- Working on in house development of this compound, earlier it was being imported from ATICHEM, Italy
- Automation Developments by installing double capacity single machines such as Aluminium RBD and stranding machine with auto loading system to reduce man power, increase productivity and enhance quality.
- Base material developments in insulating materials and in-house compounding materials.
- Special Tapes for fire retardant and water blocking in cables.
- Have enabled us to now develop in house PVC compounds Resulted in Cost reduction and quality enhancement.

**g) Future Plan of Action:**

- Manufacturing and Selling of 400 kV EHV cables and development of speciality cables as per market requirements/demands.
- Separate laboratories for Factory testing and Type testing.
- Enhancing capacity of PVC Compounding plant.
- Penetration into varied turnkey projects.
- Research and identify new products as per futuristic market demands.

**h) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):**

- Smart sense technology adopted to monitor the live energy consumption through cloud hosted monitoring platforms.

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for product; export plans:**

During the financial year 2019-20, export sales of the Company increased to ₹ 8990.59 millions from ₹ 5324.99 millions in the financial year 2018-19. Your Company is continuing its sustained efforts to retain old customers and add new customers in various export markets. With management's focus, marketing strategies and dedicated efforts of Company's International Business Team, the Company is hopeful to maintain its export sales in the coming year.

The Company is optimistic for the international business as many potential customers are evaluating options to derisk their production and supply chain to India from other Asian countries. India may have a great opportunity Post Covid-19, as global players realign their supply chain

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

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

Earnings	₹ 8,990.59 millions
Outgo	₹ 12,933 millions

**For and on behalf of  
Board of Directors of KEI Industries Limited**

**Place : New Delhi  
Date : August 06, 2020**

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

**FORM NO. AOC.2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:

**NONE: DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS**

- (a) Name(s) of the related party and nature of relationship: **N.A.**
- (b) Nature of contracts/arrangements/transactions: **N.A.**
- (c) Duration of the contracts/arrangements/transactions: **N.A.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
- (f) Date(s) of approval by the Board: **N.A.**
- (g) Amount paid as advances, if any: **N.A.**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**

2. Details of material contracts or arrangement or transactions at arm's length basis:

**NONE: DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL\* CONTRACT OR ARRANGEMENT**

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.)

- (a) Name(s) of the related party and nature of relationship: **N.A.**
- (b) Nature of contracts/arrangements/transactions: **N.A.**
- (c) Duration of the contracts/arrangements/transactions: **N.A.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- (e) Date(s) of approval by the Board, if any: **N.A.**
- (f) Amount paid as advances, if any: **N.A.**

**For and on behalf of  
Board of Directors of KEI Industries Limited**

**Place : New Delhi  
Date : August 06, 2020**

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



# Management Discussion and Analysis

## ECONOMIC OVERVIEW

### Global Economy

A year of steady slowdown led the global economy to its lowest growth in 2019 since the 2009 economic recession. International Monetary Fund in its World Economic Outlook (WEO) for June calculated a global growth of 2.9% in 2019 compared with 3.6% in 2018. Emerging Markets and Developing Economies (EMDEs) grew by 4.5%, while Advanced Economies grew by just 1.7% in 2019. The slowdown in 2019 is attributed to negative economic activities in a few emerging market economies, geopolitical tension, and international trade disruptions. The COVID-19 pandemic, which broke out across the continents in the first quarter of 2020, had a more negative impact on economic activities in H1 2020 than anticipated, and IMF and World Bank are projecting a slower recovery than previous forecasts.

IMF estimates a global negative growth of 4.9% in 2020, which is projected to rebound with a positive growth of 5.4% in 2021. The lowered forecast for 2020 is driven by intensification of the pandemic in a number of emerging market and developing economies, and the impact brought about by the containment measures like quarantines, lockdown and ban on travel. Consumption and services output, and investment have dropped markedly leading to severe demand shock, supply disruptions, labor market drop and a severe contraction in global trade. However, policy countermeasures have lifted financial sentiment in a number of countries. The European countries have passed the peak contamination stage and are slowly getting into normalization of economic activities. Economic experts are keeping the hope of a rebound in the long run considering the widespread fiscal and monetary support across countries.

### Indian Economy

The global cyclical slowdown caused India's economy to register a downturn in FY 2019-20 and it posted the slowest growth since FY 2008-09. In Q4 FY 2019-20, economic growth was hampered as the three growth parameters of consumption, investment and trade plunged to an all-time low with the outbreak of COVID-19. Both the National Statistical Office (NSO) and IMF calculated India's Gross Domestic Product (GDP) growth at 4.2% in FY 2020-21 compared to 6.1% in the previous year.

India's GDP registered the highest growth of 8% in FY 2015-16 when both the global growth and country specific growth parameters were in sync. Despite the consolidation, the economy was growing healthy in the following three fiscals with a growth of 6% to 7%, and was considered one of the fastest growing economies with China. However, FY 2019-20 manifested severe liquidity crunch, lower GST collections and a strain on fiscal deficit, followed by a continuous drop in consumption, investment and trade. Growth in all key sectors decelerated considerably. The Government tried to push growth through significant easing of monetary policy with repo rate cuts and extensive credit support to the Non-Banking Financial Companies (NBFCs) sector. The growth roadmap for next fiscals was also augmented by the amendment of Insolvency and Bankruptcy Code (IBC), the launch of the National Infrastructure Pipeline (NIP) with a budget of ₹ 102 Lakh Crores and the Union Budget 2020-21 with targeted allocations. However, the outbreak of COVID-19, the escalated healthcare costs and the loss incurred by the economy due to the nationwide lockdown hampered the chances of an economic recovery.

GDP growth forecast has been lowered due to the uncertainty brought about by the sudden halt to all economic activities. A CRISIL report forecasted India's GDP growth to contract by 5% in FY 2020-21. The organization estimated a permanent loss of 10% of GDP in real terms and the impact is estimated to spread over next three years. IMF revised its forecast for India in its June WEO, and projected a negative growth of 4.5% for FY 2020-21. It, however, projects the Indian economy to grow by 6% in FY 2021-22 backed by Government's policy support.

Sources: IMF World Economic Outlook, April 2020, IMF World Economic Outlook, April 2020, [http://www.mospi.gov.in/sites/default/files/press\\_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf](http://www.mospi.gov.in/sites/default/files/press_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf), <https://www.bbc.com/news/world-asia-india-52559324>

## INDUSTRY OVERVIEW

### Power Transmission and Distribution (T&D) Industry

Growing investment in infrastructure development has significantly augmented India's power demand and is expected to push it further in the coming fiscals. Based on data from the Central Electricity Authority (CEA), India's

power generation capacity will be increased to 480.4 GW by the end of FY 2021-22 from 370.106 GW at the end of March 2020, and the major addition will come from renewable sector. According to CEA, energy demand for FY 2019-20, stood at 1,291,010 MU, slightly higher than the same period of last fiscal with just 0.5% gap between energy demand and supply.

India's power demand is primarily being driven by residential and commercial electricity use, six energy-intensive industries like iron and steel, aluminum; cement; fertilizer; refining; and pulp and paper. Construction industry also consumes a large volume of electricity. With the aggressive investment and expansion in the key sectors, the consumption is growing faster. Higher industrial growth post-GST implementation, Make in India campaign, dedicated freight corridor infrastructure, service industry expansion, rapid urbanization, and increased farm incomes are pushing demand for power. The Government has lined up an expansive infrastructure roadmap with NIP covering sectors like energy, railways, urban infrastructure, roads and highways, ports, airports and industries. Further, affordable housing schemes and universal electrification programs have pushed demand for power significantly in the recent years.

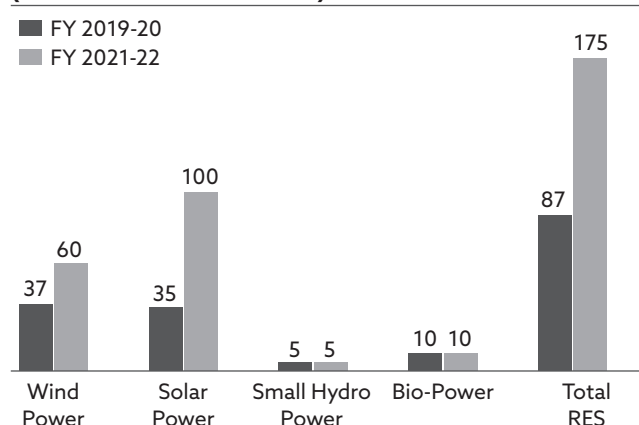
Considering the growing power demand, the Government has been working towards strengthening the power supply chain and extension of National Grid to improve poor last-mile connectivity and inadequate transmission and distribution infrastructure. CEA published its National Electricity Plan (NEP) as a blueprint to revamp the transmission systems in India. According to the plan, an expenditure of ₹ 2.69 Trillion (USD 39 Billion) would be required to revamp the transmission system during the plan period (FY 2017-22). These developments are opening up numerous opportunities in the power transmission and distribution equipment sector.

Source: <https://mercomindia.com/india-39-billion-transmission-infrastructure-revamp/>, <https://www.tdworl.com/overhead-transmission/indian-power-sector-hub-innovation>, <http://www.cea.nic.in/reports.html>

### Renewable Energy Industry

Renewable energy is fast emerging as the preferred energy source across the world in terms of incremental capacity addition. According to Ernst & Young's Renewable Energy Country Attractiveness Index 2019 (RECAI); India ranks 3<sup>rd</sup> among the world's most attractive renewable energy markets. India is gradually inching towards its goal of 175 GW renewable energy capacity by 2022.

### All India Renewable Energy Capacity (In GW) (FY 2019-20 vs. FY 2021-22)



Source: Central Electricity Authority (CEA) and Ministry of New & Renewable Energy (MNRE)

As of March 2020, renewable energy capacity accounted for roughly 23.5% share of the total installed energy capacity. This is likely to almost double to 44% to reach 275 GW by 2027. The National Solar Mission with 40-41 GW capacity addition and the target of generating 100 GW of solar energy by FY 2021-22 is expected to provide an impetus to the renewable industry. Union Budget 2020-21 has allocated ₹ 22,000 Crores for the power and renewable energy sector and provided ₹ 2,516 Crores for solar power sector, along with incentives for wind power projects.

Given the ambitious renewable energy target, it becomes mandatory to expand the grid connectivity in the next two fiscal years to be able to evacuate renewable power from generating stations. This is likely to significantly drive the market for cables and conductors in India along with other transmission and distribution equipment.

### Wires and Cables Industry

The wires and cables sector is a direct beneficiary of development of power generation and distribution infrastructure, as the market comprises nearly 40% of the electrical industry in India. According to a CRISIL report, in volume terms, the domestic wires and cables industry registered a CAGR of 22% CAGR in last five fiscals to reach about 17 Million km in FY 2018-19. The report expects the industry to reach a volume of about 27 Million km by FY 2023-24 with a CAGR of 10%. Accordingly, the Indian wires and cables industry in value terms, has registered a CAGR of about 13% in the last five fiscals to reach ₹ 646 Billion in FY 2018-19. The industry is projected to grow a CAGR

of about 11% to reach ₹ 1,000-1,100 Billion by FY 2023-24. India has also become a net exporter of cables and wires propelled by double-digit annual growth of 12% from 2009 to 2019.

Growth in the sector is primarily driven by the recent development push in power and infrastructure segments, supported by the Government policies, renewable energy push and Government schemes for electrification, housing development and smart cities. The wires and cables industry comprises a large number of small and medium manufacturers and a few large and branded players with both domestic and export capabilities. Organized players' share in the market is constantly growing and is expected to touch 79% by FY 2023-24 from 68% in FY 2018-19. Implementation of GST, improved efficiency and a balanced cost structure are some factors contributing to the growth of organized sector in India. Further, growing middle class incomes and customer involvement in electrical purchase and preference for quality and brand are driving the growth of organized players in the retail wires and cables market.

Source: Crisil Report: Assessment of cables and wires industry in India, January 2020, [https://powermin.nic.in/https://dipp.gov.in/sites/default/files/FDI\\_Factsheet\\_September2019\\_01January2019.pdf](https://powermin.nic.in/https://dipp.gov.in/sites/default/files/FDI_Factsheet_September2019_01January2019.pdf) [https://powermin.nic.in/sites/default/files/uploads/MOP\\_Annual\\_Report\\_Eng\\_2018-19.pdf](https://powermin.nic.in/sites/default/files/uploads/MOP_Annual_Report_Eng_2018-19.pdf) [http://www.cea.nic.in/reports/monthly\\_installedcapacity/2019/installed\\_capacity-12.pdf](http://www.cea.nic.in/reports/monthly_installedcapacity/2019/installed_capacity-12.pdf)

## GOVERNMENT INITIATIVES

### • Infrastructure Push

Strategic infrastructure expenditure supported by private investment will continue to remain a key focus for the Government. The Government's push for infrastructure developments in power, railways, roads, metro, housing and petrochemicals sectors will continue to spur demand for more power cables and wires. The NIP has lined up 6,500 projects across 23 sectors to be funded by central and state governments and the private sector in next five years.

The Energy sector has a 24% share in investment under the National Infrastructure Pipeline. The largest pies in the NIP allocations are towards transport, power and construction sub sectors, all of which have a direct bearing on electric demand. According to the Economic Affairs Ministry, investment in infrastructure has contributed 0.8% of GDP currently, and this is expected to rise to 1.1% by FY 2024-25. Additionally, approximately 22% of the projects announced under NIP are likely to be implemented by private players, which will go up to 30% by FY 2024-25.

Infrastructure development will be the key demand driver for the electrical equipment industry, as power is an integral part of all infrastructure projects.

### • Power for All

The current Government has started numerous electrification schemes with an objective of implementing universal and affordable electrification. Electricity demand in India is on the rise but per capita electricity consumption still remains low due to the limited reach of the transmission and distribution network. The Government started 'Power for All' (PFA) program in FY 2017-18, as a joint initiative with the states and Union Territories to make 24x7 power available to all households, industry, commercial businesses, public needs, other electricity-consuming entities and agriculture farm holdings by FY 2018-19. Under PFA, the Government pushed a number of schemes to implement uninterrupted power. Some of the projects that successfully completed their universal electrification targets are Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGY) and Saubhagya and Ujwal DISCOM Assurance Yojana (UDAY).

The COVID-19 outbreak and lockdown severely impacted commercial and industrial electricity consumption leading to a loss of business for the DISCOMS. The Government announced ₹ 90,000 Crores low risk loans to the DISCOMs, which will come with state guarantees. Power Finance Corp (PFC) and Rural Electrification Corporation (REC) Ltd have come forward to disburse 10-year loans to DISCOMs at 9.5% for the next 60 days under the ₹ 90,000 Crores liquidity infusion package. Further, the Government is considering relaxing working capital borrowing limits of power distribution companies. It is to be noted that, DISCOMs in India owed ₹ 1.08 Trillion to generators as in April 2020. States are required to have prepaid smart metering in government electricity connections to be qualified for this loan. Besides, states should have a liquidation plan for subsidy and electricity bills payable by the state government to the DISCOMs.

### • Allocations and Subsidy for Solar Power

The Union Budget 2020-21 provided ₹ 2,516 Crores for the solar power sector, up 10.35% from Budget 2019-20. It has also provided for Central Financial Assistance for 7,500 MW of solar power capacity addition in FY 2020-21. To encourage the use of renewable energy and to cut down electricity bill, both the Central Government as well as State Nodal

Agencies (SNAs) offer subsidy schemes to the people for installing rooftop PV systems. According to MNRE, the Central Government pays 30% to 70% of the benchmarked installation cost for rooftop PV systems depending on the status of the states. This subsidy scheme is applicable for institutional, residential and social sectors. Such initiatives can be a potential demand driver for solar cables and electric cables.

Source: <https://powermin.gov.in/en/>, <http://ujala.gov.in/>, <http://vikaspedia.in/InDG>, <https://saubhagya.gov.in/>, <http://www.ddugjy.gov.in/>

- **Railways and Metro Infrastructure**

The Railways have been allotted ₹ 13.6 Lakh Crores and urban infrastructure has been allotted ₹ 16.2 Lakh Crores in National Infrastructure Pipeline (NIP), which indicates the kind of huge investment expected in railways and urban rails. Furthermore, the Government proposes to spend ₹ 72,216 Crores on the Indian Railways in Budget 2020-21. Additionally, the 'Mission 41K' to save ₹ 41,000 Crores on energy consumption by Indian Railways over the next 10 years has generated good potential for the Indian wires and cables industry. According to the Union Budget, the Railways plan to achieve electrification of 27,000 Km of tracks by 2023.

The Government also plans to develop the metro rail sector through the Public Private Partnership (PPP) model. Currently, India has operational metro rails in 14 Indian cities, and further metro rail projects are under construction in nineteen cities. Nine more new/expansion projects have been approved by the Government. These projects will be a huge demand driver for wires and cables.

Source: <https://pib.gov.in/>, <https://www.ibef.org/industry/indian-railways.aspx>, <http://mohua.gov.in/>, <https://www.livemint.com/>, Source: <http://www.indianrailways.gov.in/>, <https://core.indianrailways.gov.in/> T=Target

- **Housing Development**

The Government of India's plan to expand urban infrastructure and affordable housing is a huge augments of power demand and investment in the sector. The schemes such as Housing for All by 2022, targeting 20 Million households, and the Smart Cities Mission, with a target of creating 100 cities are changing the urban landscape. A total of 10 Million and 29.5 Million units of houses to be constructed in urban and rural areas through Government initiatives by FY 2021-22. The Pradhan Mantri Awas Yojana

(Urban) Mission, launched in June 2015 intends to provide 'Housing for All' in the urban areas by the year 2022. PMAY-Credit Linked Subsidy Scheme (PMAY-CLSS), which offers loan subsidies of up to ₹ 2.67 Lakhs for buying a house, has been instrumental in driving the sector. Within its COVID-19 support package, the Government extended the deadline for PMAY-CLSS for middle income group up to March 2021, with an aim to keep the demand for affordable housing floating. To top it up, RBI allowed all financial companies to offer a moratorium on term loans from March to August 2020, in order to inject liquidity into the economy.

Source: <http://www.makeinindia.com/>, <http://smartcities.gov.in/>

- **Green Energy Corridor**

As renewable energy is volatile and intermittent, a dedicated independent transmission corridor is a pre-requisite to evacuate renewable power. The Green Energy Corridor Project aims at merging renewable electric power with conventional power stations in the grid. MNRE sanctioned the Intra State Transmission System (InSTS) project in eight renewable-rich states of India. The project will construct 9,767 ckm transmission lines and substations with a total capacity of 19,000 MVA. This aims to evacuate 20,000 MW of large-scale renewable power and improve grid capacities in those states. As of December 2019, 6,258 ckm of transmission lines had been constructed. The project has been extended till December 2020.

- **Aatmanirbhar Bharat**

The COVID-19 pandemic and the ensuing lockdown on various industries posed a challenge to India's economic growth. As a result, the Government introduced some crisis management measures and fiscal and monetary stimulus with recalibrated growth strategies. The Government announced a ₹ 20 Lakh Crores stimulus package called "Aatmanirbhar Bharat" as a socio-economic support to the country. The program was aimed at building a self-reliant economy with an emphasis on Make in India. It offers expansive policy and liquidity support to cottage industries and MSMEs, NBFCs, laborers, farmers, middle class, and urban and rural poor. Schemes like Tax breaks for small businesses and incentives for domestic manufacturing and collateral-free loans to businesses and MSMEs are likely to help industries get back to their feet after the COVID-19 disruptions.



## BUSINESS OVERVIEW

KEI Industries Limited (hereinafter referred to as "KEI" or "the Company") is a leading manufacturer of wires and cables with a global presence and headquartered in Delhi. KEI has a comprehensive product portfolio ranging from housing wires to Extra High Voltage (EHV) cables, and further diversifying into Engineering, Procurement and Construction (EPC) services for power and transmission projects. The Company has emerged as a "one-stop solutions provider" for wires and cables for both retail and institutional segments, with the EPC sector further strengthening its leadership position. It had 5.2% share in the total cables and wires industry and 7.3% in the organised cables and wires industry in FY 2018-19. Its diversified product mix is mainly sub divided into:

- **Cables**

The Cable segment consists of Extra High Voltage (EHV), High Tension (HT) and Low Tension (LT) power cables, control and instrumentation cables, specialty cables, rubber cables, submersible cables. Considering the significance of EHV cables over conventional overhead lines in transmission and distribution line projects, KEI ventured into manufacturing of EHV cables in technical collaboration with Switzerland-based Brugg Kabel at its Chopanki (Rajasthan) facility. The cables division is supported by backward integration through in-house PVC compound manufacturing and forward integration by way of execution of EPC projects.

- **House Wires and Winding Wires (HW and WW)**

House wires are used for wiring domestic and commercial buildings. Winding wires serve maximum range of submersible pump manufactures and thousands of rewinders across the country, driven by KEI's proven reliability in product quality.

- **Stainless Steel Wires (SSW)**

KEI manufactures various types of stainless steel wires covering welding wire, hard stainless steel wire, cold heading wires, fine stainless steel wires and general purpose wires for a wide range of applications. KEI's stainless steel wire division has a manufacturing capacity of 6,600 MT per year.

- **Turnkey Projects**

Under Engineering, Procurement and Construction (EPC) business, KEI offers turnkey solutions for large power and allied sector projects. It focuses on projects with significant cabling requirements to leverage on economies of scale. Turnkey projects cater to township projects, rural electrification

projects, railways electrification, substation projects, infrastructure projects and metro & smart city projects.

## Manufacturing Update

The Company has maintained its strategic manufacturing footprints through its five world-class facilities at Bhiwadi (Rajasthan); Chopanki (Rajasthan); Pathredi (Rajasthan); and at Silvassa and Chinchpada (Dadra and Nagar Haveli). The Company started commercial production of 1st phase of its new manufacturing plant for house wire / building wire / flexible wire located at Chinchpada, Dadra and Nagar Haveli in July FY 2019-20.

## Total Installed Capacity

EHV Cables	900 kms
HT Cables	11,100 kms
LT Power and other Cables	113,100 kms
Winding, Flexibles & House Wires	1,117,000 kms
Stainless Steel Wires	6,600 MT

During FY 2019-20, capacity utilization stood at 76% in cable, 68% in HW / WW & 91% in SS wires. KEI has created a niche for itself as a preferred supplier for private and public sector clients in India and abroad backed by its product quality and positive track record in project execution. Presently, KEI has 1,650 dealers spread across the country and expects to grow this network by 10% every year. It has diversified into three major business segments:

- **Retail**

KEI has been strategically expanding its retail segment business, considering the higher margin and lower working capital requirements in the segment. The Retail segment of the Company comprises household wires as well as LT & HT cables. The Company invested in aggressive promotions and marketing and sponsorship drives to strengthen the KEI brand and its recall, which resulted in increased sales from Retail segment and improved the working capital. The Company has doubled its capacity for house wires considering the demand potential.

- **Institutional**

KEI's institutional business is driven by EHV, HT & LT cables segment. KEI has created a niche in the utility sector clients by virtue of its quality products with Indian and international standards and timely execution of orders. The Company has supported its institutional business with its state-of-the-art

manufacturing facilities, research and development, marketing investment, product approvals and warehouse network in order to serve a diversified and prestigious clientele.

- **Exports**

Exports contribute a major share of KEI's business revenue. The Company has a presence in more than 45 countries with clients mostly in the Oil & Gas and utilities segment. It exports EHV, MV and LV cables to overseas customers.

### Business Opportunities

- **Robust growth in infrastructure sector**

As a continuation of National Infrastructure Pipeline and Budget 2021 initiatives, the Government will push investments in infrastructure sectors such as power, real estate and housing, railways, roads, petrochemicals and renewable energy. The Transmission and Distribution sector continues to remain in focus in the medium and long-term owing to the Government electrification and housing schemes driving demand for wires and cables.

India's electricity generation (conventional sources) is increasing by 3-4% every year, standing at 1,252.6 Billion Units (BU) in FY 2019-20. A substantial part of KEI's revenue is driven by EHV, HT, LT, Power, Instrumentation and Rubber Cables which are commonly used in T&D and industrial sector. Budget 2020-21 allocation of ₹ 6,000 Crores towards the BharatNet and ₹ 2,516 Crores for solar power sector (grid-interactive and off-grid projects) are two major boosts for producers of wires and cables, such as KEI, which offer retail, institutional and EPC services.

KEI is continuing its focus on turnkey EPC business, which consumes a significant portion of EHV cables and HT/LT cables. KEI is one of the few international players to manufacture high-end 400kV EHV cables in India. With the latest budget announcements on infrastructure and emphasis on the public private partnership model, the market is seen opening up more opportunities for KEI in the EPC sector.

- **Public Private Partnership (PPP) Model**

The Government of India has rolled out a PPP program for the delivery of high-priority public utilities and infrastructure and developed one of the largest PPP Programs in the world in the last one decade or so. A total of 324 PPP projects have been recommended by the Public Private Partnership Appraisal Committee (PPPAC) in the period from 2005 to 2019 in various infrastructure sub sectors.

### Sector-Wise Projects Recommended by the PPPAC (From December 2005 - December 2019)

S. No.	Sector	Number of Projects Approved	Total Project Cost (In ₹ Crores)
1	Airports	10	9,017
2	Housing	9	7,633.55
3	Ports	37	51,911.30
4	Railways	2	9,796
5	Roads	257	302,388
6	Sports	5	0
7	Tourism	4	1,220.87
<b>Total</b>		<b>324</b>	<b>381,966.72</b>

The Government emphasized on PPP model for a number of projects recommended under Budget 2020. Further, National Infrastructure Pipeline, which covers both economic and social infrastructure projects, will be particularly oriented towards PPP in order to attract private investments (both domestic & foreign) into infrastructure. NIP has recommended PPP model for projects in urban development, power, roads, railways, urban development, and airport and port sector. The availability of the status and information of NIP projects on India Investment Grid (IIG) portal will ensure easy accessibility to updated project information and attract investors for PPP projects.

With KEI's extensive manufacturing expertise and capacity in EHV, HT and LT power cables, control and instrumentation cables, specialty cables, rubber cables, submersible cables, the Company is well positioned to leverage on the upcoming PPP opportunities in the infrastructure sector.

- **Retail demand for house wires**

Retail sales for house wires are growing driven by Government schemes for urban and rural electrification, housing and rapid urbanization. Further, rising income levels, nuclear families, consumer involvement in purchasing and preference for quality products and brands have driven demand for house wires. Increasing housing wire demand is one factor that is driving the retail segment sales. KEI's retail segment comprises housing wires and HT and LT cables. Retail needs lesser working capital investment and offers higher profit margins due to faster realizations and lower inventory requirement. The Company has expanded its retail product capacity to cater to the growing market and boost its revenue potential.

### Process Improvement Update

KEI has engaged with a leading consultancy with an objective of reducing lead-time of total project execution and improving working capital rotations by enhancing the flow of projects. Processes have been established to bring in synchronization between purchase and material delivery to further align with the requirements of site execution along with flow-focused site execution management practices. Systems have been modified to ensure early warning signals to deal with obstacles and uncertainties. As a result of these initiatives, KEI has reported significant improvement in purchase lead time, lead time for material delivery at site, and project execution time. This has created a strong credibility for the Company in B2B and turnkey projects.

### FINANCIAL PERFORMANCE

The outbreak of COVID-19 has partially impacted KEI's operations by disrupting manufacturing and supply chain and delaying payments. It had to shut its manufacturing operations and offices to adhere to the lockdown protocol. However, the Company delivered robust financial performance and continued on its growth trajectory. It has strong liquidity support and order book position, which helped it pull through successfully during the lockdown and gives it the necessary optimism for future.

The Company reported net revenues of ₹ 4,884 Crores in FY 2019-20, up 15.5% from ₹ 4,227 Crores recorded in FY 2018-19. Reported EBITDA stood at ₹ 512.5 Crores against ₹ 449.4 Crores, registering a 14% growth in EBITDA over previous year. Profit after Tax (PAT) during FY 2019-20 was ₹ 255.1 Crores against ₹ 181.9 Crores in the same period last year. PAT has grown by 40.3% as against the last financial year.

- The Company's debt equity ratio improved by 68%, from 0.77 in FY 2018-19 to 0.24 in FY 2019-20, due to repayment / pre-payment of debt from the proceeds of QIP, raising of equity capital of ₹ 500 Crores through QIP and better profitability during the year
- The Current ratio of the Company has improved from 1.23 in FY 2018-19 to 1.63 in FY 2019-20 due to raising of funds through QIP and retention of profit
- Return on Net Worth decreased to 16.93% during the year as compared to 23.35% recorded during FY 2018-19. This is mainly attributed to increased profit level and higher net worth owing to equity capital raised during FY 2019-20 by way of QIP and shares allotted under the ESOP scheme

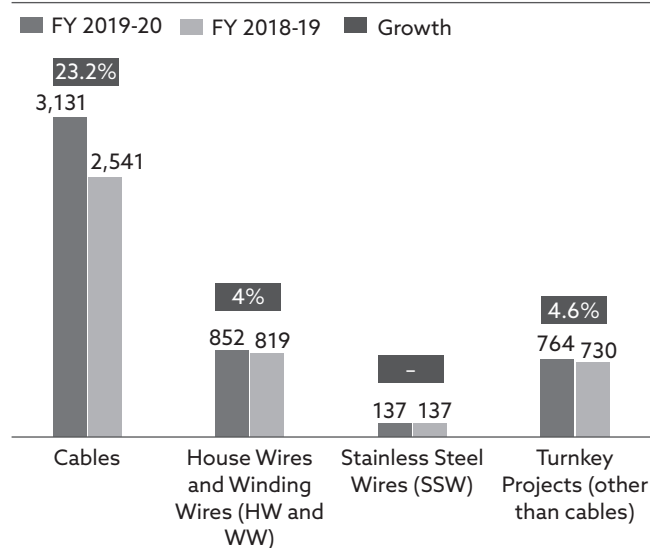
- Due to raising of capital through QIP and increased profitability during the year, net worth of the Company has increased from ₹ 778.89 Crores in FY 2018-19 to ₹ 1,506.76 Crores in FY 2019-20.

### Key Standalone Financial Ratios

Particular	FY 2019-20	FY 2018-19
Debtor Turnover Ratio	3.57	3.86
Inventory Turnover Ratio	5.65	6.13
Interest Coverage Ratio	3.53	3.05
Current Ratio	1.63	1.23
Debt Equity Ratio	0.24	0.77
Operational Profit Margin	10.16%	10.46%
Net Profit Margin	5.22%	4.30%
Return on Net Worth	16.93%	23.35%

### Financial Performance by Segment

#### Revenue by Product Segment (₹ in Crores)



The performance highlights of each segment over the year under review are discussed in detail below:

#### • Cables

The cables segment drove the business for KEI in the year under review. The net revenue from the cable segment (LT, HT and EHV cables) stood at ₹ 3,149 Crores, which was about 64.5% of the net revenue. Despite the disruption in business in the fourth quarter due to COVID-19 outbreak, KEI cable segment net revenue registered 24.2% growth year over year from ₹ 2,535 Crores in FY 2018-19. Though LT cable contributes the major part of cable segment

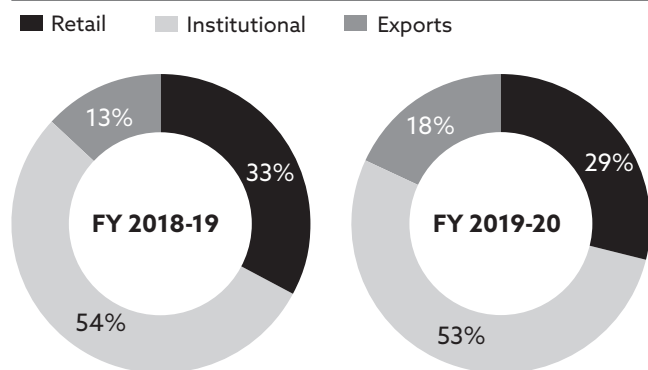
revenue, EHV segment registered a big leap year on year and the Company utilized the full capacity in this section of Power Cables. The institutional business of cables has grown about 31% year over year, primarily driven by low tension, high tension and EHV Power Cables. The Company also has a positive outlook for institutional cables because of the strong order book position.

- **House Wires and Winding Wires (HW and WW)**  
The segment faced challenges on the back of slowdown in real estate, prolonged rain in most part of the country and also by the lockdown. These developments impacted B2C sales growth. The Company, however, commissioned the first phase of Greenfield house wire capacity at Chinchpada, Dadra and Nagar Haveli considering the future demand potential.
- **Stainless Steel Wires (SSW)**  
During FY 2019-20, the Stainless Steel Wires segment revenue remained flat in comparison to previous year, mostly attributed to the slowdown in the industrial segment.
- **Turnkey Projects**  
The Company performed well in this sector without facing any constraints and completed the projects in time. Even during the lockdown period, KEI recovered a substantial amount against its receivables which significantly supported the Company's cash inflow. The EPC order book stands at ₹ 1,200 Crores which gives it good visibility for the next 15 months.

#### Financial Performance by Business Segment

The revenue share of KEI's three business segments in FY 2018-19 and FY 2019-20 and performance of each segment are discussed in detail below:

#### Revenue Break-up by Business Segment (%)



#### Retail Division

KEI has a pan-India dealer/distribution network of 1,650 in India for its retail products and the Company is expanding its network in newer markets for making them available in all parts of India. The retail sales remained almost flat from ₹ 1,400 Crores in FY 2018-19 to ₹ 1,413 Crores in FY 2019-20 mostly attributed to lower sales during March because of COVID-19 outbreak. However, the Company plans to expand the retail segment with an increased focus on distribution and branding.

#### Institutional Business

During FY 2019-20, the institutional business of cables has grown from ₹ 2,002 Crores to ₹ 2,621 Crores. Higher investment on the transmission and distribution sector, urbanization and railways electrification and substations are the key growth drivers for the Company's institutional sales. The Company's institutional business operates under two sub segments of cables (EHV, MV and LV cables) and EPC:

#### EHV

Within the Cable division, EHV segment revenue increased from ₹ 189 Crores in FY 2018-19 to ₹ 435 Crores in FY 2019-20, registering a growth of 130%. The Company is leveraging on the fact that there is not much competition in India in the EHV cable segment and also it is highly supported by the Make in India campaign. The Company has a strong order book position for EHV, which keeps the growth outlook positive. Stimulated by the Government's push towards extending and upgrading the transmission and distribution networks in India, the EHV segment of the Company is poised for a steady revenue growth in the near future.

#### EPC

The EPC segment for KEI is a steady state business. The Company has good experience and track record in execution and delivery of EPC projects with superior quality products and services within the time schedule under all kinds of environment. The revenue from EPC (other than cables) stood at ₹ 764 Crores for FY 2019-20 against ₹ 730 Crores in FY 2018-19.

#### Exports

Exports also contribute a decent share of KEI's business revenue. Total exports in FY 2019-20 grew by 69% to ₹ 899 Crores from ₹ 532 Crores in the previous year. The growth of exports was exceptional during FY 2019-20, due to execution of single large order of Dangote Oil Refining Company, Nigeria.



Post this project, management doesn't expect significant fall in export revenues due to good presence in Australia, Middle East, LATAM, Africa. The Company's export market is expected to grow in the coming fiscals because of its ability to offer customized products and solutions in line with global standards, at a competitive price.

## Opportunities and Threats

### Opportunities

- Growing demand from Tier 1 and 2 cities
- Development of housing sector and urbanization
- Opportunities for strategic alliance
- Growth in Solar power sector
- Investment in railways and metro
- Growing demand for building wires
- Growing EPC and PPP opportunities in infrastructure sector with 324 approved PPP projects and more in pipeline under NIP

### Threats

- Macro-economic slowdown
- Drop and hold in capex in key sectors
- Volatility in raw material price
- Exchange rate fluctuation
- Halt in economic activities, labor and logistic issues due to COVID-19
- Slowdown in the real estate and housing sector

## BUSINESS OUTLOOK

The Indian Government's push for urbanization, industrialization and housing & electrification augurs well for KEI. Despite the current challenge, the Company is witnessing opportunities from renewable energy sector, especially; wind and solar projects, fertilizer expansions, upgradation of Indian refineries and railways. Its strong presence in institutional (B2B) and retail (B2C) segments will be a key support in the growth path. The Company has augmented its institutional segment with EPC services targeted at large infrastructure projects which are coming up in multiple sectors. With the Government encouraging private investments and EPC mode of operations in the infrastructure projects in the NIP roadmap, KEI has numerous opportunities to expand its business in these sectors. This will be supported by its all-India presence and a diverse product portfolio, further enhanced by in-house manufacturing and execution capabilities. The Company's ability to manufacture its own EHV cable / HV cable, gives it an edge over its competitors in the EPC space.

While leveraging heavily on institutional and EPC services, KEI is also enhancing its retail business adapting to changing market demand through branding and marketing of its house wire brand. The well strategized sales & distribution network at KEI covers all major metros, Tier I & Tier II cities to serve its institutional and retail customers.

KEI has a strong order book position in hand from the domestic and export market to scale up production capacity utilization. Despite the uncertainty regarding the trajectory of the COVID-19 virus and long-term impact of the pandemic, with the opening of domestic & export market post lockdown, the Company expects business to improve gradually from Q2 FY 2020-21. The Company is supported by adequate capital to meet business needs and it is paying its lenders in time without availing any moratorium. Greenfield capacity expansion has been put on hold and will be reviewed in H2 of current year.

## Risks and Concerns

KEI has a well-defined Enterprise-wide Risk Management (ERM) framework in place to identify risks and opportunities, assess them and also strategize a response and enable the Company to be well equipped to mitigate risks across various organizational levels. A committee has been instituted to review risks and risk mitigation strategies. The management has identified a few key risks based on its past experience and a study of the current business and general scenario:

**Policy Change Risk:** Policy Change risks occur due to a change in government, legislation, policies and regulations. The Company's institutional sales and EPC business are critically exposed to the Government policy changes as they cater to large government and PSU projects.

**Mitigation:** KEI has focused on developing its retail business to protect the business from changes in Government policies. The Company has insured against such risks by diversifying into multiple segments and sectors so that it can leverage on the Government's changing policies and targeted infrastructure spending.

**Macroeconomic Risk:** Macroeconomic risks emerge from adverse economic conditions affecting the market, credit, liquidity and financial, capital market. Any volatility in the money and capital markets may affect interest rate and borrowing costs and have an impact on the Company's business activities and exposure.

**Mitigation:** The Company has expanded its overseas business and exports products to minimize local market cyclical risks.

**Exchange Rate Risk:** As the Company exports its products and imports some of its raw materials; volatility in the exchange rate might have an impact on the Company's business.

**Mitigation:** KEI monitors the movements in currency exchange rate periodically and modifies its order book correspondingly by forward booking whenever required. Hedging mitigates the impact of short-term movements in currency on the businesses. Proper sensitivity analysis is carried out for domestic and foreign borrowings during the time of borrowing decisions.

**Geopolitical and global pandemic risk:** Geopolitical tensions between different geographies can impact the Company's export business. Further, spread of pandemic such as the COVID-19 outbreak may impact its business negatively with production, manpower and supply chain disruptions.

**Mitigation:** The Company undertakes better supply chain management measures and lean cost structures. Additionally, it monitors cash flows, takes calculative decisions on expenditure and implements cost-cutting measures to survive critical time.

**Raw Material Price Fluctuation Risk:** Volatility in the prices of commodities like copper, aluminum, steel, nickel etc., which are key raw materials for the Company, can have an impact on the prices of cables, house wires and stainless steel wires manufactured by the Company.

**Mitigation:** KEI carefully monitors raw material prices and adopts strict measures and normally takes necessary price hikes or cuts to balance commodity price fluctuations. It includes a price fluctuation clause in bulk supply contracts and for small scale projects, it keeps a three months' policy validity clause. The Company maintains adequate raw material and finished goods inventory for 90 days. Further, hedging protects the Company against its exposure to the risk of metal price fluctuations.

**Liquidity Risk:** Not having enough financial resources to meet the Company's obligations in time and cost-effective manner may lead to cost overrun. The ability of a company to face liquidity risk is linked to the amount of capital it possesses and the losses it can bear.

**Mitigation:** The Company has a strong balance sheet and support from its investors to survive liquidity challenges. Further, the Company has a strong monitoring system for cash outflow and it takes well considered decisions on capex to avoid liquidity risks.

**Operational Risk:** Operations can be impacted for multiple reasons like natural calamities, operational inefficiency, internal failures, failure to fulfill the customer/client requirement on time, defaulting in deliverables and failure to fulfill regulatory compliances. These may lead to litigation, customer and supplier loss, unexpected business loss and even closing down of business.

**Mitigation:** KEI's international certification process has been designed to achieve effectiveness and efficiency of operations and robust internal controls, safeguard its assets and monitor other operational requirements like legal and regulatory processes. The Company has a system of periodical screening and evaluation to improve operation efficiency and smooth functioning. Appropriate insurance coverage is taken to cover unexpected losses.

**Competition Risk:** The sector in which KEI operates is highly competitive in nature. If the competition offers better pricing and superior quality, technology, services, facilities and variety, it may impact sales revenue and profitability of the Company.

**Mitigation:** Continuous investment on R&D and market research insures the Company against competition risks, changing product and market trends, changing consumer behaviors and patterns. Its retail business has put it on an advantageous position for better growth. It focuses on brand building by marketing initiatives and offering premium and high quality products supported by regular product upgrades.

**Human Resource Risk:** Risk of being unable to hire and retain quality human resources at requisite levels could adversely affect the ability of the organization to meet customer requirements, internal functional, operational and legal needs. It may impact the business strategy and thereby affect the business performance.

**Mitigation:** KEI has competent and well-drafted HR policies and practices in order to expand, foster and preserve talented personnel. The Company recruits qualified people with suitable experience after required reference checks and conducts programs to strengthen employee skills and keep them motivated.

#### **Corporate Social Responsibility (CSR)**

KEI believes in being accountable to the society and the environment and giving back to the community. Its CSR activities are directed towards the holistic development of the community around its area of business and also towards national causes that impact the country. The CSR activities the Company took up during the year under review were for promoting education and rural sports,

eradicating hunger, poverty, promoting healthcare, animal welfare and disaster management. The Company spent ₹ 1.25 Crores for supply of food relief to the needy during the COVID-19 outbreak through ISKCON. The Company incurred a total CSR expenditure of ₹ 5.82 Crores including ₹ 2 Crores contributed to PM CARES Fund towards COVID-19 relief activities.

### Human Resources

Human capital is one of the key driving factors in the growth and expansion of a Company. KEI's human resource policies are formulated with an objective of developing a professional, skilled and dedicated workforce. The Company emphasizes on maintaining a safe, motivating and dynamic work environment to boost employee morale and enhance their productivity. Its HR policies are focused on a number of major areas, including recruiting and staffing, compensation and benefit, training and skill development and retaining the employees. The Company has developed programs for upgrading management and technical skills.

The Company has implemented Work from Home (WFH) policy for employees during lockdown. Even after the restarting of operations, the Company is allowing work from home for employees with minimum numbers of people attending office, so that social distancing norms can be maintained.

### Environment, Health and Safety (EHS)

As a responsible organization in the manufacturing sector, Environment, Health and Safety (EHS) remains a key focus area in the business for KEI. The EHS benchmarks and rules are strictly followed across all the Company processes. Health and safety concerns of the employees are addressed with comprehensive measures and the initiatives expand beyond the Company facilities to cover the communities around the locations. For maintaining an efficient workspace and to continue sustainable growth, the Company is undertaking required EHS audits and implementing the suggested measures.

During the outbreak of COVID-19 and after the resumption of partial operation of plants, the Company took adequate measures for the health and safety of employees and workers. The Company undertook preventive measures like social distancing, temperature testing, provision of masks and sanitization facilities to all workers. The employees who are attending offices during the outbreak have been updated on social distancing and other safety norms.

### Quality Control

As a reputed organization working in the manufacturing space, quality control remains one of the key focus areas for KEI in order to maintain sustainable customer and business growth in India and overseas. The Company undertakes regular technological upgrades to ensure consistency in product quality with an aim to achieve minimum to no errors in its orders.

IMS (Integrated Management System) documentation is prepared, issued and reviewed by Quality Control (QC) and Quality Assurance (QA) departments. Before the execution of a project starts, the Company prepares and analyses standard quality plans as well as project specific quality plans. Data analysis and continued quality improvement is regularly being observed by the QA Head. The Company also undertakes third-party inspections, raw material measurements and FAT (Factory Acceptance Tests) inspections. The QA Head monitors and reviews all third-party audits.

### Internal Control System and their Adequacy

The Company has an Internal control system, which ensures the integrity of financial and accounting information, promotes accountability, safeguards the finance, ensures fulfillment of regulatory compliance and prevents fraud. The Company has a well-defined internal control framework that covers all aspects of governance, compliance, audit, control and reporting. The accuracy and efficiency of internal control systems is periodically audited by the internal audit team. The Company takes up necessary improvement and corrections based in accordance with the changes in the business and market dynamics.

### Cautionary Statement

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

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1.	Corporate Identity Number (CIN) of the Company	L74899DL1992PLC051527												
2.	Name of the Company	KEI INDUSTRIES LIMITED												
3.	Registered Address	D-90, OKHLA INDUSTRIAL AREA, PHASE I, NEW DELHI, 110020												
4.	Website	<a href="http://www.kei-ind.com">www.kei-ind.com</a>												
5.	E-mail Id	<a href="mailto:cs@kei-ind.com">cs@kei-ind.com</a>												
6.	Financial Year Reported	April 01, 2019 to March 31, 2020												
7.	Sector(s) that Company is engaged in (industrial activity code-wise)	<table><tr><th>Product / Service Description</th><th>NIC Code No.</th></tr><tr><td>Cables</td><td>27320</td></tr><tr><td>Stainless Steel Wires</td><td>24108</td></tr><tr><td>Winding Wires, Flexible Wires &amp; House Wires</td><td>27320</td></tr><tr><td>Turnkey Projects</td><td>42202</td></tr></table>	Product / Service Description	NIC Code No.	Cables	27320	Stainless Steel Wires	24108	Winding Wires, Flexible Wires & House Wires	27320	Turnkey Projects	42202	As per National Industrial Classification 2008 - Ministry of Statistics and Programmed Implementation, Government of India.	
Product / Service Description	NIC Code No.													
Cables	27320													
Stainless Steel Wires	24108													
Winding Wires, Flexible Wires & House Wires	27320													
Turnkey Projects	42202													
8.	List three key products / services that the Company manufactures / provides (as in balance sheet) :	(i) Cables; (ii) Stainless Steel Wires; (iii) Turnkey Projects;												
9.	Total number of locations where business activity is undertaken by the Company:													
a)	Number of International Locations (Provide details of major 5):	The Company has its presence in more than 45+ countries; including Subsidiary in Australia and Associate in South Africa, overseas marketing/project offices in Dubai, Gambia, Nepal, South Africa and Australia.												
b)	Number of National Locations:	(i) Head office & Registered office in Delhi; (ii) Manufacturing Plants/Units located at: (a) SP-919, 920 & 922, RIICO Industrial Area, Phase- III, Bhiwadi, (Rajasthan) - 301 019 (b) 99/2/7, Madhuban Industrial Estate, Rakholi, Silvassa (D& H)-396 240 (c) Plot No. A-280-284, RIICO Industrial Area, Chopanki, Dist. Alwar (Rajasthan)-301 019 (d) Plot No.SP2-874, RIICO Industrial Area, Pathredi, Distt - Alwar (Rajasthan) - 301 019 (e) Survey No. 1/1/2/5, Village Chinchpada, Silvassa, (D & H) - 396 230 (iii) 21+ Depots; (iv) 36 Branch Offices;												



<b>10.</b>	<b>Markets served by the Company- Local/State/ National/International</b>	<p>The Company has a global footprint that serves both National and International Markets.</p> <p>Local and National Markets are served by various branch office / depots of the Company and through Dealer Distribution Network.</p> <p>International markets are served through subsidiary and overseas marketing/project offices.</p>
------------	---	--

#### **SECTION B: FINANCIAL DETAILS OF THE COMPANY:**

<b>1.</b>	<b>Paid-up Capital (INR)</b>	Rs. 179.01 Millions
<b>2.</b>	<b>Total Turnover (gross) (INR)</b>	Rs. 48,842.66 Millions
<b>3.</b>	<b>Total Profits after taxes (INR)</b>	Rs. 2,551.03 Millions
<b>4.</b>	<b>Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)</b>	Refer to Annexure - D of Directors' Report in the Annual Report.
<b>5.</b>	<b>List of activities in which expenditure in 4 above has been incurred</b>	Refer to Annexure - D of Directors' Report in the Annual Report.

#### **SECTION C: OTHER DETAILS:**

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

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

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

No.

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

No.

#### **SECTION D: BR INFORMATION**

**1. Details of Director / Directors responsible for BR**

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

<b>DIN Number</b>	00006422
<b>Name</b>	Mr. Anil Gupta
<b>Designation</b>	Chairman-cum- Managing Director

**b. Details of the BR head:**

<b>No.</b>	<b>Particulars</b>	<b>Details</b>
<b>1.</b>	<b>DIN Number (if applicable)</b>	00006422
<b>2.</b>	<b>Name</b>	Mr. Anil Gupta
<b>3.</b>	<b>Designation</b>	Chairman-cum-Managing Director
<b>4.</b>	<b>Telephone Number</b>	+91-11-26818840, 26818642
<b>5.</b>	<b>E-mail Id</b>	<a href="mailto:cs@kei-ind.com">cs@kei-ind.com</a>

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

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

Sl. No.	Questions	P1 Ethics, Transparency and Accountability	P2 Product Responsibility	P3 Employee Well being	P4 Stakeholder Engagement	P5 Human Rights	P6 Environment	P7 Public Policy	P8 CSR	P9 Customer Relations
1.	Do you have a policy / policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board / Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.kei-ind.com/investor-relations/">http://www.kei-ind.com/investor-relations/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\*The Whistle Blower Policy, Code of Conduct for Directors and Senior Management, Code of Conduct to Regulate, Monitor and Report Trading by Insider, Prevention of Sexual Harassment Policy, Corporate Social Responsibility Policy and Human Resources Policy are as per the requirements of the respective legislation of India. IMS Policy confirms to Environment Management System Standard: ISO 14001:2015, Quality Management System ISO 9001:2015 & Occupational Health and Safety Management System OHSAS 18001:2007.

(b) If answer to question at S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	NOT APPLICABLE								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR:

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

The Board of Directors, Committee of the Board or CEO assess the BR performance of the Company on annual basis.

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

Business Responsibility Report is published as a part of the Annual Report for the FY 2019-20. The same can be viewed by using the hyperlink: <http://www.kei-ind.com/investor-relations/>.

### SECTION E: PRINCIPLE - WISE PERFORMANCE:

#### Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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

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

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

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

#### Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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

Transition of OHSAS- 18001 : 2007 to ISO-45001 : 2018 has been done.

Transition of NABL ISO/IEC-17025:2005 to ISO/IEC-17025:2017 has been done.

Inclusion of KEI Silvassa plant in NABL ISO/IEC-17025:2017.

Poly winding wire production has been started.

Renoir management consulting has been hired for

1) Standardization of processes.

2) Redesigning the organizational structure.

3) Establishing performance management system (KPI and KRA).

4) Designing the path to achieve the strategic objectives of the company.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**(a) Reduction during sourcing / production/distribution achieved since the previous year throughout the value chain?**

We have developed HDPE sheet manufactures for packaging the cable drums to replace wooden battens (For domestic supplies).

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

Depletion of natural resource (Wood) has been reduced by replacing wooden battens with HDPE sheet. Also we are supplying the cables in steel drums in place of wooden drums (80" & above).

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

Yes.

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

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

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

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

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

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

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

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

**Principle 3 - Businesses should promote the wellbeing of all employees**

**1. Please indicate the total number of employees.**

6766 (on Roll & off Roll)

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

4276

**3. Please indicate the number of permanent women employees.**

88

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

None.

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

No.

**6. What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable.



7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

S. No.	Category	Safety	Skill Upgradation
(a)	Permanent Employees	100 %	95 %
(b)	Permanent Women Employees	100 %	100 %
(c)	Casual / Temporary / Contractual Employees	100 %	85 %
(d)	Employees with Disabilities	NIL	NIL

**Principle 4 – Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

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

Yes.

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

Yes.

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

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

**Principle 5 – Businesses should respect and promote human rights**

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

Yes, it extends to Company and interested stakeholders.

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

NIL

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

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

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

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

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

- 1) Usage of Natural Gas in place of Diesel /Furnace Oil.

- 2) Usage of Solar energy.
- 3) Emission monitoring of flu gases generated through utilities.
- 4) PUC certificate monitoring of all the inbound transportation vehicles.
- 5) Installation of Zero Liquid Discharge (ZLD) Plant.
- 6) Installation of Sewage Treatment Plant (STP).
- 7) Usage of HDPE sheet for packing of cable drums to reduce the consumption of wooden battens.

The same can be viewed by using the hyperlink: <http://www.kei-ind.com/investor-relations/>

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company have Aspect Impact Determination Study and Risk Library which is reviewed half yearly to fulfill all the compliances. Identification of Environment Aspect is being done as per its defined IMS process EA/P/14.

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

Yes, Company has invested in setting renewable sources of energy through installation of solar roof panels of 3.5 MW in Bhiwadi, Chopanki & Pathredi plant. Pickling process in stainless steel wire division has been stopped to avoid uses of acids/chemicals for cleaning SS Rods & pickled SS rods are being outsourced.

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

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

The same can be viewed by using the hyperlink: <http://www.kei-ind.com/investor-relations/>.

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

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

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

None.

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your company a member of any trade and chamber of association? If yes, Name only those major ones that your business deals with:**

- (a) Bureau of Indian Standards.
- (b) Confederation of Indian Industry (CII).
- (c) Delhi Chamber of Commerce.
- (d) India Electrical & Electronics Manufacturer's Association (IEEMA).
- (e) PHD Chamber of Commerce & Industry
- (f) Project Export Promotion Council of India.
- (g) Okhla Factory Owners Association.
- (h) Okhla Industries Association.

(i) Bhiwadi Chamber of Commerce & Industry.

(j) Bhiwadi Manufacturers Association.

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

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

**Principle 8 – Businesses should support inclusive growth and equitable development**

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

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

Please refer to Annexure- D of Director Report for details.

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

Please refer to Annexure - D of Director Report for details.

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

Yes, the Company do it annually.

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

Please refer to Annexure - D of Director Report for details.

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

Yes, it is reviewed annually.

**Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner**

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

None.

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

Yes, Stenciling is done on the drums which shows all the material information. Also, Cable Handling, Laying and Storage instruction manual KEI/HLSM/QCL/101 Rev 05 is being sent with invoice.

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

No.

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

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

# Corporate Governance Report

**In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended March 31, 2020 is presented below:**

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

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

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

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

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

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

- (i) The Company has 10 Directors with an Executive Chairman. Of the 10 Directors, 3 are Executive Directors and 7 are Non-Executive Directors, including two Women Directors (one Independent Woman Director) and 6 Independent Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the listed companies in which he / she is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2020 have been made by all the Directors.
- (iii) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations read with Section 149(6) of the Companies Act 2013 along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- (iv) The names and categories of the Directors on the Board, and the number of Directorships and Committee Chairmanships / Memberships held by them in other Public Limited Companies are given below. Other Directorships do not include Directorships of private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013. Chairmanship /



Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee.

**(B) Details of Directors as on March 31, 2020, their attendance at the Board Meetings and Annual General Meeting during the financial year ended March 31, 2020 and number of other Board of Directors or Committees in which Director is a Member or Chairperson are given below:**

Name of the Director	Category	No. of Directorships in other Public Limited Companies	No. of the Board Meetings held during the Financial Year 2019-20	No. of the Board Meetings attended during the Financial Year 2019-20	Attendance at last AGM (September 17, 2019)	No. of Committee positions held in other Public Limited Companies		Directorships In Other Listed Entity (Category of Directorships)
						Chairman	Member	
Mr. Anil Gupta (DIN: 00006422)	Non-Independent, Executive Director (Promoter & CMD)	1	6	6	Yes	None	None	None
Ms. Archana Gupta (DIN: 00006459)	Non-Independent, Non-Executive Director	2	6	6	No	None	None	None
Mr. Akshit Diviaj Gupta (DIN: 07814690)	Non-Independent, Executive Director	None	6	6	Yes	None	None	None
Mr. Pawan Bholusaria (DIN: 00092492)	Independent, Non-Executive Director	None	6	6	Yes	None	None	None
Mr. Kishan Gopal Somani (DIN: 00014648)	Independent, Non-Executive Director	2	6	6	Yes	None	None	None
Mr. Vijay Bhushan (DIN: 00002421)	Independent, Non-Executive Director	4	6	5	No	1	4	Bharat Bhushan Finance & Commodity Brokers Limited (Non - Executive Director)  Paramount Communications Limited (Independent Director)
Mr. Vikram Bhartia (DIN: 00013654)	Independent, Non-Executive Director	None	6	6	No	None	None	None
Mr. Sadhu Ram Bansal (DIN: 06471984)	Independent, Non-Executive Director	3	6	5	Yes	1	3	Hindustan Urban Infrastructure Limited (Independent Director)
Mr. Rajeev Gupta (DIN: 00128865)	Non-Independent, Executive Director	None	6	6	Yes	None	None	None
Ms. Shalini Gupta (DIN: 02361768)	Independent Woman Director, Non-Executive	None	6	6	No	None	None	None

### (C) Skills / Expertise / Competence of the Board of Directors:

The Board has identified the following core skills / expertise / competencies as required in the context of the Company's business(es) and sector(s) for it to function effectively and are currently available with the Board:

Skill / Competency		
Industry Knowledge / Experience	Technical skills / Experience	Behavioral Competencies
Knowledge of Sector and Knowledge of Government Policy	Projects, Accounting, Finance, Law, Marketing Experience, IT and Digital outreach, Public Relations, Risk Management Systems, Human Resource Management and Strategy Development and implementation	Sound Judgment, Integrity and High Ethical Standard, Interpersonal Relations, Listening & Verbal Communication Skills and Understanding of effective decision - making processes

On the basis of the above-mentioned skill matrix, the skills which are currently available with the Board are as under:-

Name of the Director	Industry Knowledge / Experience	Technical skills / Experience	Behavioral Competencies
Mr. Anil Gupta	✓	✓	✓
Ms. Archana Gupta		✓	✓
Mr. Akshit Diviaj Gupta		✓	✓
Mr. Pawan Bholusaria	✓	✓	✓
Mr. Kishan Gopal Somani	✓	✓	✓
Mr. Vijay Bhushan		✓	✓
Mr. Vikram Bhartia	✓	✓	✓
Mr. Sadhu Ram Bansal	✓	✓	✓
Mr. Rajeev Gupta	✓	✓	✓
Ms. Shalini Gupta		✓	✓

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

During the Financial Year 2019-20, agenda of the Board / Committee meeting(s) with proper explanatory notes to agenda was prepared and circulated well in advance to all the Board / Committee members. Draft resolution(s) were also circulated to the Board / Committee members for their comments. In special circumstances, additional or supplementary item(s) on agenda were permitted with the approval of the Chairman of the meeting. The Board also reviewed periodical compliances of all applicable Acts, law(s) / rule(s) and regulation(s) during the Financial Year 2019-20.

During the year ended March 31, 2020, 6 (Six) meetings were held on May 21, 2019, August 5, 2019, November 12, 2019, December 05, 2019, January 20, 2020 and March 09, 2020.

The Last Annual General Meeting (AGM) of the Company was held on September 17, 2019.

### (E) Disclosure of relationships between Directors inter-se:

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

and mother of Mr. Akshit Diviaj Gupta (holding DIN: 07814690) and Mr. Anil Gupta (holding DIN: 00006422) on the Board is spouse of Ms. Archana Gupta, Director (holding DIN: 00006459) and father of Mr. Akshit Diviaj Gupta (holding DIN: 07814690).

None of the other Directors are related to any other Directors on the Board.

**(F) Number of shares and convertible Instruments held by Non-Executive Directors:**

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

Name of the Director	Category	No. of shares held as on March 31, 2020
Ms. Archana Gupta	Non-Executive, Director	8,37,315
Mr. Pawan Bholusaria	Non-Executive, Independent Director	4,500
Mr. Kishan Gopal Somani	Non-Executive, Independent Director	1,000
Mr. Vikram Bhartia	Non-Executive, Independent Director	10,000
Mr. Vijay Bhushan	Non-Executive, Independent Director	Nil
Mr. Sadhu Ram Bansal	Non-Executive, Independent Director	Nil
Ms. Shalini Gupta	Non-Executive, Independent Woman Director	Nil

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

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

**SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

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

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149 (6) & (7) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year ended March 31, 2020 one meeting of Independent Directors was held on March 09, 2020.

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

Name of the Director	Profession	No. of Meetings held	No. of Meetings attended
Mr. Vikram Bhartia	Business	1	1
Mr. Pawan Bholusaria	Chartered Accountant	1	1
Mr. Kishan Gopal Somani	Chartered Accountant	1	1
Mr. Vijay Bhushan	Business	1	1
Mr. Sadhu Ram Bansal	Ex - Banker (Former Chairman & MD of Corporation Bank)	1	1
Ms. Shalini Gupta	Business	1	1

### 3. AUDIT COMMITTEE:

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

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

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

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position.
- Recommending the appointment, re-appointment and removal of external auditors, fixation of audit fees and also approval for payment of any other services.
- Recommendation for appointment, reappointment, removal and remuneration of Cost Auditors and Internal Auditors of the Company.
- Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- Reviewing, with the management the annual financial statements before submission to the Board for approval, for focusing primarily on:
  - ❑ Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013;
  - ❑ Changes, if any in accounting policies and practices and reasons for the same;
  - ❑ Major accounting entries based on the exercise of judgment by management;
  - ❑ Qualification in draft audit report;
  - ❑ Significant adjustments made in the financial statements arising out of audit finding;
  - ❑ Compliance with accounting standards;
  - ❑ Compliance with listing and other legal requirements concerning financial statements;
  - ❑ Any related party transactions;
- Reviewing the Company's financial and risk management policies;
- Disclosure of contingent liabilities;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspect of fraud or irregularity or a failure of internal control systems of a material nature and reposting the matters to the Board;
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in Listing Agreement and the Companies Act, as and when amended;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;



- Internal audit reports relating to internal control weaknesses;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing the functioning of Vigil mechanism/ Whistle Blower Policy;
- Lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company (if required);
- Monitoring of end use of funds raised through public offers and related matters.
- Mandatory review of following information:
  - Management discussion and analysis of financial condition and results of operation;
  - Statement of significant related party transactions submitted by management;
  - Management letters / letters of internal control weaknesses issued by Statutory Auditors;
  - Internal audit reports relating to internal control weakness;
  - Cost Auditor is free from disqualification as specified under Section 141 of the Companies Act, 2013.

**(B) Composition, Name of members and Chairperson and meeting and attendance during the financial year 2019-20:**

During the year ended March 31, 2020, 5 (Five) Audit Committee Meetings were held on May 21, 2019, August 05, 2019, November 12, 2019, January 20, 2020 and March 09, 2020.

Mr. Pawan Bholusaria, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 17, 2019.

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

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

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

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

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

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

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

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

- a) To Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- b) To Formulate criteria for evaluation of Independent Directors and the Board;
- c) To Carry out evaluation of every Director's performance;
- d) To Devise a policy on Board diversity;
- e) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- f) To formulate suitable Employee Stock Option Scheme in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014 for the benefit of employees and Directors of the Company;
- g) To adopt rules and regulations for implementing the Scheme from time to time;
- h) To frame suitable policies and procedures to ensure that there is no violation of Securities Laws, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 (as amended from time to time), by the Company and its employees, as applicable;
- i) To consider such other matters as the Board may specify and other areas that may be brought under the purview / role of Committee as specified in Listing Agreement and the Companies Act, 2013 as and when amended;
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties;

##### (B) Composition, Name of members, Chairperson, meeting and attendance during the financial year 2019-20:

During the year ended March 31, 2020, 3 (Three) meetings were held on April 30, 2019, August 05, 2019 and September 27, 2019.

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

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

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

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

The performance evaluation of all the Directors for the financial year 2019-20, was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board.

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

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

During the financial year 2019-20, the Company has not paid any remuneration to Non-Executive and Independent Director except sitting fees of ₹ 75,000/- per Board / Committee Meeting.

(₹ in Millions)

Name of the Director	Amount
Mr. Pawan Bholusaria	₹ 1.87
Mr. Kishan Gopal Somani	₹ 0.98
Mr. Vikram Bhartia	₹ 1.35
Mr. Vijay Bhushan	₹ 0.98
Ms. Archana Gupta	₹ 1.05
Mr. Sadhu Ram Bansal	₹ 0.60
Ms. Shalini Gupta	₹ 0.45

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

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

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

**(c) Disclosure with respect to Remuneration:****(i) Details of Remuneration paid to Executive Directors for the Year ended on March 31, 2020:**

The aggregate value of salary, perquisites and commission paid for the year ended March 31, 2020 to the Chairman-cum-Managing Director (CMD) and Whole Time Directors (WTD) are as follows:

(₹ in Millions)

Name	Salary	Commission	Co's Cont. to PF	Perquisites	Sitting Fees	Other	Total
Mr. Anil Gupta (CMD)	41.00	126.28	0.02	5.85	NIL	NIL	173.15
Mr. Rajeev Gupta (ED (Finance) & CFO)	11.38	NIL	0.02	73.63*	NIL	NIL	85.03
Mr. Akshit Diviaj Gupta (Whole Time Director)	6.73	NIL	0.02	NIL	NIL	NIL	6.75
Total							264.93

\*Including value of Employee Stock Option.

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

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

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

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

During the financial year 2015-16, Nomination and Remuneration Committee had granted 6,00,000 Stock Options at an Exercise Price of ₹ 35/- per Option to Mr. Rajeev Gupta, Executive Director (Finance) & CFO of the Company.

Out of the above, during the financial year 2019-20, Share Allotment Committee at its meeting held on September 27, 2019 has allotted 1,50,000 Equity Shares of face value ₹ 2/- each at an Exercise Price of ₹ 35/- per Equity Shares to Mr. Rajeev Gupta, Executive Director (Finance) & CFO (Previous year 1,50,000 Equity Shares of face value ₹ 2/- each was allotted at an Exercise Price of ₹ 35/- per Equity Shares in Share Allotment Committee meeting held on September 25, 2018).

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

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

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

During the year ended March 31, 2020, 4 (Four) meetings of the Committee were held on May 21, 2019, August 05, 2019, November 12, 2019 and January 20, 2020.

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

Name of the Director	Category	Profession	No. of Meetings held	No. of meetings attended
Mr. Vijay Bhushan	Independent Director (Chairman)	Business	4	4
Mr. Vikram Bhartia	Independent Director (Member)	Business	4	4
Mr. Pawan Bholusaria	Independent Director (Member)	Chartered Accountant	4	4

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

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

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

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

Number of Shareholders complaints received and resolved during the year ended March 31, 2020 are as follows:

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

Number of pending Shareholders complaints and Share Transfer as on March 31, 2020 was Nil.

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

**7. SHARE ALLOTMENT COMMITTEE:**

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

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

During the year ended March 31, 2020, 1 (one) meeting of the Committee was held on September 27, 2019.

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

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

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



## 8. FINANCE COMMITTEE:

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

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

- Opening / operation of Bank Accounts including any matter relating to working capital limits of the Company;
- Borrowing from Banks / Financial Institutions / Body Corporate or from any other person up to an amount not exceeding ₹ 8000 Millions at any time. The same shall be reported in the subsequent Board Meeting. However the borrowing made by the Committee and reported in the subsequent Board Meeting, shall not be considered for computing the said limit of ₹ 8000 Millions;
- Creation of security by way of hypothecation / mortgage on the assets of the Company for the borrowing;
- To provide any loan / deposits / guarantee / investment for an amount not exceeding ₹ 200 Millions at any time. As per provisions of Section 186 of the Companies Act, 2013, the Board can make investment up to 60% of the paid-up share capital, free reserves and securities premium account or 100% of the free reserves and securities premium account, whichever is more and investment more than this can be made by the Board with the approval of shareholders;
- Execution and signing of various documents in respect of above;
- Any other financial matter relating to the Company viz. sales tax, income tax, excise, custom, RBI, Foreign Exchange etc.

During the year ended March 31, 2020, 8 (Eight) meetings were held on June 03, 2019, June 22, 2019, July 02, 2019, September 10, 2019, September 26, 2019, December 27, 2019, February 14, 2020 and March 19, 2020.

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

Name of the Director	Category	Profession	No. of Meetings held	No. of Meetings attended
Mr. Anil Gupta	Non-Independent, Executive (Chairman)	Business	8	8
Ms. Archana Gupta	Non-Independent, Non-Executive (Member)	Business	8	8
Mr. Rajeev Gupta	Non-Independent, Executive (Member)	Service	8	8

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

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

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

- Formulating and recommending to Board, a CSR policy, which shall indicate the activities to be undertaken by the Company as specified in schedule VII to the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;

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

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

During the year ended March 31, 2020, 4 (Four) meeting were held on May 21, 2019, August 05, 2019, November 12, 2019 and January 20, 2020. Further, during the year under review, the members of the committee passed resolutions by circulation on March 30, 2020.

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

Name of the Director	Category	Profession	No. of Meetings held	No. of Meetings attended
Mr. Pawan Bholusaria	Independent, Non- Executive (Chairman)	Chartered Accountant	4	4
Mr. Anil Gupta	Non-Independent, Executive (Member)	Business	4	4
Mr. Rajeev Gupta	Non-Independent, Executive (Member)	Service	4	4

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

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

## 10. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Company is constituted in line with Regulation 21 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to frame, implement and monitor the risk management plan for the Company.

During the year ended March 31, 2020, 1 (One) meeting was held on September 20, 2019.

The Risk Management Committee comprises of 3 (Three) members. The Composition of the Committee and attendance of members at the meetings are as under:

Name of the Director	Category	Profession	No. of Meetings held	No. of Meetings attended
Mr. Anil Gupta	Non-Independent, Executive (Chairman)	Business	1	1
Mr. Rajeev Gupta	Non-Independent, Executive (Member)	Service	1	1
Mr. Sadhu Ram Bansal	Independent, Non - Executive	Ex - Banker (Former Chairman & MD of Corporation Bank)	1	1

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

Further, the Risk Management Policy has also been uploaded on the Company's website at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

## 11. QUALIFIED INSTITUTIONS PLACEMENT (QIP) COMMITTEE:

The Qualified Institutions Placement Committee was constituted by the Board of Directors of the Company in line with Chapter VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to frame, implement and monitor the fund raising plan of the Company. Detailed terms of reference of the Committee include, inter-alia, the following powers:

- Offer, issue and allot the Equity Shares, subject to such terms and conditions, as determined by the Committee, in its absolute discretion;
- Determining the terms and conditions of the QIP, including among other things, the date of opening and closing of the QIP, pricing (including the determination of any premium or discount, subject to applicable law) and / or finalising the objects of the QIP and the monitoring of the same;
- Approve, finalise, and execute the preliminary placement document and the placement document and to approve and finalise any bid cum application form, confirmation of allocation notes, and any other documents in this regard;
- Approve, finalise, execute, ratify, and/or amend / modify agreements and documents, including any powers of attorney, lock-up letters, and agreements in connection with the appointment of any intermediaries and / or advisors (including for marketing, listing, trading, and appointment of book running lead managers / legal counsel / bankers / advisors / registrars / any other intermediaries as required) and to pay any fees, commission, costs, charges and other expenses in connection therewith;
- Provide such declarations, affidavits, certificates, consents and / or authorities as required from time to time;
- Seek any consents and approvals, including, among others, consent from the Company's lenders, customers, vendors, and other parties with whom the Company has entered into agreements and from concerned statutory and regulatory authorities;
- File requisite documents with the SEBI, Stock Exchanges, the GoI, the RBI, and any other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
- Seeking the listing of the Equity Shares on the Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing approvals (both in-principle and final listing and trading approvals);
- Open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Committee;
- Acceptance and appropriation of the proceeds of the QIP;
- Affix the common seal of the Company, as required, on any agreement, undertaking, deed or other document, in the presence of any two directors of the Company or any one director and the Company secretary or one director and such other person as may be authorised by the Committee in accordance with the memorandum of association and articles of association of the Company;
- Further authorize and empower any or director(s) and / or officer(s) of the Company, including by the grant of power of attorneys, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and doing or causing to be done any and all acts or things as the committee / director(s) / officer(s) may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the QIP, and any documents or instruments so executed and delivered or acts and things done or caused to be done by director(s) / officer(s) shall be conclusive evidence of the authority of the committee / director(s) / officer(s) and the Company in doing so; and

- Do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions and the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Committee in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

During the year ended March 31, 2020, 3 (Three) meetings were held on January 23, 2020 and January 28, 2020 (at 07:00 PM and 09:30 PM).

The Qualified Institutions Placement Committee comprises of 5 (Five) members. The Composition of the Committee and attendance of members at the meetings are as under:

Name of the Director	Category	Profession	No. of Meetings held	No. of Meetings attended
Mr. Anil Gupta	Non-Independent, Executive Director (Chairman)	Business	3	3
Mr. Rajeev Gupta	Non-Independent, Executive Director (Member)	Service	3	3
Mr. Sadhu Ram Bansal	Independent, Non - Executive Director (Member)	Ex - Banker (Former Chairman & MD of Corporation Bank)	3	3
Mr. Kishan Gopal Somani	Independent, Non - Executive Director (Member)	Chartered Accountant	3	3
Mr. Pawan Bholusaria	Independent, Non - Executive Director (Member)	Chartered Accountant	3	3

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

## 12. GENERAL BODY MEETINGS:

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

Year	Day	Date	Time	Venue	Special Resolutions passed
2019	Tuesday	September 17, 2019	10:00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003	<ol style="list-style-type: none"> <li>Re-appointment of Mr. Vijay Bhushan (holding DIN: 00002421) as an Independent Director (Category: Non-Executive) of the Company for a second term of five (5) consecutive years.</li> <li>Re-appointment of Mr. Pawan Bholusaria (holding DIN: 00092492) as an Independent Director (Category: Non-Executive) of the Company for a second term of five(5) consecutive years.</li> </ol>

Year	Day	Date	Time	Venue	Special Resolutions passed
2018	Wednesday	September 19, 2018	10:00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi- 110 003	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Anil Gupta (holding DIN: 00006422) as Chairman-cum-Managing Director of the Company.</li> <li>2. Appointment of Mr. Sadhu Ram Bansal (holding DIN: 06471984) as an Independent Director (Non - Executive) of the Company.</li> <li>3. Approval for Borrowing limits of the Company.</li> <li>4. Approval for Creation of mortgage/charge on assets of the Company.</li> </ol>
2017	Wednesday	July 19, 2017	10:00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi- 110 003	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Akshit Diviaj Gupta as Director of the Company.</li> <li>2. Appointment of Mr. Akshit Diviaj Gupta as a Whole Time Director of the Company.</li> </ol>

**(b) Details of Special Resolution passed last year through Postal Ballot, details of voting pattern and procedure thereof and person who conducted Postal Ballot exercise:**

During the year, the Company has carried out postal ballot process on January 15, 2020 in accordance with Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, to obtain consent of members by way of Special Resolution for Raising of funds by issuance of equity shares by way of Qualified Institutions Placement for an amount not exceeding Rs. 10,000 Millions.

Further, Mr. Sumit Kumar (Membership No. FCS - 7714 & CP No. - 8072), Proprietor of S.K. Batra & Associates, Practicing Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Sr. No.	Particulars of Business	Total No. of Votes cast	Votes in favour of the resolution	Votes against the resolution
1	Approval for raising of funds in one or more tranches, by issuance of equity shares by way of Qualified Institutions Placement(s) for an amount not exceeding Rs.10,000 Millions.	5,64,34,220	5,09,60,885	54,73,335

Aforesaid resolution was passed with requisite majority.

**Procedure for postal ballot:**

Postal Ballot Notice ("Notice") containing the proposed resolution(s) and explanatory statement pursuant to Section 102 and other applicable provisions, if any, of the Act, are sent electronically to all the members whose email address is registered with the Company/their Depository Participant. The Company also dispatches the Notices and Postal Ballot Form ("Form") alongwith



postage prepaid envelope to its members whose email addresses are not registered, through permitted mode of dispatch. Further, the Company also gives option to the members to cast their vote electronically instead of dispatching the Form. The Forms received upto the last day notified in the Notice and the votes cast on the e-voting platform within specified time are considered by the Scrutinizer. The Scrutinizer submits his report to the Chairman and the results of the voting by Postal Ballot is declared/announced by the Chairman or any other person authorised by him. The results are also displayed on the Company's website ([www.kei-ind.com](http://www.kei-ind.com)) besides being communicated to the stock exchanges.

**(c) Details of special resolution proposed to be conducted through Postal Ballot this year:**

Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

**13. MEANS OF COMMUNICATION:**

**(i) Quarterly Results:**

The Company published Un-Audited Financial Results on a quarterly basis. In respect of the fourth quarter, the Company published the audited standalone and consolidated financial results for the whole Financial Year. The Company has published Un-Audited Quarterly/Audited Annual Financial Results as per the format prescribed under SEBI (LODR) Regulations, 2015.

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

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

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

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

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

**(iv) Official news releases:**

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the investor relations section.

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

Presentation made to Institutional Investors / Analyst are available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under the section "Investor Relations".

**14. General Shareholders Information:**

**(i) 28<sup>th</sup> Annual General Meeting – Date, Day, Time and Venue:**

Day	Date	Time	Mode
Wednesday	09.09.2020	02:00 P.M	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) Company's Registered Office i.e. D-90, Okhla Industrial Area, Phase-I, New Delhi – 110020, will be considered as Venue for the purpose of this Annual General Meeting.

**(ii) Financial year:**

The Financial year of the Company starts from 1<sup>st</sup> April of a year and ends on 31<sup>st</sup> March of the following year.

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

June, 2020	1 <sup>st</sup> / 2 <sup>nd</sup> week of August, 2020
September, 2020	1 <sup>st</sup> / 2 <sup>nd</sup> week of November, 2020
December, 2020	1 <sup>st</sup> / 2 <sup>nd</sup> week of February, 2021
March, 2021	3 <sup>rd</sup> / 4 <sup>th</sup> week of May, 2021

**(iii) Dividend Payment:**

The Board of Directors of the Company has declared and paid an interim dividend of ₹ 1.50/- (i.e. 75%) per Equity share on the Equity shares of face value of ₹ 2/- each, during the financial year 2019-20. Payment of interim dividend was done within 30 days from date of declaration i.e. 9<sup>th</sup> March, 2020. The Board has not recommended a final dividend and the interim dividend of ₹ 1.50/- (i.e. 75%) per equity share declared by the Board on 9<sup>th</sup> March, 2020 shall be considered as the final dividend for the Financial Year 2019-20. Thus, the total dividend for the Financial Year 2019-20 remains ₹ 1.50/- (i.e. 75%) per Equity share on the Equity shares of face value of ₹ 2/- each.

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

The Equity Shares of the Company are listed at:

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

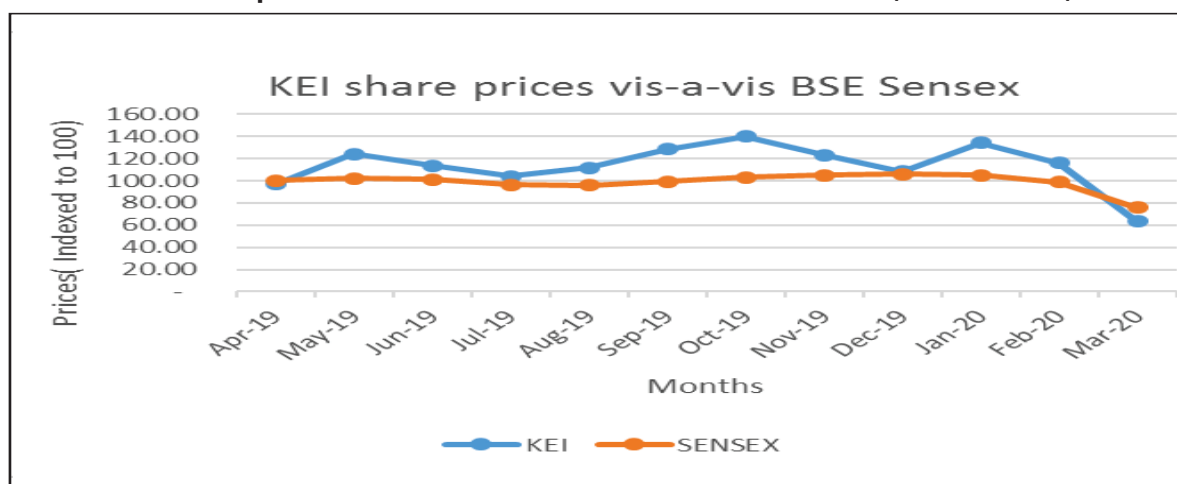
Annual Listing fees for the financial year 2020 - 21 has been paid in time by the Company to Stock Exchanges viz. BSE, NSE & CSE.

**(v) Stock Code:**

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

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

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2019	433.85	388.00	434.80	386.55
May, 2019	532.30	358.20	532.50	356.65
June, 2019	524.35	434.00	523.60	432.20
July, 2019	491.90	434.60	492.50	434.00
August, 2019	495.80	391.75	492.00	390.30
September, 2019	558.90	451.25	562.00	451.00
October, 2019	614.70	497.00	614.65	497.35
November, 2019	590.80	505.00	595.80	507.00
December, 2019	528.40	431.00	528.00	430.30
January, 2020	580.00	451.50	579.90	451.20
February, 2020	568.60	487.70	569.40	486.00
March, 2020	527.00	208.40	523.00	208.30

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

**Note:** The Graph indicates monthly closing positions. Shares prices and BSE Sensex are indexed to 100 as on 01<sup>st</sup> April.

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

Not Applicable.

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

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

**(x) Share Transfer System:**

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

**(xi) Distribution Schedule of Shareholding as on March 31, 2020:**

No. of Shareholders	% to Total	Shareholding of Nominal Value of (₹)	No. of Shares	Amount in (₹)	% of Total
53107	98.423	0001 TO 5000	7002605	14005210	7.824%
418	0.775	5001 TO 10000	1530819	3061638	1.710%
175	0.324	10001 TO 20000	1307333	2614666	1.461%
64	0.119	20001 TO 30000	806076	1612152	0.901%
32	0.059	30001 TO 40000	571800	1143600	0.639%
19	0.035	40001 TO 50000	424788	849576	0.475%
44	0.082	50001 TO 100000	1562773	3125546	1.746%
99	0.183	100001 AND ABOVE	76298244	152596488	85.245%
<b>53958</b>	<b>100.00</b>	<b>TOTAL</b>	<b>89504438</b>	<b>179008876</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2020:

Category	No. of shareholders	No. of Shares (face value of ₹ 2/- each)	No. of shares in demat form	% of shareholding
<b>Promoters</b>	8	36248466	36248466	40.50
<b>Institutions</b>				
Mutual Funds / Alternate Investment Funds / Bank / Financial Institutions/ FIIs/ Foreign Portfolio Investors	132	35807543	35807543	40.01
<b>Non-Institutions</b>				
Bodies Corporate	415	1656549	1656549	1.85
NRI/OCBs/Clearing Members/Trust	1363	850317	832817	0.95
Individuals / NBFCs Registered with RBI / Unclaimed Suspense A/c IEPF / Directors and their Relatives	52040	14941563	14853276	16.69
<b>Total</b>	<b>53958</b>	<b>89504438</b>	<b>89398651</b>	<b>100.00</b>

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

The shares of the Company are permitted for trading in dematerialized form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. 89,398,651 equity shares of ₹ 2/- each forming 99.88 % of the share capital of the Company stands dematerialized as on March 31, 2020. Security Code No. with NSDL and CDSL is - ISIN-INE878B01027.

The equity shares of the Company are listed at three Stock Exchanges and thus are liquid security. As on 31/03/2020, 89,504,438 equity shares of face value of ₹ 2/- each are listed at The National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

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

There are no GDRs/ADRs/Warrants outstanding as on March 31, 2020.

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

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

#### (xv) Plant locations:

- 1) SP-919, 920 & 922, RIICO Industrial Area, Phase-III, Bhiwadi, Distt. Alwar (Raj.)- 301019.
- 2) 99/2/7, Madhuban Industrial Estate, Village Rakholi, Union Territory of Dadra and Nagar Haveli, Silvassa (D&H)-396 240.
- 3) Plot No. A-280-284, RIICO Industrial Area, Chopanki, Distt. Alwar (Raj.)-301 019.
- 4) Plot No. SP2-874, RIICO Industrial Area, Patherdi, Dist-Alwar (Rajasthan) - 301 019.
- 5) Survey No.1/1/2/5, Village Chinchpada, Silvassa, Union Territory of Dadra and Nagar Haveli - 396230.

**(xvi) Address for correspondence:**

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

**(a) Registrar and Share Transfer Agent:**

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

**(b) Company:**

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

**(xvii) Credit Ratings:**

Company has obtained credit rating from **ICRA Ltd** and **CARE Rating Ltd**. Disclosure in this regard is provided in the *Report of the Board of Directors of the Company under the head "Rating by External Rating Agencies"* and the same is also available on the Company's website at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

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

During the period, there have been no materially significant related party transactions with the Company's promoters, Directors, management or their relatives which may have a potential conflict with the interests of the Company. During the Financial Year, all the transactions entered into by the Company with Related party(ies) are in conformity with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Members may refer to Disclosure of transactions with related parties i.e. Promoters, Directors, Relatives, Associate or Management made in the Balance Sheet in Note No. 48.

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

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

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

As already stated in Corporate Governance Report for Financial Year 2018-19 the Company made settlement applications to SEBI on 07.08.2017 and 29.11.2018 in respect of matter pertaining to GDR issue in September 2005. The settlement application was without admitting the findings of facts and conclusion of law. SEBI passed a settlement order dated May 16, 2019 in respect of the settlement applications. During FY 2018-19, Company had made provision of ₹ 17.85 millions for settlement amount. Pursuant to the settlement order passed by SEBI, amount was paid in full. Possible proceedings against the Company stand settled and closed.



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

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

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

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

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

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

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

In order to adhere the requirement of Regulation 16(1)(c) of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the Company has adopted a Policy for determining 'Material' Subsidiaries of the Company. The policy is disclosed on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**(vi) Web link where policy on dealing with related party transactions is disclosed:**

The details regarding policy on dealing with related party transactions of the Company are given on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

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

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

**(viii) Certificate from Company Secretary in Practice:**

A certificate has been received from Mr. Sumit Kumar (Membership No. FCS - 7714 & CP No. - 8072), Proprietor of S.K. Batra & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such Statutory Authority. The same has been annexed as **Annexure - I** to this Report.

**(ix) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part:**

M/s. Pawan Shubham & Co., Chartered Accountants (Firm Registration No.: 011573C) has been appointed as the Statutory Auditors of the Company. The particulars of total fees paid by the Company on consolidate basis, to the said Statutory Auditor is given below:

(₹ in Millions)

Particulars	Amount
Services as statutory auditors (including Limited Review Fee)	4.20
Tax Audit	0.60
Other Services	0.23
<b>Total</b>	<b>5.03</b>
Certification fee for QIP (included in Share Issue Expenses)	1.25
<b>Total</b>	<b>6.28</b>

**(x) Complaints pertaining to sexual harassment:**

The details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment is provided in the **Business Responsibility Report** annexed to this Annual Report.

**(xi) Proceeds from Public Issues, Right Issues, Preferential Issues, Qualified Institutional Placement (QIP) etc:**

Pursuant to the approval of the Board of Directors of the Company and shareholders of the Company through postal ballot vide their resolutions dated November 12, 2019 and January 15, 2020 respectively, the Qualified Institutions Placement Committee of the Company at its meeting held on January 28, 2020 has issued 10,000,000 Equity Shares of face value of ₹ 2/- each at premium of ₹ 498/- each (issue price per share ₹ 500/- each) amounting to ₹ 5000 Millions to Qualified Institutional Buyers through Qualified Institutions Placement (QIP) in accordance with the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. Pursuant to the allotment of Equity Shares through QIP, the paid up equity share capital of the Company has increased from ₹ 159.01 Millions comprising of 79,504,438 equity shares to ₹ 179.01 Millions comprising of 89, 504,438 equity shares. The proceeds of QIP, have been utilized as per details given below:

- Expenses related to the QIP issue amounting to ₹ 146.43 Millions. The Net proceeds of the QIP have been utilized as per objects of the issue such as repayment or prepayment of debts, meeting working capital requirements and general corporate purposes aggregating to ₹ 3973.02 Millions. An amount of ₹ 880.55 Millions was unutilized as on March 31, 2020 which has been invested / kept in the form of bank deposit with banks and also included in cash and cash equivalent as at March 31, 2020.

**(xii) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:**

The Board accepted the recommendations of its Committees, wherever made, during the year.

**16. The Company has complied with the requirements of Corporate Governance Report as mentioned in Sub Paras (2) to (10) of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.****17. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED:****(i) The Board:**

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

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

The quarterly and half yearly results are not being sent to the personal address of shareholders as the quarterly performance and financial results of the Company are published in the Newspaper having wide circulation in India. The quarterly/ half-yearly/ annual financial results are also posted on the website of the Company [www.kei-ind.com](http://www.kei-ind.com). Also, financial results and shareholding pattern of the Company are available at [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com).

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

The Financial Statements of the Company are Un-modified.

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

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

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

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

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

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

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

I, hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the financial Year ended March 31, 2020.

**Place: New Delhi**  
**Date: May 30, 2020**

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

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

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

## **OTHER USEFUL INFORMATION FOR SHAREHOLDERS:**

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

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

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

However, in case you wish to receive the above communication/documents in physical mode or have not registered the e-mail address, you will be entitled to receive the above documents at free of cost by sending your request at [cs@kei-ind.com](mailto:cs@kei-ind.com) / [info@masserv.com](mailto:info@masserv.com) quoting your DP ID / Client ID or Folio No. or by sending letter to the Company or Mas Services Ltd (RTA).

In line with the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No.20/2020 dated May 05, 2020, your Company is sending the Notice calling the AGM along with the Annual Report to the shareholders in electronic mode at their email addresses.

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

Dividend for the Financial Year	Dividend Type	Dividend Declaration date(AGM)	Due Date of Transfer to Investor Education & Protection Fund (IEPF)	Unclaimed Dividend as on 31.03.2020
2012-13	Final	21.06.2013	28.07.2020	1,60,161.20
2013-14	Final	19.09.2014	26.10.2021	1,20,173.20
2014-15	Final	16.09.2015	23.10.2022	2,70,078.80
2015-16	Final	06.09.2016	13.10.2023	2,33,340.00
2016-17	Final	19.07.2017	25.08.2024	2,97,541.40
2017-18	Final	19.09.2018	26.10.2025	3,36,969.00
2018-19	Final	17.09.2019	24.10.2026	2,85,324.40
2019-20	Interim	09.03.2020	15.04.2027	1,63,588.50

**(III) Nodal Officer:**

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company has been appointed as Nodal Officer of the Company pursuant to the IEPF rules.

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

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

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

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

**(V) Accounting Standards:**

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

**(VI) Internal Control System:**

On the recommendation of the Audit Committee, the Company had appointed a firm of Chartered Accountants as the internal auditors of the Company for the financial year 2019-20. Observations made in internal audit reports are presented quarterly to the Audit Committee of the Board. The Company has well established internal control system and procedures and the same has been working effectively throughout the year.

**(VII) Subsidiaries / Joint Venture / Associates:**

Company has one subsidiary in Australia under the name "KEI Cables Australia PTY Ltd" and one Joint Venture under the name of Joint Venture of "M/s. KEI Industries Ltd. New Delhi & M/s. Brugg Kabel AG", Switzerland (JV). JV is in form of an Association of Persons (AOP) and the Company is having 100% share in Profit/Loss in this AOP. No share capital is invested in the Joint Venture by the respective members of JV. Company has formed an Associate under name of KEI Cables SA (PTY) Ltd with principal place of business in South Africa. The Associate is in form of a separate entity and the company is holding 49% ownership interest. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110- 'Consolidated Financial Statements' and Indian Accounting Standards (Ind AS) 111 - 'Financial Reporting of interest in Joint Venture' specified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**For and on behalf of  
Board of Directors of KEI Industries Limited**

**Place : New Delhi  
Date : August 06, 2020**

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

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

## **CERTIFICATION BY CEO & CFO**

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

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

- A. We have reviewed the, Standalone and Consolidated financial statements and cash flow statement for the year ended on March 31, 2020 and based on our knowledge and believe certify that:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. There are, to the best of their knowledge and belief, no transaction entered into by the listed entity during the year ended on March 31, 2020 which are fraudulent, illegal or violative listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to auditors and the audit committee of the Board that there have been:
- 1) no significant changes in internal control over the financial reporting during the year;
  - 2) no significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and
  - 3) no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: New Delhi  
Date: May 30, 2020**

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

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



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

**To**

**The Members of**

**The KEI Industries Limited**

1. The Corporate Governance Report prepared by **The KEI Industries Limited** (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the stock exchange and to be sent to the Shareholders of the Company.

### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

#### **Other Matters and Restriction on Use**

10. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**For PAWAN SHUBHAM & CO.**  
**Chartered Accountants**  
**FRN: 011573C**

**(CA Pawan Kumar Agarwal)**  
**Partner**  
**Membership Number: 092345**  
**UDIN: 20092345AAAACO3260**

**Date: August 06, 2020**  
**Place of Signature: New Delhi**

**ANNEXURE - I****Certificate from Company Secretary in Practice****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
**KEI Industries Limited**  
D-90, Okhla Indl Area  
Phase I New Delhi-110020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KEI Industries Limited having registered office at D-90, Okhla Indl Area Phase I New Delhi-110020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the financial year ended on March 31, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: New Delhi**  
**Date: July 06, 2020**

**Sd/-**  
**Sumit Kumar**  
**S.K. Batra & Associates**  
**Company Secretaries**  
**CP NO.: 8072**

# 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 2020, 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, 2020, 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><b>Physical Verification of Inventory</b></p> <p>The COVID-19 outbreak created several potential challenges for management to conduct physical inventory counting as on reporting date and for the auditors to attend these counts. Due to various scenarios like lockdown, travel restrictions etc. as imposed by Government of India, physical inventory counting was a challenging and, in some cases, impracticable exercise.</p> <p>The Company has inventory of the carrying value Rs. 8637.83 Million constituting 32% of Current Assets of the Company.</p> <p>The inventory is lying at various locations, including at 3rd party premises. The Physical inventory counting has been conducted by management at a date other than the date of financial statements due to the reasons stated above.</p> <p>We considered the physical verification of inventory as a key audit matter given the number of individual items constituting inventory and relative size of the balance in the financial statements.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> <li>Completed a walkthrough of the physical inventory counting process and assessed the design and implementation of the key controls addressing the risk.</li> <li>Review of company's inventory records and internal controls over inventory movements.</li> <li>Review the policy of the management for physical verification and the documents related to management's physical count procedure actually followed at different locations.</li> <li>We observed the physical verification process at locations of financial significance through video conference with performing roll-back procedures to the balance sheet date, sample testing of management physical verification report.</li> <li>Identifying obsolete inventory, if any.</li> <li>Obtain confirmation from C&amp;F agents and 3rd parties holding inventory on behalf of company and applying substantive procedure.</li> <li>Assess the appropriateness and completeness of the related disclosure in the company's Ind AS Financial Statements.</li> </ul>
2	<p><b>Revenue - Performance Obligations</b></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.</p> <p>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.</p> <p>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>Selecting a sample from each type of the contracts with the customers, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>Tested sample of sales transactions for compliance with the company's accounting principles.</li> <li>Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>



S. No.	Key Audit Matter	Auditor's Response
3	<p><b>Revenue - Variable Consideration</b></p> <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>● Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basic of estimation of the variable consideration.</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>
4	<p><b>Revenue - Over the Period Revenue Recognition</b></p> <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> <li>● Selecting a sample of contracts for each of the key scope in components and evaluated them along with supporting evidence to determine whether various elements of revenue recognition are assessed in accordance with the principles prescribed under Ind AS 115</li> <li>● Tested samples of un-invoiced revenue entries with reference to the reports from the information system that records the costs incurred.</li> <li>● Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</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 statements 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 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, as amended 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- 44 of standalone financial statements.

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 2020.

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, 2020.

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.

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

CA Pawan Kumar Agarwal  
Place of Signature: New Delhi Partner  
Date: 30<sup>th</sup> May, 2020 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 financial statements for the year ended 31<sup>st</sup> March 2020**

### **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 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The 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.

### **Auditors' 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 misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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, 2020, 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: 30<sup>th</sup> May, 2020** **Membership Number: 092345**

### **Annexure "B" to Independent Auditor's Report**

Referred to in paragraph 2 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 2020

- I. a) The Company is maintaining properThe 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 - 48 of standalone financial statements).
- 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 no schedule for payment of interest has been stipulated by the Company. The company has made provision for interest along with principal due from such parties. (Refer Note No. 48 of standalone financial statement). 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 2020 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, 2020 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	0.62	2010-11	Commissioner (Appeals)
	Excise Duty	26.87	2010-11	CESTAT
	Excise Duty	6.80	2011-12	Commissioner (Appeals)
Finance Act	Service Tax	34.30	2011-12 to 2015-16	Commissioner (Appeals)
Income Tax Act	Income Tax	15.18	2011-12, 2015-2016, 2016-17	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 made a placement with qualified institutional investors of equity shares during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised (Refer Note No. 56.1 of standalone financial statements).

**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: 30<sup>th</sup> May, 2020 Membership Number: 092345

## Standalone Balance Sheet As At 31<sup>st</sup> March, 2020

(₹ in Millions)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	4,959.92	4,856.77
(b) Right of Use Assets	4	547.08	-
(c) Capital Work -in- Progress	5	112.10	316.06
(d) Intangible Assets	6	29.21	29.78
(e) Financial Assets			
(i) Investments	7	5.97	15.66
(ii) Loans	8	124.18	68.58
(iii) Others	9	9.29	6.27
(f) Other Non-Current Assets	10	41.48	92.14
		<b>5,829.23</b>	<b>5,385.26</b>
<b>Current Assets</b>			
(a) Inventories	11	8,637.83	6,896.37
(b) Financial Assets			
(i) Trade Receivables	12	13,675.86	10,946.22
(ii) Cash and Cash Equivalents	13	1,194.10	220.68
(iii) Bank Balances Other Than (ii) Above	14	948.89	1,732.67
(iv) Loans	15	29.42	46.14
(v) Other Current Financial Assets	16	866.53	1,040.47
(c) Income Tax Assets	17	20.36	6.65
(d) Other Current Assets	18	1,484.34	1,375.31
		<b>26,857.33</b>	<b>22,264.51</b>
<b>TOTAL ASSETS</b>		<b>32,686.56</b>	<b>27,649.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	19	179.01	157.85
(b) Other Equity	20	14,888.58	7,631.08
		<b>15,067.59</b>	<b>7,788.93</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	526.98	1,193.37
(b) Provisions	22	110.70	86.26
(c) Deferred Tax Liability (Net)	23	309.62	441.77
(d) Other non Current Liabilities	24	146.24	-
		<b>1,093.54</b>	<b>1,721.40</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	25	2,623.94	3,865.25
(ii) Trade Payables	26		
(A) total outstanding dues of micro enterprises and small enterprises		834.80	914.41
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		10,854.88	9,288.59
(iii) Other Current Financial Liabilities	27	721.67	1,120.57
(b) Other Current Liabilities	28	1,389.57	2,715.85
(c) Provisions	29	81.44	134.98
(d) Current Tax Liability (Net)	30	19.13	99.79
		<b>16,525.43</b>	<b>18,139.44</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,686.56</b>	<b>27,649.77</b>
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	44		
Other notes to accounts	45 to 57		

The accompanying notes are an integral part of the standalone financial statements.

As per our 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: 30<sup>th</sup> May, 2020

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 30<sup>th</sup> May, 2020

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

## Standalone Statement Of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2020

(₹ in Millions)

Particulars	Note No	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>Revenue</b>			
Revenue from Operations	31	48,842.66	42,269.63
Other Income	32	164.69	71.91
<b>Total Income</b>		<b>49,007.35</b>	<b>42,341.54</b>
<b>Expenses</b>			
Cost of Materials Consumed	33	35,031.60	30,366.89
Purchases of Traded Goods	34	117.10	25.96
Changes in inventory of Finished goods, Traded Goods and Work-in-progress	35	(1362.44)	(1046.05)
Employee Benefits Expense	36	2,275.90	1,733.94
Finance Costs	37	1,291.51	1,361.54
Depreciation and Amortisation Expenses	38	566.89	339.48
Sub Contractor Expense for EPC Projects	39	1,606.16	1,121.17
Other Expenses	40	6,213.96	5,645.57
<b>Total Expenses</b>		<b>45,740.68</b>	<b>39,548.50</b>
<b>Profit Before Tax</b>		<b>3,266.67</b>	<b>2,793.04</b>
Tax Expense	41		
---Current tax		863.94	928.74
---Deferred tax ( Credit) / Charge		(136.36)	49.65
---Short/(Excess) Provision-Earlier Years		(11.94)	(4.06)
<b>Profit for the Year</b>		<b>2,551.03</b>	<b>1,818.71</b>
<b>Other Comprehensive Income</b>	42		
--- Item not to be reclassified to Profit & Loss		(6.14)	(25.37)
--- Income Tax on above		(4.21)	6.32
--- Items to be reclassified to Profit & Loss		-	-
--- Income Tax on above		-	-
<b>Other Comprehensive Income for the year net of Tax</b>		<b>(10.35)</b>	<b>(19.05)</b>
<b>Total Comprehensive Income for the year net of Tax</b>		<b>2,540.68</b>	<b>1,799.66</b>
Earnings per Equity Share:	43		
Equity shares of face value ₹ 2/- each			
--- Basic (₹)		31.51	23.12
---Diluted (₹)		31.05	22.88
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	44		
Other notes to accounts	45 to 57		

The accompanying notes are an integral part of the standalone financial statements.

As per our 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: 30<sup>th</sup> May, 2020

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi  
Date: 30<sup>th</sup> May, 2020

**(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, 2019	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2020
Nos. of Equity Shares	78,925,438	10,579,000	89,504,438
₹ in Millions	157.85	21.16	179.01

### B. Other Equity

(₹ in Millions)

Particulars	Reserve and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Securities 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, 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>
Profit for 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</b>	-	-	-	<b>1,818.71</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 Shares (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>
Impact on account of Adoption of Ind AS 116 (including Deferred Tax thereon) (refer Note No.- 47.3)	-	-	-	(11.65)	-	-	-	(11.65)
<b>Balance as at 1<sup>st</sup> April, 2019</b>	<b>28.00</b>	<b>901.81</b>	<b>21.09</b>	<b>6,674.09</b>	<b>37.50</b>	<b>(29.70)</b>	<b>(13.36)</b>	<b>7,619.43</b>
Profit for the year	-	-	-	2,551.03	-	-	-	2,551.03
Other Comprehensive Income for the Year	-	-	-	-	-	(0.57)	(9.78)	(10.35)
<b>Total comprehensive income for the year</b>	-	-	-	<b>2,551.03</b>	-	<b>(0.57)</b>	<b>(9.78)</b>	<b>2,540.68</b>
Employee Stock Compensation cost for the year	-	-	-	-	136.12	-	-	136.12
Dividend Paid (including Dividend Distribution Tax) for 2018-19 approved by Shareholders in Annual General Meeting held on 17 <sup>th</sup> Sep, 2019	-	-	-	(114.18)	-	-	-	(114.18)
Interim Dividend Paid (including Dividend Distribution Tax) for 2019-20	-	-	-	(161.85)	-	-	-	(161.85)
Share issue expense for QIP (refer note 20(A))	-	(130.73)	-	-	-	-	-	(130.73)
Securities Premium on allotment of Equity Shares (ESOS and QIP) during the year	-	5,043.73	-	-	(44.62)	-	-	4,999.11
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>28.00</b>	<b>5,814.81</b>	<b>21.09</b>	<b>8,949.09</b>	<b>129.00</b>	<b>(30.27)</b>	<b>(23.14)</b>	<b>14,888.58</b>

Corporate information and summary of significant accounting policies  
Contingent liabilities and commitments  
Other notes to accounts

The accompanying notes are an integral part of the standalone financial statements.

As per our 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: 30<sup>th</sup> May, 2020

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(KISHORE KUNAL)

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 30<sup>th</sup> May, 2020

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

(ADARSH KUMAR JAIN)

Asst. Vice President (Finance)

M.No. 502048



## Standalone Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2020

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extraordinary items	<b>3,266.67</b>	2,793.04
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and Amortisation Expenses	<b>566.89</b>	339.48
Dividend received	<b>(0.02)</b>	(0.22)
Interest Income	<b>(132.66)</b>	(36.83)
Interest and other finance cost	<b>1,291.51</b>	1,361.54
ESOS compensation expense	<b>136.12</b>	18.68
Provision for compensated absence/ Gratuity	<b>(27.81)</b>	25.92
Impairment Allowance on Trade Receivables	<b>22.88</b>	5.26
Provision for warranty	<b>3.25</b>	4.07
Recognition of lease at commencement	<b>(11.65)</b>	-
Impairment in Investment in Subsidiary & Associate Company	<b>0.01</b>	-
Impairment in Loans Receivables	<b>6.98</b>	-
Fair valuation of financial assets	<b>(0.60)</b>	0.51
Property, Plant and Equipment Written off	<b>21.80</b>	2.83
(Gain)/ Loss on disposal of property, plant and equipment	<b>0.97</b>	1.21
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>5,144.34</b>	4,515.49
<b>Movements in working capital :</b>		
(Increase)/Decrease in Trade Receivables	<b>(2,752.52)</b>	(740.35)
(Increase)/Decrease in other financial and non-financial assets	<b>19.99</b>	(1,344.31)
(Increase)/Decrease in Inventories	<b>(1,741.46)</b>	(1,340.49)
Increase/(decrease) in trade payables, other financial and non-financial liabilities and provisions	<b>145.04</b>	6,014.46
<b>Cash Generated from operations</b>	<b>815.39</b>	7,104.80
Income tax paid (including TDS) (net)	<b>(946.36)</b>	(865.04)
<b>Net cash flows from operating activities (A)</b>	<b>(130.97)</b>	6,239.76
<b>(B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work-in-progress) and intangible assets	<b>(805.30)</b>	(1,223.11)
Sale of property, plant and equipment	<b>3.00</b>	2.87
Purchase of Investment	<b>(1.00)</b>	-
Investment in equity shares of Associate Company (₹ Nil, Previous Year ₹ 2,349/-)	<b>-</b>	(0.00)
Interest Income	<b>132.66</b>	36.83
Dividend Received	<b>0.02</b>	0.22
Maturity/(Investment) made in bank deposits (having original maturity of more than 3 months)	<b>780.93</b>	(1,567.34)
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>110.31</b>	(2,750.53)
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings (Banks)	<b>1,024.79</b>	515.30
Proceeds from long term borrowings (others)	<b>200.00</b>	200.00
Repayment of long term borrowings (Banks)	<b>(1,667.17)</b>	(904.27)
Repayment of long term borrowings (Others)	<b>(606.25)</b>	(75.00)

**Standalone Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2020 (Contd...)**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
Proceeds from finance lease	2.94	20.76
Repayment of finance lease	(16.22)	(13.11)
Interest and other Finance Charges	(1,291.51)	(1,361.54)
Inter corporate & other deposits (Net of repayments)	3.55	13.19
Working capital demand Loan from banks	(1,386.32)	124.17
Working capital Loan from banks- Buyer's Credit	-	(1,377.63)
Working capital Loan from banks- Factoring Arrangements	116.76	(930.19)
Issue of Equity Share Capital (including premium) upon exercise of ESOS	20.27	19.74
Issue of Equity Share Capital (including premium) upon QIP	5,000.00	-
Share issue expenses for QIP	(130.73)	-
Dividend paid to equity shareholders	(228.97)	(78.36)
Dividend Distribution Tax	(47.06)	(16.11)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>994.08</b>	<b>(3,863.05)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>973.42</b>	<b>(373.82)</b>
Cash & Cash Equivalents as at the beginning of period	220.68	594.50
Cash and Cash Equivalents at the year ended (Refer Note no. 13)	1,194.10	220.68

**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, 2018</b>	<b>8,391.04</b>	<b>30.15</b>
Proceeds	764.20	20.76
Repayment	3,205.24	13.11
Fair Value Changes	6.60	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5,956.60</b>	<b>37.80</b>
Proceeds	1,330.34	2.94
Repayment	3,650.01	16.22
Fair Value Changes	5.04	0.00
<b>As at 31<sup>st</sup> March, 2020</b>	<b>3,641.97</b>	<b>24.52</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.

Corporate information and summary of significant accounting policies 1 & 2

Contingent liabilities and commitments 44

Other notes to accounts 45 to 57

The accompanying notes are an integral part of the standalone financial statements.

As per our 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: 30<sup>th</sup> May, 2020

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 30<sup>th</sup> May, 2020

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 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), Bombay Stock Exchange Ltd (BSE) and The Calcutta Stock Exchange Ltd. Company has five manufacturing facilities/plants located at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa and Chinchpada in Dadra and Nagar Haveli and Daman and Diu.

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:

- 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 Standalone Financial Statements for year ended 31<sup>st</sup> March 2020 were authorized and approved for issue by Board of Directors of the Company on 30<sup>th</sup> May 2020.

## 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 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)	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 Equipment</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:

<b>Asset category</b>	<b>Estimated useful life (in years)</b>
<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 derecognised (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 'pass through' 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.
- v. **Acceptances:** The Company enters into arrangements for purchase under usance Letter of credit issued by banks under non-fund based working capital limits of the Company. Considering these arrangements are majorly 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 Acceptances under Trade and other payables.

### 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 OFFSETTING 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. The investments in Subsidiaries are carried in these financial statements at historical 'cost', except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

### **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.

The investments in Associates and Joint Ventures are carried in these financial statements at historical 'cost', except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

### **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

#### 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

Performance obligation in case of revenue from long - term contracts is satisfied over the period of time. Since the company creates an asset that the customer controls as the asset is created and the company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term contracts, where the outcome can be estimated reliably and 10% of the project cost is incurred, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. 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. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

#### 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/availing. 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.

For Advance Consideration, 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**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

#### **AS A LESSEE**

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS**

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **UNDER IND AS 17**

In the comparative period, 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.

#### **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.

#### **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' 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/ Share Issue expenses on private placement basis/ '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. 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.

## 2.29 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 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 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 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.

### **2.32.2 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 COST TO COMPLETE**

The Company's management estimate the cost to complete for each project for the purpose of revenue recognition and recognition of anticipated losses of the projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. The process requires monitoring controls including financial and operational controls and identifying major risks facing the Company and developing and implementing initiative to manage those risks. The Company's Management is confident that the costs to complete the project are fairly estimated.

### **2.33.3 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.

### **2.33.4 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.

### **2.33.5 IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

**2.33.6 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 maybe affected by future technology or other market driven changes that may reduce future selling prices.

**2.33.7 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.

**2.33.8 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.

**2.33.9 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.

**2.33.10 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.

**2.33.11 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.

**2.33.12 ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19**

In view of the unprecedented COVID-19 pandemic and economic forecasts, the Management has evaluated the impact on its financial results for the current quarter and made appropriate adjustment to revenue, debtors provisioning and actuarial assumptions. In assessing the recoverability of its assets including receivables and inventories, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.



### 3. Property, Plant and Equipment:

(₹ in Millions)

Particulars	Freehold Land	Freehold Buildings	Lease hold Land	Lease hold Buildings Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Asset Taken on Finance Lease - Hire Purchase Vehicles	Computers	Total
<b>Gross Carrying Amount</b>											
<b>As at 1<sup>st</sup> April, 2018</b>	<b>3.66</b>	<b>1,071.79</b>	<b>317.45</b>	<b>78.52</b>	<b>2,919.55</b>	<b>74.53</b>	<b>35.89</b>	<b>28.18</b>	<b>44.57</b>	<b>53.79</b>	<b>4,627.93</b>
Additions	93.32	280.05	-	15.56	680.54	15.24	17.10	8.60	25.69	16.54	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>1,351.84</b>	<b>317.45</b>	<b>94.08</b>	<b>3,595.41</b>	<b>88.03</b>	<b>50.38</b>	<b>34.56</b>	<b>70.26</b>	<b>69.95</b>	<b>5,768.94</b>
Additions	-	264.28	-	-	721.89	15.48	16.33	10.33	-	14.53	1,042.84
Disposals/ Adjustments	-	0.09	-	-	38.63	6.54	0.33	2.41	-	13.19	61.19
Transfer to Right of Use Assets*	-	-	317.45	94.08	-	-	-	-	70.26	-	481.79
<b>As at 31<sup>st</sup> March, 2020</b>	<b>96.98</b>	<b>1,616.03</b>	<b>-</b>	<b>-</b>	<b>4,278.67</b>	<b>96.97</b>	<b>66.38</b>	<b>42.48</b>	<b>-</b>	<b>71.29</b>	<b>6,268.80</b>
<b>Depreciation and Impairment</b>											
<b>As at 1<sup>st</sup> April, 2018</b>	<b>-</b>	<b>73.22</b>	<b>7.14</b>	<b>38.26</b>	<b>392.45</b>	<b>25.02</b>	<b>11.70</b>	<b>7.20</b>	<b>8.99</b>	<b>24.45</b>	<b>588.43</b>
Depreciation charge for the year	-	44.71	3.54	9.97	224.66	12.19	5.21	6.44	5.61	16.13	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>117.93</b>	<b>10.68</b>	<b>48.23</b>	<b>616.01</b>	<b>36.04</b>	<b>16.19</b>	<b>12.25</b>	<b>14.60</b>	<b>40.24</b>	<b>912.17</b>
Depreciation charge for the year	-	52.56	-	-	410.29	11.68	6.44	7.37	-	17.30	505.64
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustments	-	0.04	-	-	17.74	4.67	0.28	1.50	-	11.19	35.42
Transfer to Right of Use Assets*	-	-	10.68	48.23	-	-	-	-	14.60	-	73.51
<b>As at 31<sup>st</sup> March, 2020</b>	<b>-</b>	<b>170.45</b>	<b>-</b>	<b>-</b>	<b>1,008.56</b>	<b>43.05</b>	<b>22.35</b>	<b>18.12</b>	<b>-</b>	<b>46.35</b>	<b>1,308.88</b>
<b>Net book value</b>											
<b>As at 31<sup>st</sup> March, 2020</b>	<b>96.98</b>	<b>1,445.58</b>	<b>-</b>	<b>-</b>	<b>3,270.11</b>	<b>53.92</b>	<b>44.03</b>	<b>24.36</b>	<b>-</b>	<b>24.94</b>	<b>4,959.92</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>96.98</b>	<b>1,233.91</b>	<b>306.77</b>	<b>45.85</b>	<b>2,979.40</b>	<b>51.99</b>	<b>34.19</b>	<b>22.31</b>	<b>55.66</b>	<b>29.71</b>	<b>4,856.77</b>

**3.1 (a)** Refer note no. 21 & 25 for Property, Plant & Equipment pledged as security.

**(b)\*** Have been Transferred to "Right of Use Assets" at net Value as per Ind AS 116.

**3.2** Effective 1<sup>st</sup> April, 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 year ended on 31<sup>st</sup> March, 2020 is higher by ₹ 146.56 Millions.

**4. Right of Use Assets:****(₹ in Millions)**

Particulars	Lease hold Land	Lease hold Buildings Improvements	Offices & Warehouses	Asset Taken on Finance Lease - Hire Purchase Vehicles	Total
<b>Gross Carrying Amount</b>					
<b>As at 31<sup>st</sup> March, 2019</b>	-	-	-	-	-
Transfer from Property, Plant & Equipment due to adoption of Ind AS 116	<b>306.77</b>	<b>45.85</b>	-	<b>55.66</b>	<b>408.28</b>
<b>As at 1<sup>st</sup> April, 2019</b>	<b>306.77</b>	<b>45.85</b>	<b>170.32</b>	<b>55.66</b>	<b>578.60</b>
Additions	-	2.39	12.61	2.94	17.94
Disposals/Adjustments	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>306.77</b>	<b>48.24</b>	<b>182.93</b>	<b>58.60</b>	<b>596.54</b>
<b>Depreciation and Impairment</b>					
<b>As at 1<sup>st</sup> April, 2019</b>	-	-	-	-	-
Depreciation charge for the year	3.53	6.76	30.62	8.55	49.46
Impairment	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>3.53</b>	<b>6.76</b>	<b>30.62</b>	<b>8.55</b>	<b>49.46</b>
<b>Net book value</b>					
<b>As at 31<sup>st</sup> March, 2020</b>	<b>303.24</b>	<b>41.48</b>	<b>152.31</b>	<b>50.05</b>	<b>547.08</b>
<b>As at 31<sup>st</sup> March, 2019</b>	-	-	-	-	-

**4.1 (a)** For Disclosures related to Ind AS 116 refer Note No. 47.

**(b)** Leasehold Land represents land obtained on long term lease from Government Authorities and are considered as Finance Lease.

**(c)** Carrying value of Assets acquired under hire purchase as on 31<sup>st</sup> March, 2019 exclude the amount related to hire purchase agreement settled during the current year.

**(d)** Refer note no. 21 & 25 for Right of Use Assets pledged as security.

**(e)** Effective 1<sup>st</sup> April, 2019, the Company has adopted Ind AS 116 'Leases' using the modified retrospective approach, Accordingly, previous year figures are not applicable.

## 5. 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, 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>
Additions	104.81	597.07	10.11	26.25	<b>738.24</b>
Adjustments	264.20	620.93	13.45	43.62	<b>942.20</b>
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1.40</b>	<b>110.69</b>	<b>0.01</b>	<b>0.00</b>	<b>112.10</b>
<b>Net Book Value</b>					
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1.40</b>	<b>110.69</b>	<b>0.01</b>	<b>0.00</b>	<b>112.10</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>

5.1 (a) Contractual commitments for the acquisition of Property, Plant & Equipment ₹ 159.11 Millions (Previous Year ₹ 302.93 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, 2020	31 <sup>st</sup> March, 2019
Building	<b>11.40</b>	8.37
Plant & Equipment	<b>15.46</b>	6.64
Furniture & Fixtures	<b>0.39</b>	0.05
<b>Total Borrowing Cost Allocated to Assets during the year</b>	<b>27.25</b>	15.06
<b>Borrowing Cost Pending allocation for future years</b>	-	8.41

(c) Capitalization rate 9.31% (Previous Year 9.09%) has been used to determine amount of borrowing cost eligible for capitalization.

## 6. Intangible Assets:

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>Gross carrying amount (at cost)</b>		
<b>As at 1<sup>st</sup> April, 2018</b>	<b>45.51</b>	<b>45.51</b>
Addition during the year	10.49	<b>10.49</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>56.00</b>	<b>56.00</b>
Addition during the year	11.22	<b>11.22</b>
Adjustment	-	-

Particulars	Other Intangibles (Computer software)	Total
<b>As at 31<sup>st</sup> March, 2020</b>	<b>67.22</b>	<b>67.22</b>
<b>Accumulated amortization</b>		
<b>As at 1<sup>st</sup> April, 2018</b>	<b>15.20</b>	<b>15.20</b>
Addition during the year	11.02	<b>11.02</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>26.22</b>	<b>26.22</b>
Amortization	11.79	<b>11.79</b>
Impairment	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>38.01</b>	<b>38.01</b>
<b>Net book value</b>		
<b>As at 31<sup>st</sup> March, 2020</b>	<b>29.21</b>	<b>29.21</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>29.78</b>	<b>29.78</b>

## 7. Non-Current Investments:

(₹ in Millions)

Particulars		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>1</b>	<b>Investments Equity Instruments (Quoted and Unquoted)</b>		
	<i>a) In Subsidiary*</i>	-	0.01
	<i>b) In Associate** (₹ Nil, Previous Year ₹ 2,349/-)</i>	-	0.00
	<i>c) Others *** (Investments at fair value through OCI)</i>	<b>2.80</b>	12.68
	<b>Total Investments in Equity Instruments</b>	<b>2.80</b>	12.69
<b>2</b>	<b>Investments Mutual Funds (Unquoted) (Investments at fair value through OCI)</b>		
	<i>a) Investments in Mutual Funds****</i>	<b>3.17</b>	2.97
	<b>Total Investments in Mutual Funds</b>	<b>3.17</b>	2.97
<b>3</b>	<b>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</i>	-	-
	<b>Total Investments</b>	<b>5.97</b>	15.66
	<b>* Investments in Equity Shares Unquoted</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
	Less: Provision for Impairment	<b>0.01</b>	-
	<b>Net Investment in Subsidiary</b>	-	0.01
	<b>** Investments in Equity Shares Unquoted</b>		
	-- KEI Cables SA (PTY) Limited (principal place of business - South Africa) 490 (Previous Year 490) Equity Shares of 1 ZAR each fully paid	<b>0.00</b>	0.00
	Less: Provision for Impairment	<b>0.00</b>	-
	<b>Net Investment in Associate</b>	-	0.00

Particulars		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>*** Equity Shares Quoted</b>			
--- State Bank of India 670 (Previous Year 670) Equity Shares of ₹ 1 each fully paid		<b>0.13</b>	0.21
--- PNB Gilts Limited 8000 (Previous Year 8000) Equity Shares of ₹ 10 each fully paid		<b>0.19</b>	0.25
--- Punjab National Bank 11000 (Previous Year 11000) Equity Shares of ₹ 2 each fully paid		<b>0.36</b>	1.05
--- Bank of Baroda (formerly Dena Bank) 285 (Previous Year 2595 of Dena Bank) Equity Shares of ₹ 2 each (Previous Year ₹ 10 each of Dena Bank) fully paid		<b>0.02</b>	0.03
---ICICI Bank Limited 4950 (Previous Year 4950) Equity Shares of ₹ 2 each fully paid		<b>1.60</b>	1.98
---YES Bank Limited 1270 (Previous Year 1270) Equity Shares of ₹ 2 each fully paid (953 Equity shares are blocked for trading up to 13 March, 2023)		<b>0.03</b>	0.35
---Jaypee Infratech Limited 5000 (Previous Year 5000) Equity Shares of ₹ 10 each fully paid		<b>0.00</b>	0.01
---Technofab Engineering Limited 104228 (Previous Year 104228) Equity Shares of ₹ 10 each fully paid		<b>0.47</b>	8.80
<b>Total Equity Investments (FVOCI)</b>		<b>2.80</b>	12.68
<b>**** Mutual Funds Unquoted</b>			
---UTI-Opportunities Fund-Growth 11770.711 (Previous Year 11770.711) Units of ₹ 10 each		<b>0.55</b>	0.73
---L192D SBI PSU Fund-Regular Plan-Dividend 212944.872 (Previous Year 212944.872) Units of ₹ 10 each		<b>1.62</b>	2.24
---INF955L01I19 Baroda Equity Savings Fund-Regular Growth 99990 (Previous Year Nil) Units of ₹ 10 each		<b>1.00</b>	-
<b>Total investments in Mutual Funds (FVOCI)</b>		<b>3.17</b>	2.97
<b>Aggregate value of quoted investments</b>		<b>28.62</b>	28.62
<b>Aggregate Market value of quoted investments</b>		<b>2.80</b>	12.68
<b>Aggregate value of unquoted investments</b>		<b>3.30</b>	2.31
<b>Aggregate amount of impairment in value of investments</b>		<b>0.01</b>	-



## 8. Non-Current Loans:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Loans Secured, considered good</b>	-	-
<b>Loans Unsecured, considered good</b>		
Security Deposits to Related Parties	0.15	2.00
Security Deposits to Others	121.07	61.55
Loans to Related Parties	-	0.14
Loans to Workers & Staff	2.96	4.89
<b>Loans having Significant increase in Credit Risk</b>	-	-
<b>Loans Credit Impaired</b>	-	-
<b>Total</b>	<b>124.18</b>	<b>68.58</b>

For Related Parties disclosures refer note no. 48.

## 9. Other Non-Current Financial Assets:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed Deposits with banks having more than 12 month Maturity	7.87	4.97
(Fixed Deposits under lien/custody with Banks /Others)		
Unpaid Dividend Bank Account *	1.42	1.30
<b>Total</b>	<b>9.29</b>	<b>6.27</b>

\* Balance in unpaid dividend bank account can only be used towards settlement of dividend unclaimed by shareholders of the company or by transfer to Investor Education Protection Fund.

## 10. Other Non-Current Assets:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Capital Advances (unsecured, considered good)	39.93	90.07
Others :		
--- Prepaid Expenses	1.55	2.07
<b>Total</b>	<b>41.48</b>	<b>92.14</b>

## 11. Inventories:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Raw Materials Including In Transit	1,772.06	1,235.36
Work -in- Progress	1,766.00	1,951.67
Finished Goods Including in Transit	4,456.53	2,942.38
Traded Goods Including In Transit	20.70	6.64
Stores & Spares Including In Transit	86.45	71.55
Project Materials	389.50	543.31
Packing Materials	97.57	116.32
Scrap Materials	49.02	29.14
<b>Total</b>	<b>8,637.83</b>	<b>6,896.37</b>

### 11.1 Break-up for Goods-In-Transit:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
--- Finished Goods	1,202.73	742.76
--- Raw Materials	489.83	146.21
--- Stores & Spares	0.05	2.54
--- Project Materials	5.29	-
<b>Total</b>	<b>1,697.90</b>	<b>891.51</b>

### 11.2 Finished Goods held at Net Realizable Value:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
--- Finished goods	185.50	572.32

**11.3** The above includes inventories held by third parties amounting to ₹ 61.31 millions (31<sup>st</sup> March, 2019 ₹ 65.44 millions).

**11.4** Refer Note no. 25.1 for Inventories hypothecated as security against bank borrowings.

**11.5** For valuation of Inventory refer Note no 2.9.

### 12. Current Trade Receivables:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Trade Receivables</b>		
Secured, Considered Good	-	-
Unsecured, Considered Good	13,790.19	11,113.37
Receivables having Significant Increase in Credit Risk *	64.92	-
Receivables Credit Impaired*	10.78	-
<b>Total Trade Receivables ( Gross )</b>	<b>13,865.89</b>	<b>11,113.37</b>
Less: Expected Credit Loss (ECL)	160.94	167.15
Less: Impairment Allowance for Trade receivable - Significant Increase in Credit Risk *	18.31	-
Less: Impairment Allowance for Trade receivable - Credit Impaired *	10.78	-
<b>Total Impairment Allowance</b>	<b>190.03</b>	<b>167.15</b>
<b>Total</b>	<b>13,675.86</b>	<b>10,946.22</b>

**12.1** 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.

**12.2** 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.

**Relevant carrying amounts are as follows:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Total Transferred Receivables	1,372.55	1,255.79
Associated Secured Borrowing (Refer Note No. 25)	1,372.55	1,255.79

**12.3** Trade Receivables are usually non interest bearing and are on trade terms of 90 days.

**12.4** \* Includes Trade Receivable and impairment allowance thereon for Related Parties disclosures refer note no. 48.

**12.5** For credit risk and movement in impairment allowances refer note no. 52.2.

**13. Cash and Cash Equivalents:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Cash in Hand	2.87	3.83
Balances with Banks		
--- Current Accounts	85.94	70.75
--- Fixed Deposits with less than 3 month maturity	1,098.63	146.10
--- Fixed Deposits with Banks as Deposits Repayment Reserve Account*	6.66	-
<b>Total</b>	<b>1,194.10</b>	<b>220.68</b>

\* Deposits Repayment Reserve Account is created as per requirement of Sec. 73 of Companies Act, 2013

(₹ in Millions)

13.1 Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed Deposits under lien/custody with Banks /Others	181.22	143.44

**14. Bank Balances other than Cash and Cash Equivalents:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed Deposits with original maturity of more than 3 months but less than 12 months*	941.35	1,728.65
Unpaid Dividend Accounts	0.45	0.40
Fixed Deposits with Banks as Deposits Repayment Reserve Account**	7.09	3.62
<b>Total</b>	<b>948.89</b>	<b>1,732.67</b>

\*\* Deposits Repayment Reserve Account is created as per requirement of Sec. 73 of Companies Act, 2013.

(₹ in Millions)

14.1 Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
* Fixed Deposits under lien/custody with Banks / Others	940.75	1,728.65

## 15. Current Loans:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Unsecured, Considered Good</b>		
Security Deposits to Related Party	4.46	2.37
Security Deposits to Others	9.96	21.26
Loans to Related Parties		
-Loans to staff	0.14	0.33
-Associate Company KEI Cables SA (PTY) Limited *	-	0.00
(₹ Nil, Previous Year ₹ 2443/-)		
-Subsidiary Company " KEI Cables Australia PTY LTD"	-	9.28
Loans to Workers & Staff	10.40	12.90
<b>Total</b>	<b>24.96</b>	<b>46.14</b>
<b>Loan Receivables - Having Significant increase in credit risk</b>		
Loans to Related Parties		
-Associate Company KEI Cables SA (PTY) Limited	9.74	-
- Less: Impairment in Loans Receivables	5.28	-
<b>Total</b>	<b>4.46</b>	<b>-</b>
<b>Loan Receivables - Credit Impaired</b>		
Loans to Related Parties		
-Subsidiary Company " KEI Cables Australia PTY LTD"	1.71	-
- Less: Impairment in Loans Receivables	1.71	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29.42</b>	<b>46.14</b>

\*For Related Parties disclosures refer note no. 48.

## 16. Other Financial Assets:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Contract Assets (Refer Note 45.2)	866.53	1,040.47
<b>Total</b>	<b>866.53</b>	<b>1,040.47</b>

## 17. Income Tax Assets :

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Income Tax paid (Net of provision for taxation)	20.36	6.65
<b>Total</b>	<b>20.36</b>	<b>6.65</b>

**18. Other Current Assets: :****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Advances other than capital advances</b>		
--- Advances to Related Parties	<b>0.54</b>	0.33
--- Advances to Suppliers	<b>500.99</b>	528.49
--- Advances Recoverable	<b>30.12</b>	29.19
<b>Others</b>		
--- Interest Accrued	<b>18.91</b>	29.92
--- Prepaid Expenses	<b>43.63</b>	31.26
--- Earnest Money	<b>48.25</b>	62.64
--- Claims Recoverable from Government	<b>841.90</b>	693.48
<b>Total</b>	<b>1,484.34</b>	1,375.31

**18.1 Break-up of Advance to Related Parties:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Recoverable from Joint Venture "Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland"	<b>0.54</b>	0.33
<b>Total</b>	<b>0.54</b>	0.33

**19. Equity Share Capital:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b><u>Authorized</u></b>		
110,000,000 (Previous Year 110,000,000) Equity Shares of ₹ 2/- each	<b>220.00</b>	220.00
300,000 (Previous Year 300,000) Preference Shares of ₹ 100/- each	<b>30.00</b>	30.00
<b>Total</b>	<b>250.00</b>	250.00
<b><u>Issued, Subscribed &amp; paid-up</u></b>		
89,504,438 (Previous Year 78,925,438) Equity shares of ₹ 2/- each fully paid	<b>179.01</b>	157.85
<b>Total</b>	<b>179.01</b>	157.85

**19.1 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.



## 19.2 Reconciliation of Number of Equity Shares:

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Nos.	₹ in Millions	Nos.	₹ in Millions
Balance as at the beginning of the year	7,89,25,438	157.85	7,83,61,438	156.72
Add: Issued during the year through ESOP*	5,79,000	1.16	5,64,000	1.13
Add: Issued during the year through QIP	1,00,00,000	20.00	-	-
Balance as at the end of the year	8,95,04,438	179.01	7,89,25,438	157.85

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

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

Name of shareholder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	1,36,80,776	15.29%	1,36,80,776	17.33%
M/s Projection Financial and Management Consultants Private Limited	79,00,000	8.83%	79,00,000	10.01%
M/s Anil Gupta HUF beneficiary Mr. Anil Gupta	46,50,375	5.20%	46,50,375	5.89%
Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund	47,56,179	5.31%	53,00,000	6.72%

## 19.4 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.

During the year 2019-20, 5,79,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2019-20, 100,00,000 equity shares of ₹ 2 each fully paid were issued to Qualified Institutional Buyers under QIP.

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

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	Nos. of shares	Nos. of shares
<b>Options available under ESOS, 2015</b>		
-- Options available at the beginning of the year	5,79,000	11,28,000
-- Options granted during the year	13,95,000	15,000
-- Equity Shares issued during the year		
Under KEI ESOS 2015 option Plan: equity shares of ₹ 2 each.	5,79,000	5,64,000
<b>-- Options available at the close of the year</b>	<b>13,95,000</b>	<b>5,79,000</b>

For terms and other details of KEI ESOS, 2015 refer note no 46.

**20. 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, 2020		As at 31 <sup>st</sup> March, 2019	
Capital Reserve		28.00		28.00
Securities Premium				
Opening balance	901.81		843.09	
Add: On allotment of Equity Shares	5,043.73		58.72	
Less: Share Issue Expenses (net of GST credit)	130.73	5,814.81	-	901.81
General Reserve		21.09		21.09
Retained Earnings				
Opening balance	6,685.74		4,961.50	
Add: Profit during the period	2,551.03		1,818.71	
Less: Impact on account of Adoption of Ind AS 116	11.65		-	
Less: Interim equity dividend*	134.26		-	
Less: Final equity dividend	94.71		78.36	
Less: Tax on Interim equity dividend*	27.59		-	
Less: Tax on Final equity dividend	19.47	8,949.09	16.11	6,685.74
Employee Stock Options Outstanding		129.00		37.50
Other Comprehensive Income		(53.41)		(43.06)
<b>Total</b>		<b>14,888.58</b>		<b>7,631.08</b>

\* The Company declared and paid an interim dividend of ₹1.50/- per equity share ( 75%) on 9<sup>th</sup> March, 2020, resulting in cash out flow of ₹ 161.85 Millions (including dividend distribution tax), for the Financial year 2019-20. The Board has proposed that this may be treated as final dividend.

**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 :** 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. The QIP issue expenses have been adjusted with securities premium account, net of taxes, if any.
- (c) **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 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.

## 21. Non Current Borrowings:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(i) Secured</b>		
<b>Term Loan</b>		
-- Term Loans from Banks	156.24	294.04
-- Foreign Currency Term Loans from Banks	-	97.37
-- External Commercial Borrowings	301.72	385.70
--Term Loans from Non-Banking Financial Company	-	310.00
<b>Total Term Loan</b>	<b>457.96</b>	1,087.11
<b>Finance Lease Obligations on Hire Purchase of Vehicles</b>	<b>9.57</b>	22.11
<b>(ii) Unsecured</b>		
<b>Deposits</b>		
-- Public Deposits	23.80	49.75
-- Deposits from Related Parties	35.65	34.40
<b>Total</b>	<b>526.98</b>	1,193.37

### 21.1 Nature of Security and Repayment Terms of Term Loan:

(₹ in Millions)

Sl. No.	Nature of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	Secured Term Loan from Bank	INR	Oct, 2019	Floating 1year-MCLR+ 1.85% p.a.	-	64.79
2	Secured Term Loan from Bank	INR	Oct, 2019	Floating 1 year MCLR+ 1.35% p.a.	-	46.14
3	Secured Term Loan from NBFC	INR	Feb, 2020	Fixed 9.75% p.a.	-	205.77
4	Secured Term Loan from Bank	INR	Feb, 2020	Floating 1 year MCLR + 0.50% p.a.	-	194.06
5	Secured Term Loan from Bank	INR	Feb, 2020	Floating 1 year MCLR + 0.50% p.a.	-	162.50
6	Secured Term Loan from Bank	USD	Sep, 2020	Fixed all inclusive cost of maximum of 4.85% p.a.	106.55	291.39
7	External Commercial Borrowing	USD	Dec, 2022	Floating 3 month LIBOR + 190 BPS	421.56	494.91
8	Secured Term Loan from NBFC	INR	Feb, 2020	Fixed 9.50% p.a.	-	199.69
9	Secured Term Loan from Bank	INR	Feb, 2020	Floating 3 month MCLR + 0.35% p.a.	-	233.14
10	Secured Term Loan from Bank	INR	Feb, 2020	Floating 1 year MCLR + 0.05% p.a.	-	114.81
11	Secured Term Loan from Bank	INR	April, 2021	Floating 6 Month MCLR + 0.25% p.a.	80.96	-
12	Secured Term Loan from Bank	INR	Sep, 2022	Floating 6 Month MCLR + 0.40% p.a.	250.00	-
13	Secured Term Loan from Bank	INR	March, 2021	Floating 1 year MCLR + 0.25% p.a.	99.51	-
<b>Total</b>					<b>958.58</b>	2,007.20
Less: Current Maturities (Note no. 27)					<b>500.62</b>	920.09
Non-Current Borrowings (Note no. 21)					<b>457.96</b>	1,087.11

- 21.2** Term Loans from Banks are Secured by a first Pari passu charge over Land & Building, Plant & Machinery and other movable Property, Plant and Equipment located at the Company's Plants at 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. 2nd charge on Plot No. A 280-284, Chopanki in favour of SBI Gift City Gandhinagar Branch for ECB Loan. Further these loans are secured by personal guarantee of Shri Anil Gupta Chairman-cum-Managing Director of the Company.
- 21.3** Finance Lease Obligations are taken from scheduled banks and are secured against hypothecation of vehicles. The Rate of interest on such loans varies between 8.50% to 10.00%.
- 21.4** Unsecured Deposits are repayable within 3 years from the date of acceptance. The Company has not defaulted in repayment of deposits.
- 21.5** For Related Parties disclosures refer note no. 48.
- 21.6** The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed by lenders.

## 22. Non Current Provisions::

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Employee benefits		
---Provision for Compensated Absences	<b>110.70</b>	86.26
<b>Total</b>	<b>110.70</b>	86.26

For movement in provision refer note no. 29.1.

## 23. Deferred Tax Liability (Net):

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred Tax Liability :</b>		
Additional depreciation/amortization on PPE and Intangible Assets	<b>449.10</b>	587.73
Additional depreciation/amortization on PPE and Intangible Assets- Other Jurisdiction	<b>0.32</b>	-
Other timing differences	<b>1.05</b>	7.59
<b>Total Deferred Tax Liabilities</b>	<b>450.47</b>	595.32
<b>Deferred Tax Asset :</b>		
Liabilities / provisions that are deducted for tax purposes when paid	<b>26.37</b>	66.81
Provision for doubtful debts/impairment allowance	<b>49.59</b>	58.41
Defined benefit obligations	<b>10.74</b>	15.85
Long term capital loss on shares	<b>2.76</b>	1.86
Right of use assets	<b>42.90</b>	-
Other timing differences-Other Jurisdiction (₹ 3000/- previous year ₹ Nil)	<b>0.00</b>	-
Other timing differences	<b>8.49</b>	10.62
<b>Total Deferred Tax Assets</b>	<b>140.85</b>	153.55
<b>Net Deferred Tax Liabilities</b>	<b>309.62</b>	441.77

### 23.1 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- Other Jurisdiction *	Other items	Total deferred tax assets
<b>As at 1<sup>st</sup> April, 2018</b>	<b>56.57</b>	<b>11.39</b>	<b>51.45</b>	<b>-</b>	<b>7.36</b>	<b>126.77</b>
-- Profit and Loss	1.84	-	15.36	-	3.26	20.46
-- Other Comprehensive Income	-	4.46	-	-	1.86	6.32
<b>As at 31<sup>st</sup> March, 2019</b>	<b>58.41</b>	<b>15.85</b>	<b>66.81</b>	<b>-</b>	<b>12.48</b>	<b>153.55</b>
-- Profit and Loss	(8.82)	-	(40.44)	0.00	40.77	(8.49)
-- Other Comprehensive Income	-	(5.11)	-	-	0.90	(4.21)
<b>As at 31<sup>st</sup> March, 2020</b>	<b>49.59</b>	<b>10.74</b>	<b>26.37</b>	<b>0.00</b>	<b>54.15</b>	<b>140.85</b>

\* Profit and Loss Amount (₹ 3,000/-, Previous Year ₹ Nil).

### 23.2 Movement in Deferred Tax Liabilities:

(₹ in Millions)

Particulars	Additional depreciation/ amortization on PPE and Intangible Assets	Additional depreciation/ amortization on PPE and Intangible Assets- Other Jurisdiction	Other items	Total deferred tax liabilities
<b>As at 1<sup>st</sup> April, 2018</b>	<b>515.89</b>	<b>-</b>	<b>9.32</b>	<b>525.21</b>
-- Profit and Loss	71.84	-	(1.73)	70.11
-- Other Comprehensive Income	-	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>587.73</b>	<b>-</b>	<b>7.59</b>	<b>595.32</b>
-- Profit and Loss	(138.63)	0.32	(6.54)	(144.85)
-- Other Comprehensive Income	-	-	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>449.10</b>	<b>0.32</b>	<b>1.05</b>	<b>450.47</b>

### 24. Other Non Current Liabilities:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Lease Liability	146.24	-
<b>Total</b>	<b>146.24</b>	<b>-</b>



## 25. Current Borrowings::

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(i) Secured:</b>		
<b>Loan repayable on demand</b>		
--- Working Capital Loans from Banks	<b>1,004.64</b>	2,390.96
--- Factoring Arrangements	<b>1,372.55</b>	1,255.79
<b>(ii) Unsecured:</b>		
<b>Loans from Related Parties</b>		
--- Loan from Related Party *	<b>188.00</b>	208.00
<b>Deposits</b>		
---Deposits from Related Parties*	<b>24.35</b>	-
---Inter Corporate Deposits from Related Parties*	-	5.00
---Inter Corporate Deposits from others	<b>4.00</b>	5.50
---Public Deposits from others	<b>30.40</b>	-
<b>Total</b>	<b>2,623.94</b>	3,865.25

\*For Related Parties disclosures refer note no. 48.

**25.1** 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); Plot No. A 280-284, Chopanki; and movable Property, Plant and Equipment 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); SP 2/874, RIICO Industrial Area, Pathredi; SP 919, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar, (Rajasthan); and Industrial Plot/ Survey No.- 1/1/2/5, Situated at Village Chinchpada, Silvassa both present and future. Further these loans are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum- Managing Director of the company.

**25.2** Working Capital Loans from Banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated, as per the terms and conditions of the sanction.

**25.3** For Term and Conditions of Loans and Deposits from Related parties refer note No.48.

**25.4** The Company has not defaulted on any loans/deposits payable during the year and has satisfied all debt covenants prescribed by lenders.

**25.5** The Company has arranged Channel Finance facility for its customers from various banks against which a sum of ₹ 1,584.65 millions (Previous Year ₹ 1,378.76 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, 2020 is ₹ 3.92 Millions (Previous Year ₹ 2.53 Millions).

## 26. Trade Payables:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Outstanding dues of micro enterprises and small enterprises (Refer Note 26.1 below)</b>	<b>834.80</b>	914.41
<b>Outstanding dues of creditors other than micro enterprises and small enterprises</b>		
Acceptances	<b>7,696.85</b>	5,930.45
Others*	<b>3,158.03</b>	3,358.14
	<b>10,854.88</b>	9,288.59
<b>Total</b>	<b>11,689.68</b>	10,203.00

\* The amount are Unsecured and non-interest bearing.

**26.1** 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.

**Amount remaining unpaid to supplier covered under MSMED Act at the end of the year.**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Principal	<b>834.80</b>	914.41
Interest	-	-
<b>Total</b>	<b>834.80</b>	914.41
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 and Small Enterprises which were outstanding for more than stipulated period are ₹ Nil (Previous Year: ₹ Nil)

## 27. Other Current Financial Liabilities:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Current Maturities of Long Term Debts</b>		
---From Banks	274.23	521.40
---Foreign Currency Loans from Banks	106.55	194.02
-- External Commercial Borrowings	119.84	109.21
---From Others (Non-Banking Financial Company)	-	95.46
<b>Total Current Maturities of Long Term Debts (Refer Note 21.1)</b>	<b>500.62</b>	920.09
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles	14.95	15.69
Interest on Borrowings		
---Accrued but not due	0.28	3.19
---Accrued and due	3.63	3.35
Security Deposits Received	14.70	14.66
Employee Benefits Payable	185.62	161.90
Unpaid Dividend (Refer Note 27.1)	1.87	1.69
<b>Total</b>	<b>721.67</b>	1,120.57

**27.1** Amount due & outstanding to be credited to Investor Education and Protection Fund ₹ Nil (Previous Year ₹ Nil).

## 28. Other Current Liabilities:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Contract Liabilities (Refer Note 45.2)	1,178.35	2,434.92
Lease Liability	24.20	-
Sundry Creditors -Capital Goods	95.98	105.67
Statutory Dues Payable	91.04	175.26
<b>Total</b>	<b>1,389.57</b>	2,715.85

## 29. Current Provisions:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Employee Benefits</b>		
---Provision for Compensated Absences	16.37	12.69
---Provision for Gratuity	38.89	99.36
Provision for warranty	26.18	22.93
<b>Total</b>	<b>81.44</b>	134.98

## 29.1. Movement of Provisions (Current and Non-Current):

(₹ in Millions)

Particulars	Compensated Absences	Gratuity	Warranty Provision
<b>As at 1<sup>st</sup> April, 2019</b>	<b>98.95</b>	<b>99.36</b>	<b>22.93</b>
Credited during the year	35.66	36.16	23.65
Paid during the year	7.54	96.63	-
Unused amount reversal	-	-	20.40
<b>As at 31<sup>st</sup> March, 2020</b>	<b>127.07</b>	<b>38.89</b>	<b>26.18</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.

## 29.2 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 2019-20	FY 2018-19
Contribution to Employee Provident Fund & Employees Pension Scheme.	<b>55.66</b>	45.01

### DEFINED BENEFIT PLAN- AS PER ACTUARIAL VALUATION

The Company operates a defined benefit plan, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity.

### The amounts recognized in the Balance Sheet is as under:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Present value of obligations as at the end of year	<b>253.19</b>	217.02
Fair value of plan assets as at the end of the year	<b>214.30</b>	117.66
Funded status	<b>(38.89)</b>	(99.36)
<b>Net Assets/(Liability) recognized in balance sheet</b>	<b>38.89</b>	99.36

**Expense recognized in Statement of Profit and Loss is as under: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Current Service Cost	28.61	22.96
Interest Cost on Defined Benefit Obligation	16.49	13.18
Interest Income on Plan Assets	8.94	6.79
Net Interest Cost	7.55	6.38
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>36.16</b>	<b>29.35</b>

**Expenses recognized in Other Comprehensive Income is as under: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Actuarial (Gains)/Loss on Defined Benefit Obligation	(3.64)	13.02
Actuarial (Gains)/Loss on Asset	(0.90)	(0.27)
<b>Actuarial Gain/(Loss) recognized in Other Comprehensive Income</b>	<b>(4.54)</b>	<b>12.75</b>

**Movements in the present value of the Defined Benefit Obligations: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Present Value of Obligations as at beginning of year	217.01	171.11
Acquisition Adjustment	-	-
Interest Cost	16.49	13.18
Current Service Cost	28.61	22.96
<b>Actuarial (Gains)/Losses arising from:</b>		
Changes in Demographic Assumptions	(0.04)	-
Changes in Financial Assumptions	(2.42)	1.72
Experience Adjustments	(1.18)	11.29
Past Service Cost	-	-
Benefits Paid	(5.29)	(3.24)
<b>Present value of obligations as at end of year</b>	<b>253.18</b>	<b>217.02</b>

**Movements in fair value of Plan Assets: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fair Value of plan assets as on beginning of year	117.65	88.22
Interest Income	8.94	6.79
Re-measurement Gain/(Loss) – return on plan assets excluding amounts included in net interest expense)	0.90	0.27
Contributions from the employer	92.09	25.62
Benefits paid	(5.29)	(3.24)
<b>Fair value of Plan Assets at the end of year</b>	<b>214.29</b>	<b>117.66</b>



**Actuarial Assumptions are as under:**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Discount Rate	6.70%	7.60%
Expected rate of Future Salary Increase	6.00%	7.00%
Retirement Age	58 yrs	58 yrs
Mortality rates	As per Indian Assured Lives Mortality (2012-14) Table	As per Indian Assured Lives Mortality (2006-08) Table
<b>Age</b>	<b>Withdrawal Rate</b>	
Up to 30 Years	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%
Above 44 Years	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.

**Maturity Profile of Defined Benefit Obligation is as under:**

Duration of defined benefit obligation

(₹ in Millions)

Duration (years)	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	58.67	62.46
2	13.17	6.27
3	10.13	10.77
4	7.31	7.97
5	9.08	6.32
Above 5	154.83	123.23

### Summary of Membership Data:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Number of Employees	2006	1793
Total Monthly Salary for Gratuity ( ₹ in Millions )	58.17	48.00
Average Past Service ( Years )	5.95 yrs	5.72 yrs
Average Age ( Years )	36.13 yrs	36.50 yrs
Average Remaining Working Life (Years )	21.87 yrs	21.50 yrs

### Sensitivity analysis is as under:

#### Impact of the Change in Discount Rate:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Impact due to Increase of 1%	232.28	200.98
Impact due to Decrease of 1%	277.95	235.88

#### Impact of the Change in Salary Increase:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Impact due to Increase of 1%	277.88	235.81
Impact due to Decrease of 1%	231.96	200.76

### 30. Current Tax Liability:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for Current Tax (Net of advance Tax)	19.13	99.79
<b>Total</b>	<b>19.13</b>	<b>99.79</b>

### 31. Revenue From Operations (Gross):

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>Revenue from Contract with Customers</b>				
<b>Sale of Products</b>				
---Manufactured Goods	35,020.41		32,059.92	
---Traded Goods	189.26		46.13	
<b>Sale of Services</b>				
---Income from EPC Projects	13,360.40		9,658.26	
---Job Work	-		0.43	
<b>Other Revenue</b>				
---Scrap Material	242.26	48,812.33	317.92	42,082.66
<b>Other operating Revenues</b>				
--- Export Benefits	23.99		143.91	
--- Unadjusted Credit balances written back	6.34	30.33	43.06	186.97
<b>Total</b>		<b>48,842.66</b>		<b>42,269.63</b>

31.1 For Disclosures related to IND AS 115 "Revenue from Contract with Customers" refer note no. 45.

### 32. Other Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Dividend from long term investments		0.02		0.22
Interest Income from Bank Deposits/Others		132.66		36.83
Interest Income from financial assets carried at amortized cost		2.18		2.06
Miscellaneous Income		11.56		11.52
Insurance Claims		18.27		21.28
<b>Total</b>		<b>164.69</b>		<b>71.91</b>

### 33. Cost of Materials Consumed:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>Raw Materials Consumed</b>				
Opening Stock	1,089.15		1,108.52	
Add : Purchases	32,009.99		27,792.75	
Less : Closing Stock	1,282.23		1,089.15	
Less : Captive use	18.93	31,797.98	40.30	27,771.82
<b>EPC Project Materials</b>				
Opening Stock	543.31		4.71	
Add : Purchases	3,074.52		3,133.67	
Less: Closing Stock	384.21	3,233.62	543.31	2,595.07
<b>Total</b>		<b>35,031.60</b>		<b>30,366.89</b>

### 34. Purchases of Traded Goods:

(₹ in Millions)

Class of Goods	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Miscellaneous		117.10		25.96
		<b>117.10</b>		<b>25.96</b>

### 35. Changes in Inventory of Finished Goods, Traded Goods and Work-in-progress:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Opening Stock				
--- Finished Goods	2,942.36		2,228.38	
--- Traded Goods	6.64		10.62	
--- Work in Progress	1,951.67		1,623.35	
--- Scrap Material	29.14	4,929.81	21.41	3,883.76
Less : Closing Stock				
--- Finished Goods	4,456.53		2,942.36	
--- Traded Goods	20.70		6.64	
--- Work in Progress	1,766.00		1,951.67	
--- Scrap Material	49.02	6,292.25	29.14	4,929.81
<b>(Increase)/decrease in inventories of finished goods, traded goods and work-in-progress</b>		<b>(1362.44)</b>		<b>(1046.05)</b>

### 36. Employee Benefits Expense:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Salaries, Wages & Other Benefits	1,992.61		1,585.52	
Contribution to Provident & Other Funds	91.59		74.35	
Expense on employee stock option scheme	136.12		18.68	
Staff Welfare Expenses	55.58	2,275.90	55.39	1,733.94
<b>Total</b>		<b>2,275.90</b>		<b>1,733.94</b>

#### 36.1 Compensation Paid To Key Managerial Personnel included in above:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Salaries, Wages & Other Benefits		194.89		166.15
Contribution to Provident & Other Funds		0.09		0.09
Director's Meeting Fee		7.28		6.30
Expense on employee stock option scheme		44.26		5.60
<b>Total</b>		<b>246.52</b>		<b>178.14</b>

### 37. Finance Costs:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Interest on borrowings		950.75		949.83
Other Financial Charges		324.95		411.71
Interest and Financial Charges on Lease Liabilities		15.81		-
<b>Total</b>		<b>1,291.51</b>		<b>1,361.54</b>

### 38. Depreciation and Amortisation Expenses:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Depreciation on Tangible Assets		505.64		328.46
Depreciation on Right of use Assets		49.46		-
Amortisation on Intangible Assets		11.79		11.02
<b>Total</b>		<b>566.89</b>		<b>339.48</b>

### 39. Sub Contractor Expenses for EPC Projects:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Sub Contractor's Expenses		1,606.16		1,121.17
		<b>1,606.16</b>		<b>1,121.17</b>

#### 40. Other Expenses:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Consumption of Store, Spares and Consumables		132.03		123.98
Packing Expenses		1,125.97		1,012.78
Job Work Charges		863.61		678.70
Power, Fuel & Lighting		631.95		542.33
Repairs & Maintenance				
--- Plant & Machinery	207.43		187.80	
--- Building	11.23		7.85	
--- Others	32.67	251.33	24.10	219.75
Freight, Handling and Octroi		1,147.71		962.10
Rebate, Discount, Commission on Sales		193.76		167.38
Bad Debts Written off		45.35		25.21
Impairment Allowance on Trade Receivables (including ECL)		22.88		5.26
Impairment in Investment in Subsidiary & Associate Companies		0.01		-
Impairment in Loans Receivables		6.98		-
Rates & Taxes		120.92		96.30
Rent		67.08		95.00
Insurance		96.81		74.06
Travelling & Conveyance		239.36		227.42
Advertisement & Publicity		259.75		194.44
Auditor's Remuneration (Refer Note 40.1)		5.03		4.43
Loss on sales of Property, Plant and Equipement (net)		0.97		1.21
Property, Plant and Equipment Written off		21.80		2.83
Communication Expenses		32.33		35.56
Donations		2.73		5.67
Professional & Consultancy Charges		244.20		284.15
Miscellaneous Expenses		517.54		576.01
Exchange Fluctuation (Net)		125.71		296.21
Corporate Social Responsibility Expenditure (Refer Note 40.3)		58.15		14.79
<b>Total</b>		<b>6,213.96</b>		<b>5,645.57</b>



**40.1 Auditor's Remuneration (excluding applicable Tax):** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Audit Fee		3.60		3.00
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
For Other Services		0.23		0.23
<b>Total</b>		<b>5.03</b>		<b>4.43</b>
Certification fee for QIP (included in Share Issue Expenses)		1.25		-
<b>Total</b>		<b>6.28</b>		<b>4.43</b>

**40.2** Gross amount required to be spent on Corporate Social Responsibility by the company during the year ₹ 41.32 Millions (Previous Year ₹ 29.00 Millions).

**40.3 Amount spent on Corporate Social Responsibility during the year on:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
i) Construction/Acquisition of assets		-		-
ii) PM Cares Fund - Covid 19 Relief		20.00		-
iii) On purpose other than (i) above		38.15		14.79
<b>Total</b>		<b>58.15</b>		<b>14.79</b>

**41. Income Tax Expense:**

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>(a) Income tax expense</b>				
Accounting profit		3,266.67		2,793.04
Enacted tax rates in India		25.168%		34.944%
Computed expected tax expense		822.16		976.00
Tax effect due to non-taxable income for Indian tax purposes		(0.86)		(0.08)
Overseas taxes		0.85		-
Tax reversals due to expenses allowed for Indian tax purpose		(279.12)		(194.53)
Tax Effect of non-deductible expenses		321.92		152.29
Tax Effect of Other allowed deductions for Indian tax purpose		(1.01)		(4.94)
Tax Effect of Earlier year		(11.94)		(4.06)
<b>Total Current Income tax expense</b>		<b>852.00</b>		<b>924.68</b>

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>Deferred tax</b>				
(Decrease) / Increase in deferred tax liabilities		<b>(144.85)</b>		76.43
Decrease / (Increase) in deferred tax assets		<b>8.49</b>		(26.78)
<b>Total deferred tax expenses/(benefit)</b>		<b>(136.36)</b>		49.65
<b>Total Income tax expense</b>		<b>715.64</b>		974.33

The applicable Indian corporate statutory tax rate for the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 is 25.168% and 34.944%, respectively. The Change in the corporate statutory tax rate to 25.168% is consequent to changes made via The Taxation Laws (Amendment ) Act 2019, as applicable to the Company.

Overseas Tax expense is due to income taxes payable overseas, principally in Nepal.

#### 42. Other Comprehensive Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>Items that will not be reclassified to profit and loss :</b>				
Re-measurement gains (losses) on defined benefit plans		<b>4.54</b>		(12.75)
Net (loss)/gain on FVTOCI equity securities		<b>(10.68)</b>		(12.62)
Income tax effect on above		<b>(4.21)</b>		6.32
<b>Items that will be reclassified to profit and loss:</b>				
Net gain on hedge of a net investment		-		-
Income tax effect		-		-
Exchange differences on translation of foreign operations		-		-
Income tax effect on above		-		-
<b>Total</b>		<b>(10.35)</b>		(19.05)

#### 43. 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, 2020	Year Ended 31 <sup>st</sup> March, 2019
Profit after Taxation ( ₹ in Millions )	<b>2,551.03</b>	1,818.71
Basic Earnings Per Share ( ₹ )	<b>31.51</b>	23.12
Diluted Earnings Per Share ( ₹ )	<b>31.05</b>	22.88
Face Value Per Equity Share ( ₹ )	<b>2.00</b>	2.00

**(B) Weighted Average Number of Equity Shares Used as Denominator:**

Particulars	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
Number of Equity shares at the beginning of the year	<b>7,89,25,438</b>	7,83,61,438
Add: Weighted average number of equity shares issued during the year	<b>20,44,462</b>	2,90,499
<b>Weighted average number of Equity shares for Basic EPS</b>	<b>8,09,69,900</b>	7,86,51,937
Add: Adjustment for Employee Stock Options outstanding	<b>11,93,582</b>	8,45,227
<b>Weighted average number of equity shares for Diluted EPS</b>	<b>8,21,63,482</b>	7,94,97,164

**44. Contingent Liabilities & Commitments:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>44.1 Claims against Company not acknowledged as debt</b>		
a) Sales Tax / Entry Tax demands under appeal	<b>10.42</b>	9.49
b) Income tax Matters:		
-- Demand due to Additions / disallowances during Assessments, which are under Appeal	<b>21.05</b>	13.67
c) Excise / Service tax demands under appeal	<b>82.32</b>	81.53
d) Misc. claims against Company in Labour Court	<b>1.07</b>	1.07
<b>44.2 Guarantees against Performance/Security Deposits/ EMD</b>	<b>11,673.40</b>	13,569.71
<b>44.3 Other money for which Company is contingent liable</b>		
a) Unutilized Letter of Credits	<b>989.87</b>	275.44
b) Outstanding LC Discounted	<b>517.33</b>	577.87
In respect of the items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments/decisions pending at various forums /authority. The Company doesn't expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operations or cash flows.		
<b>44.4 Commitments:</b>		
Estimated amount of contracts remaining to be executed on Capital Account	<b>159.11</b>	302.93

**45. Disclosures as required under Ind-AS 115 "Revenue from contracts with customers" are given below:****45.1 Disaggregation of Revenue:****Year Ended 31<sup>st</sup> March, 2020****(₹ in Millions)**

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter Segment Elimination	Total
--- Manufactured Goods	33,660.37	1,360.04	462.88	(462.88)	35,020.41
--- Traded Goods	90.30	-	98.96	-	189.26
--- Income From EPC Projects	-	-	13,360.40	-	13,360.40
--- Job work	-	-	-	-	-
--- Scrap Material	236.66	5.60	-	-	242.26
<b>Total</b>	<b>33,987.33</b>	<b>1,365.64</b>	<b>13,922.24</b>	<b>(462.88)</b>	<b>48,812.33</b>

(₹ in Millions)

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter Segment Elimination	Total
--- Point in time	33,987.33	1,365.64	98.96	(462.88)	34,989.05
--- Over the time	-	-	13,823.28	-	13,823.28
<b>Total</b>	<b>33,987.33</b>	<b>1,365.64</b>	<b>13,922.24</b>	<b>(462.88)</b>	<b>48,812.33</b>

(₹ in Millions)

Geographical Market	Cables	Stainless Steel Wire	EPC Projects	Inter Segment Elimination	Total
--- India	26,026.52	871.14	13,386.96	(93.75)	40,190.87
--- Others	7,960.81	494.50	535.28	(369.13)	8,621.46
<b>Total</b>	<b>33,987.33</b>	<b>1,365.64</b>	<b>13,922.24</b>	<b>(462.88)</b>	<b>48,812.33</b>

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 work	-	0.43	-	-	0.43
--- Scrap Material	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 Market	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>

**45.2 Contract Balances:**

(₹ in Millions)

Particulars	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2019
<b>Current :</b>				
---Advance received from Customers	-	866.09	-	2,022.97
---Incentive Payable to Customers	-	206.76	-	142.53
---Income received in advance	-	105.50	-	269.42
---Unbilled Revenue	866.53	-	1,040.47	-
<b>Total</b>	<b>866.53</b>	<b>1,178.35</b>	<b>1,040.47</b>	<b>2,434.92</b>

**45.3** Trade Receivables from Contract with customer are separately shown in note no. 12.

**45.4** Trade Receivables includes Retention by Customers ₹ 2,890.76 Millions (previous year ₹ 2,274.04 Millions).

**45.5** Remaining performance obligations to be executed over a period of more than one year:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
--- Manufactured Goods*	-	-
--- EPC Projects*	<b>18,479.31</b>	26,210.86
<b>Total</b>	<b>18,479.31</b>	26,210.86

\* Based on the estimates of the Management.

**45.6 Reconciliation of revenue recognized with Contract Price**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Gross revenue recognized during the year	<b>49,322.26</b>	42,505.89
Add: Incentives paid/payable to Customers	<b>(265.25)</b>	(207.91)
Add: Discount paid/payable to Customers	<b>(254.04)</b>	(250.79)
Add: Other Variable Consideration	<b>9.36</b>	35.47
<b>Net revenue recognized during the year</b>	<b>48,812.33</b>	42,082.66

**46. 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 vested over a period of four years from the date of grant. Nomination and Remuneration Committee had granted fresh 15,000 Options on September 25, 2018 which vested over a period of one year from the date of grant. During the current financial year the Committee further granted 13,95,000 shares which will vest over a period of three years from the date of grant. Details of Scheme is given as below:



<b>Vesting Particulars of Options granted on 23.09.2015</b>	<b>Options vested</b>	<b>Weighted average exercise price ( ₹ )</b>	<b>Option Expiry Date</b>	<b>Outstanding share options from the date of grant</b>
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	5,60,000	35	26/10/2016	22,52,000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	5,64,000	35	26/10/2017	16,92,000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	5,64,000	35	26/10/2018	11,28,000
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	5,64,000	35	26/10/2019	5,64,000
<b>Weighted average remaining contractual life of options outstanding at the end of the year NIL (Previous year 0.52 years)</b>				

<b>Vesting Particulars of Options granted on 25.09.2018</b>	<b>Options vested</b>	<b>Weighted average exercise price ( ₹ )</b>	<b>Option Expiry Date</b>	<b>Outstanding share options from the date of grant</b>
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	15,000	35	10/10/2019	15,000
<b>Weighted average remaining contractual life of options outstanding at the end of the year NIL (Previous year 0.52 years)</b>				

<b>Vesting Particulars of Options granted on 06.08.2019</b>	<b>Options vested</b>	<b>Weighted average exercise price ( ₹ )</b>	<b>Option Expiry Date</b>	<b>Outstanding share options from the date of grant</b>
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	4,55,000	225	20/08/2020	13,65,000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	4,55,000	225	20/08/2021	9,10,000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	4,55,000	225	20/08/2022	4,55,000
<b>Weighted average remaining contractual life of options outstanding at the end of the year 1.52 Years</b>				

<b>Vesting Particulars of Options granted on 27.09.2019</b>	<b>Options vested</b>	<b>Weighted average exercise price ( ₹ )</b>	<b>Option Expiry Date</b>	<b>Outstanding share options from the date of grant</b>
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	10,000	225	12/10/2020	30,000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	10,000	225	12/10/2021	20,000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	10,000	225	12/10/2022	10,000
<b>Weighted average remaining contractual life of options outstanding at the end of the year 1.52 Years</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. Share Allotment Committee has allotted 22,67,000 Equity Shares of face value ₹ 2/- each to the eligible employees as per Scheme.

**Movement of options granted under the Scheme are:**

Particulars	KEI ESOS 2015			
	IV	III	II	I
<b>Date of Grant</b>	<b>27/09/2019</b>	<b>06/08/2019</b>	<b>25/09/2018</b>	<b>23/09/2015</b>
<b>Options outstanding as at 1<sup>st</sup> April 2018</b>	N.A.	N.A.	<b>NIL</b>	<b>11,28,000</b>
Options Granted during the year	N.A.	N.A.	15,000	NIL
Option forfeited during the year	N.A.	N.A.	NIL	NIL
Option vested	N.A.	N.A.	NIL	5,64,000
Option exercised	N.A.	N.A.	NIL	5,64,000
Option expired during the year	N.A.	N.A.	NIL	NIL
<b>Options Exercisable at the end of the year</b>	N.A.	N.A.	<b>15,000</b>	<b>5,64,000</b>
<b>Options outstanding at 31.03.2019</b>	N.A.	N.A.	<b>15,000</b>	<b>5,64,000</b>
Options Granted during the year	30,000	13,65,000	NIL	NIL
Option forfeited during the year	NIL	NIL	NIL	NIL
Option vested	NIL	NIL	15000	5,64,000
Option exercised	NIL	NIL	15000	5,64,000
Option expired during the year	NIL	NIL	NIL	NIL
<b>Options Exercisable at the end of the year</b>	<b>30,000</b>	<b>13,65,000</b>	<b>NIL</b>	<b>NIL</b>
<b>Options outstanding at 31.03.2020</b>	<b>30,000</b>	<b>13,65,000</b>	<b>NIL</b>	<b>NIL</b>

Refer Note no 36 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			
	IV	III	II	I
	2019-20		2018-19	
Risk-free interest rate	5.82%	5.96%	8.13%	7.73%
Weighted average expected life of options	1.52	1.52	0.52	0.52
Historical Volatility	48.20%	45.86%	44.13%	63.55%
Dividend Yield	0.22%	0.22%	0.21%	0.27%
Exercise price at the date of Grant (₹)	225.00	225.00	35.00	35.00
Share price at the time of option grant (₹)	525.90	420.10	333.70	98.80

#### 47. Disclosures as required under Ind-AS 116 " Leases" are given below

##### 47.1 Change in Accounting Policy

The company has applied Ind AS 116 with the date of initial application of 1<sup>st</sup> April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below:

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings as at 1<sup>st</sup> April, 2019.

Particulars	₹ in Millions
Lease commitments as at 31 <sup>st</sup> March, 2019	37.80
Add/(less): adjustments on account of extension/termination	181.97
<b>Lease liabilities as on 1<sup>st</sup> April, 2019</b>	<b>219.77</b>

- 47.2** On transition, the adoption of new standard resulted in reduction of ₹11.65 Millions from retained earnings including Deferred Tax thereon with recognition of Right of Use Asset of ₹ 578.60 Millions (including ₹408.28 Millions transfer from Property, Plant and Equipment) and ₹ 219.77 Millions as lease liability (including ₹ 37.80 Millions as opening). Due to this profit for the year is lower by ₹ 6.49 Millions.

##### 47.3 The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Particulars	₹ in Millions
Decrease in Property Plant and equipment (Transferred to Right of Use)	408.28
Increase in Lease Liability	181.97
Increase in Rights of Use	170.32
Restatement of Reserve and Surplus	(8.72)
Increase/Decrease in Deferred tax assets (recognised in Reserve and Surplus)	(2.93)

##### 47.4 Additions to Right of Use assets:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020	As At 1 <sup>st</sup> April, 2019
Offices & Warehouses	12.61	170.32
Asset Taken on Finance Lease - Hire Purchase Vehicles	2.94	55.66
Lease hold Buildings Improvement	2.39	45.85
Lease hold Land	-	306.77
<b>Total Additions to Right of Use assets</b>	<b>17.94</b>	<b>578.60</b>

**47.5 Carrying value of Right of Use assets at the end of the reporting period by class:**

(₹ in Millions)

Particulars	Class 1 - Offices & Warehouses	Class 2 - Asset Taken on Finance Lease - Hire Purchase Vehicles	Class 3 - Lease hold Buildings Improvement	Class 4 - Lease hold Land	Total
Balance as at 1 <sup>st</sup> April, 2019	170.32	55.66	45.85	306.77	578.60
Additions during the year	12.61	2.94	2.39	-	17.94
Depreciation charge for the year	30.62	8.55	6.76	3.53	49.46
Balance as at 31 <sup>st</sup> March, 2020	152.31	50.05	41.48	303.24	547.08

**47.6 Maturity analysis of lease liabilities:**

(₹ in Millions)

Maturity analysis - contractual undiscounted cash flows	Class 1 - Offices & Warehouses		Class 2 - Asset Taken on Finance Lease - Hire Purchase Vehicles	
	Year Ended 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019	Year Ended 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019
Less than one year	38.24	37.83	16.44	18.46
One to five years	124.56	121.72	9.97	23.76
More than five years	57.38	85.00	Nil	Nil

**47.7 Amounts recognised in Statement of profit and loss:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020
Interest on lease liabilities in Finance Cost	15.81
Lease payments not recognised as a liability in Other Expenses	
- Variable lease payments not included in the measurement of lease liabilities	-
- Expenses relating to short-term leases	1.73
- Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	61.12

**47.8 Amounts recognised in the statement of cash flows:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020
Total cash outflow for leases	106.23

**47.9 Future Lease Commitments**

The Total Future cash out flow for leases that had not yet commenced: ₹ Nil

#### 47.10 Practical expedients applied:

In applying Ind AS 116 for the first time, the Company has used the following practical expedients:

- (a) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (b) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1<sup>st</sup> April 2019.
- (c) Accounting for operating leases with a remaining lease term of less than 12 months as at 1<sup>st</sup> April, 2019 as short-term leases.
- (d) Excluding initial direct costs for the measurement of the Right-of-Use asset at the date of initial application.
- (e) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

**47.11** Refer note no. 21.3 for terms and conditions in respect of hire-purchase of vehicles on finance lease.

**48. The Related parties as per terms of Ind AS-24 "Related Party Disclosures" (under the section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) are disclosed below:**

#### (a) Name of Related Parties :

##### i) Subsidiary Company

KEI Cables Australia PTY Limited

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2020	As at 31.03.2019
Australia	90%	90%

##### ii) 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 31.03.2020	As at 31.03.2019
India	100% share in Profit/Loss	

##### iii) Associate

KEI Cables SA (PTY) Limited

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2020	As at 31.03.2019
South Africa	49%	49%



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
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> Feb 2019)

v) **Other related parties where KMP are interested and transactions have taken place:**

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

vi) **Relatives of KMP with whom transaction have taken place:**

Smt. Vedika Gupta  
Shri Sunil Gupta  
Smt. Shashi Gupta  
Smt. Shweta Jha  
Smt. Vimla Devi

vii) **Other related parties where relatives of KMP are interested and transactions have taken place:**

Sunil Gupta (HUF)

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	As at 31.03.2020	As at 31.03.2019
(i)	<b>Sales</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	359.03
		-	359.03
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	60.66	-
		60.66	-

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(ii)	<b>Discount On Sales</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	(1.65)
		-	(1.65)
(iii)	<b>Settlement of liabilities on behalf of related party</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.09	0.01
		0.09	0.01
(iv)	<b>Settlement of liabilities by related party</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	0.03	-
		0.03	-
(v)	<b>Reversal of Bank Guarantee charges</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	5.39
		-	5.39
(vi)	<b>Interest paid on Deposits/ Unsecured Loan</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	16.72	17.97
	Shri Akshit Diviaj Gupta	0.23	0.14
		16.95	18.11
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	2.51	1.95
	KEI International Limited	0.05	0.05
	KEI Cables Private Limited	0.15	0.19
		2.71	2.19
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	1.16	0.53
	Smt. Shweta Jha	0.33	0.19
		1.49	0.72
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	0.36	0.36
		0.36	0.36
(vii)	<b>Impairment in loan</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	1.71	-
		1.71	-

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(viii)	<b>Jointly Controlled Entity Associate</b> KEI Cables SA (PTY) Limited	5.28	-
		5.28	-
	<b>Impairment in Investment Subsidiary Company</b> KEI Cables Australia PTY Limited	0.01	-
		0.01	-
	<b>Jointly Controlled Entity Associate</b> KEI Cables SA (PTY) Limited ( ₹ 2349/-, Previous year ₹ Nil)	0.00	-
		0.00	-
(ix)	<b>Impairment in Trade Receivable Subsidiary Company</b> KEI Cables Australia PTY Limited	10.78	-
		10.78	-
	<b>Jointly Controlled Entity Associate</b> KEI Cables SA (PTY) Limited	18.31	-
		18.31	-
	<b>Interest Income on loan given Subsidiary Company</b> KEI Cables Australia PTY Limited	0.18	-
		0.18	-
(x)	<b>Jointly Controlled Entity Associate</b> KEI Cables SA (PTY) Limited	0.20	-
		0.20	-
	<b>Lease Rental Paid 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)	0.78	0.68
	Projection Financial & Management Consultants Private Limited	8.44	6.10
(xi)	Dhan Versha Agency Private Limited	3.60	3.35
		12.82	10.13

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	18.00	17.10
		18.00	17.10
(xii)	<b>Managerial Remuneration Key Managerial Personnel</b>		
	Shri Anil Gupta	173.15	147.24
	Shri Rajeev Gupta	11.40	9.72
	Shri Akshit Diviaj Gupta	6.75	6.03
		191.30	162.99
(xiii)	<b>Employee Benefits Expenses Key Managerial Personnel</b>		
	Shri Kishore Kunal	3.68	3.25
		3.68	3.25
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt. Vedika Gupta	2.15	-
		2.15	-
(xiv)	<b>Expense on Share Based Payments to Employees</b>		
	Shri Rajeev Gupta	34.49	4.38
	Shri Kishore Kunal	9.77	1.22
		44.26	5.60
(xv)	<b>Director Meeting Fees paid Key Managerial Personnel</b>		
	Smt. Archana Gupta	1.05	1.12
	Shri Kishan Gopal Somani	0.98	0.60
	Shri Pawan Bholusaria	1.87	1.72
	Shri Sadhu Ram Bansal	0.60	0.53
	Shri Vikram Bhartia	1.35	1.28
	Shri Vijay Bhushan	0.98	1.05
	Smt. Shalini Gupta	0.45	-
		7.28	6.30
(xvi)	<b>Defined Benefit Obligation for Gratuity Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses) Key Managerial Personnel</b>		
	Shri Anil Gupta	38.94	45.00
	Shri Rajeev Gupta	6.21	5.24
	Shri Akshit Diviaj Gupta	1.08	0.72
	Shri Kishore Kunal	0.97	0.77
		47.20	51.73

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xvii)	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt Vedika Gupta	0.04	-
		0.04	-
	<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	1.58	1.46
	Shri Akshit Diviaj Gupta	0.99	0.64
	Shri Kishore Kunal	0.66	0.60
		3.23	2.70
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
(xviii)	Smt. Vedika Gupta	0.06	-
		0.06	-
	<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	93.39	26.00
(xix)		93.39	26.00
	<b>Dividend Paid (Including Interim Dividend)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	36.94	13.68
	Shri Rajeev Gupta	0.97	0.27
	Shri Kishore Kunal	0.23	0.07
	Smt. Archana Gupta	2.26	0.84
	Shri Kishan Gopal Somani (₹2700/-, Previous year ₹1000)	0.00	0.00
	Shri Pawan Bholusaria (Previous Year ₹4500)	0.01	0.00
	Shri Vikram Bhartia	0.03	0.01
		40.44	14.87
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	12.56	4.65
	Projection Financial & Management Consultants Private Limited	21.33	7.90
	Shubh Laxmi Motels & Inns Private Limited	9.40	3.48
	Soubhagya Agency Private Limited	8.44	3.13
	Dhan Versha Agency Private Limited	2.70	1.00
	KEI Cables Private Limited	4.25	1.58
		58.68	21.74

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta ( ₹3510/- ,Previous Year ₹1300/-)	0.00	0.00
	Smt. Shashi Gupta ( ₹ 4050, Previous year ₹1500/-)	0.00	0.00
	Smt. Vimla Devi	-	0.06
		-	0.06
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF) ( ₹1350/-, previous year ₹500/-)	0.00	0.00
		0.00	0.00
(xx)	<b>Investment made in equity shares</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited (Previous Year ₹2349/-)	-	0.00
		-	0.00
(xxi)	<b>Equity Share Allotment ( KEI ESOS 2015)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	0.30	0.30
	Shri Kishore Kunal	0.08	0.08
		0.38	0.38
(xxii)	<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
(xxiii)	<b>Advance Given</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.11	0.05
		0.11	0.05
(xxiv)	<b>Loan Given</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	1.82	9.28
		1.82	9.28
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited (Previous year ₹2443/-)	10.97	0.00
		10.97	0.00



S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xxv)	<b>Deposits/Unsecured Loan received during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	60.00	20.00
	Shri Akshit Diviaj Gupta	-	3.50
		60.00	23.50
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	10.00	7.00
	KEI Cables Private Limited	-	3.00
	KEI International Limited	-	1.20
		10.00	11.20
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	13.00	7.80
	Smt. Shweta Jha	2.60	0.55
		15.60	8.35
(xxvi)	<b>Deposits/Unsecured Loan received earlier repaid during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	80.00	17.00
	Shri Akshit Diviaj Gupta	-	1.00
		80.00	18.00
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	-	-
	KEI Cables Private Limited	3.80	-
	KEI International Limited	1.20	-
		5.00	-
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	-	12.80
		-	12.80
(xxvii)	<b>Loan given to related party received back</b>		
	<b>Subsidiary Company</b>	9.44	-
	KEI Cables Australia PTY Limited	9.44	-
(xxviii)	<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	4.46	4.22
		4.61	4.37

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xxix)	<b>Maximum Outstanding Balance of security during the year (At fair value)</b>		
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	4.46	4.22
		4.61	4.37
(xxx)	<b>Maximum Outstanding Balance of security during the year (At Cost)</b>		
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	4.77	4.77
		4.92	4.92
(xxxi)	<b>Investment by Loanee in Equity shares of Company</b>		
	Anil Gupta (HUF)	13.62	13.62
	Projection Financial & Management Consultants Private Limited	114.20	114.20
		127.82	127.82
(xxxii)	<b>Expenses Payable</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	46.57	45.20
	Shri Rajeev Gupta	0.56	0.29
	Shri Akshit Diviaj Gupta	0.39	0.33
	Shri Kishore Kunal	0.04	0.13
		47.56	45.95
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt. Vedika Gupta	0.11	-
		0.11	-
(xxxiii)	<b>Advance Outstanding</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)	0.54	0.33
		0.54	0.33
(xxxiv)	<b>Loan Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	1.71	9.28
	Less: Impairment	1.71	-
		-	9.28

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xxxv)	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited (Previous year ₹2443/-)	9.74	0.00
	Less: Impairment	5.28	-
		4.46	0.00
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	0.14	0.46
		0.14	0.46
	<b>Maximum amount of loan outstanding during the year</b>		
	<b>Subsidiary Company</b>		
(xxxvi)	KEI Cables Australia PTY Limited	9.28	9.28
		9.28	9.28
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited (Previous year ₹2443/-)	9.74	0.00
		9.74	0.00
	<b>Investment in Equity Shares</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	0.01	0.01
	Less: Impairment	0.01	-
(xxxvii)		-	0.01
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹2349 (Previous Year ₹2349/-)	0.00	0.00
	Less: Impairment ₹2349 (Previous Year NIL)	0.00	-
		-	0.00
	<b>Trade Receivables Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	10.78	36.94
	Less: Impairment	10.78	-
		-	36.94
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	64.92	-
	Less : Impairment	18.31	-
		46.61	-

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xxxviii)	<b>Interest Income Receivable</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	0.01	-
		0.01	-
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	0.18	-
		0.18	-
(xxxix)	<b>Credit balance of Deposits/ Unsecured loan outstanding as at the year end</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	188.00	208.00
	Shri Akshit Diviaj Gupta	2.50	2.50
		190.50	210.50
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	35.50	25.50
	KEI Cables Private Limited	-	3.80
	KEI International Limited	-	1.20
		35.50	30.50
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	13.00	-
	Smt. Shweta Jha	5.00	2.40
		18.00	2.40
	<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) The company has given Performance Bank Gurantees of ₹ 27.02 Millions (Previous year ₹ 49.72 Millions) 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.
- (v) Inter corporate loans/advances have been given for business purposes only.
- (vi) Transactions with Related parties are made on terms equivalent to those that prevail in arms' length transactions.
- (vii) Deposits and loans received from Related Parties are for business purpose and the rate of interest thereon is at arms length price.

#### 49. 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, intersegment 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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue (Gross)</b>												
External	33,539.43	30,571.49	1,375.27	1,380.20	13,966.61	10,332.55	(0.00)	(0.00)	(38.65)	(14.61)	48,842.66	42,269.63
Inter-Segment Revenue	6,284.70	3,024.65	-	-	-	-	-	-	(6284.70)	(3024.65)	-	-
<b>Total Revenue</b>	<b>39,824.13</b>	<b>33,596.14</b>	<b>1,375.27</b>	<b>1,380.20</b>	<b>13,966.61</b>	<b>10,332.55</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(6323.35)</b>	<b>(3039.26)</b>	<b>48,842.66</b>	<b>42,269.63</b>
<b>Result</b>												
Segment Result	4,403.21	3,681.00	87.58	90.93	1,636.93	1,422.22	0.00	0.00	(270.76)	(14.61)	5,856.96	5,179.54
Unallocated Expenditure net of unallocated income							(1431.46)	(1062.01)			(1431.46)	(1062.01)
Finance Cost							(1291.51)	(1361.54)			(1291.51)	(1361.54)
Interest Income							132.66	36.83			132.66	36.83
Dividend Income							0.02	0.22			0.02	0.22
<b>Profit Before Tax</b>	<b>4,403.21</b>	<b>3,681.00</b>	<b>87.58</b>	<b>90.93</b>	<b>1,636.93</b>	<b>1,422.22</b>	<b>(2590.29)</b>	<b>(2386.50)</b>	<b>(270.76)</b>	<b>(14.61)</b>	<b>3,266.67</b>	<b>2793.04</b>
Tax including Deferred Tax											715.64	974.33
Profit for the year											2,551.03	1,818.71
<b>Other Information</b>												
Segment Assets	19,857.13	17,461.91	670.48	614.83	9,639.93	7,251.88	2,519.02	2,321.15	-	-	32,686.56	27,649.77
Segment Liabilities	12,660.03	12,199.07	309.71	280.85	1,568.19	1,769.62	3,081.04	5,611.30	-	-	17,618.97	19,860.84
Capital Expenditure	752.06	1,132.64	27.35	11.09	16.33	21.03	131.29	46.72	-	-	927.03	1,211.48
Depreciation and Amortization	482.51	274.41	18.09	11.69	14.14	9.94	52.15	43.44	-	-	566.89	339.48

**Information about Geographical Segment:**

SECONDARY SEGMENT INFORMATION	India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>External Revenue (Gross)</b>	<b>39,852.07</b>	<b>36,944.64</b>	<b>8,990.59</b>	<b>5,324.99</b>	<b>48,842.66</b>	<b>42,269.63</b>
<b>Addition to Non Current Assets</b>	<b>848.91</b>	<b>1,248.23</b>	<b>1.19</b>	<b>1.15</b>	<b>850.10</b>	<b>1,249.38</b>

**Information about major customers :**

There are no customers having revenue exceeding 10% of total revenues.



## 50. 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, 2020				As at 31 <sup>st</sup> March, 2019			
		FVPL	FVOCI	AMORTISED COST	FAIR VALUE	FVPL	FVOCI	Amortized Cost	FAIR VALUE
<b>Financial Assets</b>									
Investments	7								
- Equity Instruments		-	2.80	-	2.80	-	12.68	-	12.68
- Mutual funds		-	3.17	-	3.17	-	2.97	-	2.97
Loans	8 & 15	-	-	153.60	153.87	-	-	114.72	115.16
Trade receivables	12	-	-	13,675.86	13,675.86	-	-	10,946.22	10,946.22
Cash and Cash equivalents	13	-	-	1,194.10	1,194.10	-	-	220.68	220.68
Bank Balances other than Cash and Cash equivalents	14	-	-	948.89	948.89	-	-	1,732.67	1,732.67
Other financial assets	9 & 16	-	-	875.82	875.82	-	-	1,046.74	1,046.74
<b>Total financial assets</b>		-	<b>5.97</b>	<b>16,848.27</b>	<b>16,854.51</b>	-	<b>15.65</b>	<b>14,061.03</b>	<b>14,077.12</b>
<b>Financial Liabilities</b>									
Borrowings	21 & 25	3,150.92	-	-	3,150.92	5,058.62	-	-	5,058.62
Trade payables	26	-	-	11,689.68	11,689.68	-	-	10,203.00	10,203.00
Other Current Financial Liabilities	27	-	-	721.67	721.67	-	-	1,120.57	1,120.57
<b>Total financial liabilities</b>		<b>3,150.92</b>	-	<b>12,411.35</b>	<b>15,562.27</b>	<b>5,058.62</b>	-	<b>11,323.57</b>	<b>16,382.19</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 at 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'.

## 51. 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, Company 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 relied 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, 2020	Note Reference	Level 1		Level 2		Level 3	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Financial assets</b>							
Investments at FVOCI	7						
- Equity Instruments		2.80	12.68	-	-	-	-
- Mutual funds		-	-	3.17	2.97	-	-
Loans	8 & 15			-	-	153.60	114.72
<b>Total financial assets</b>		2.80	12.68	3.17	2.97	153.60	114.72
<b>Financial liabilities</b>							
Borrowings	21 & 25	-	-	-	-	3,150.92	5,058.62
Other Current Financial Liabilities	27	-	-	-	-	721.67	1,120.57
<b>Total Financial liabilities</b>		-	-	-	-	3,872.59	6,179.19

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, 2020 and 31<sup>st</sup> March, 2019 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.

## 52. 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.

## 52.1. 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.

### 52.1.1. 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, 2020			As at 31 <sup>st</sup> March, 2019		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Import of Goods & Advance Received	USD	5,99,07,817	4,478.70	USD	6,32,93,663	4,432.70
	EURO	55,432	4.65	EURO	1,82,646	14.28
	CHF	2,73,963	21.73	CHF	7,82,555	54.71
	AUD	25,073	1.21	AUD	-	-
	GBP	1,30,061	12.01	GBP	-	-
	NPR	18,24,26,765	114.93	NPR	-	-
Royalty/Know How/License fee	EURO	6,54,696	54.96	EURO	5,31,640	41.58
Expenses Payable	USD	10,43,717	79.11	USD	6,06,711	42.06
	SGD	-	-	SGD	3,517	0.18
	GBP	1,54,489	14.46	GBP	1,43,919	13.11
	AED	56,750	1.18	AED	53,750	1.01
	NPR	10,42,564	0.65	NPR	-	-
	EURO	4,749	0.40	EURO	58,926	4.61
Statutory Dues Payable	NPR	1,06,541	0.07	NPR	-	-
Term Loan/ECB	USD	70,09,080	531.29	USD	1,14,27,243	792.14

**(b) Amount receivable in foreign currency on account of the following:**

Particulars	As at 31 <sup>st</sup> March, 2020			As at 31 <sup>st</sup> March, 2019		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Exports of Goods & Advance Paid	USD	3,07,15,983	2,299.78	USD	1,90,78,813	1,315.19
	EURO	5,73,089	47.01	EURO	20,27,373	156.92
	CHF	39,595	2.92	SGD	-	-
	AUD	67,25,416	310.04	AUD	51,31,245	247.43
	NPR	2,43,258	0.15			
	GBP	2,75,825	25.47	GBP	73,806	6.59
Recoverables	AUD	37,142	1.71	AUD	1,92,500	9.28
	AED	1,01,255	2.08	AED	61,068	1.15
	GMD	1,60,162	0.24	GMD	8,000	0.01
	USD	1,89,329	14.07	USD	1,50,000	10.30
	SGD	6	0.00	SGD	248	0.01
	ZAR	23,42,583	9.92	ZAR	510	0.00
	EURO	15,558	1.30	EURO	-	-
	THB	219	0.00	THB	-	-
	RMB	1,594	0.02	RMB	-	-
	NPR	14,56,687	0.86	NPR	-	-
Balance with Banks	SGD	1,297	0.07	SGD	6,847	0.35
	USD	50,070	3.75	USD	4,851	0.33
	GMD	1,273	0.00	GMD	11,328	0.02
	NPR	74,73,270	4.66	NPR	-	-
	AED	90,608	1.84	AED	58,952	1.11
Fixed Deposit with Banks	NPR	6,00,00,000	37.40	NPR	-	-

**52.1.2. 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, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
USD - Increase/ Decrease by 5%	(138.58)	(197.05)	138.58	197.05
EUR - Increase/ Decrease by 5%	(0.59)	4.82	0.59	(4.82)
AUD - Increase/ Decrease by 5%	15.53	12.84	(15.53)	(12.84)

**52.1.3. Price Risk - Potential Impact of Risk & Management Policy**

- (a) 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.
- (b) Company reviews its investments at regular intervals in order to minimize price risk arising from investments in Equity Shares & Mutual Funds.
- (c) 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 7.

**52.1.4. 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, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
NSE Index Increase by 5%	-	-	0.30	0.78
NSE Index Decrease by 5%	-	-	(0.30)	(0.78)

**52.1.5. 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.

**52.1.6. 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 banks, 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, 2020	31 <sup>st</sup> March, 2019
Variable rate borrowings	1,856.68	3,701.31
Fixed rate borrowings	1,809.81	2,293.09
<b>Total borrowings</b>	<b>3,666.49</b>	<b>5,994.40</b>

Refer Note No. 21, 25 & 27 for maturities of Company borrowings.

### 52.1.7. 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, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Interest Rate – Increase/ Decrease by 50 basis point (50 bps)	(4.47)	(4.47)	4.47	4.47

### 52.2. 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 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 fixed 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 categorization	Provision for expenses credit loss
Low Credit Risk	Cash and Cash Equivalents, other Bank Balances and Fixed Deposits with Banks	12 month expected credit loss
Moderate Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss
	Loans	12 month expected credit loss
High Credit Risk	Trade Receivables, Loans 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, 2020	As at 31 <sup>st</sup> March, 2019
A: Low credit risk	Cash and Cash Equivalents, other Bank Balances and other Non Current Financial Assets	9 ,13 & 14	2,152.28	1,959.62
B: Moderate credit risk	Trade Receivables, Loans and other Current Financial Assets	8,12,15 & 16	14,694.28	12,101.41
C: High credit risk	Loans	15	1.71	-

**A: Low Credit Risk**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2020				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
Cash and Cash Equivalents	13	1,194.10	-	1,194.10
Bank Balances other than Cash and Cash equivalents	14	948.89	-	948.89
Other Non Current Financial Assets	9	9.29	-	9.29

(₹ 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	13	220.68	-	220.68
Bank Balances other than Cash and Cash equivalents	14	1,732.67	-	1,732.67
Other Non Current Financial Assets	9	6.27	-	6.27

**B: Moderate Credit Risk**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2020						
Particulars	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)	12 & 16	13,906.50	688.19	58.97	78.75	<b>14,732.41</b>
Impairment allowance		28.30	149.87	3.07	8.79	<b>190.03</b>
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		<b>13,878.20</b>	<b>538.32</b>	<b>55.90</b>	<b>69.96</b>	<b>14,542.38</b>
Gross Carrying Amount at high risk	15	9.74	-	-	-	<b>9.74</b>
Impairment allowance		5.28	-	-	-	<b>5.28</b>
Carrying Amount of Loans (Net of Impairment)		<b>4.46</b>	-	-	-	<b>4.46</b>

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019						
Particulars	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)	12 & 16	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>11,986.70</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, 2018</b>	<b>161.90</b>
Expected credit loss (ECL) Recognized	5.25
Expected credit loss (ECL) Reversal	-
<b>Impairment Loss allowance on 31<sup>st</sup> March, 2019</b>	<b>167.15</b>
Expected credit loss (ECL) Recognized	-
Impairment Recognised	29.09
Expected credit loss (ECL) Reversal	6.21
<b>Loss Allowance on 31<sup>st</sup> March, 2020</b>	<b>190.03</b>

**C: High Credit Risk****(₹ in Millions)**

As at 31 <sup>st</sup> March, 2020						
Particulars	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount at high risk	15		1.71	-	-	<b>1.71</b>
Impairment allowance		-	1.71	-	-	<b>1.71</b>
Carrying Amount of Loans (Net of Impairment)		-	-	-	-	-

High Credit Risk as at 31<sup>st</sup> March, 2019 : Nil

- (a) Liquidity risk is the risk that Company will face in meeting its obligations associated with its financial liabilities. Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.
- (b) Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019.
- (c) Cash flow from operating activities provides funds to service financial liabilities on a day-to-day basis.
- (d) Company regularly monitors rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated is used for working capital management.
- (e) Following table 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, 2020					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	26	11,689.68	11,689.68	-	11,689.68
Borrowings	21 & 25	3,150.92	2,623.94	526.98	3,150.92
Unpaid dividend	27	1.87	1.87	-	1.87
Other current financial liabilities	27	719.80	719.80	-	719.80

**(₹ 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)	26	10,203.00	10,203.00	-	10,203.00
Borrowings	21 & 25	5,058.62	3,865.25	1,193.37	5,058.62
Unpaid dividend	27	1.69	1.69	-	1.69
Other current financial liabilities	27	1,118.88	1,118.88	-	1,118.88

### 52.3 CURRENT & LIQUID RATIO

Following table shows ratio analysis of Company for respective periods:

Period	Current Ratio	Liquid Ratio
31 <sup>st</sup> March, 2020	1.63	1.10
31 <sup>st</sup> March, 2019	1.23	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 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.

### 53. CAPITAL MANAGEMENT:

#### 53.1 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.

#### 53.2 DIVIDENDS:

No changes were made in the objectives, policies or processes for managing capital during the year:

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Total number Equity shares outstanding	8,95,04,438	7,89,25,438
Interim dividend (including Dividend Distribution Tax) for the year*	161.85	-
Final dividend ₹ in Millions (including Dividend Distribution Tax) for the year (not recognized) - Subject to approval of Shareholders in ensuing Annual General Meeting.	-	114.18

\* The Company declared and paid an interim dividend of ₹1.50/- per equity share ( 75%) on 9<sup>th</sup> March, 2020, resulting in cash out flow of ₹ 161.85 Millions (including dividend distribution tax), for the Financial year 2019-20. The Board has proposed that this may be treated as final dividend.

### 54. Investment in Subsidiary, Associate and Joint Venture:

a) These financial statements are separate financial statements prepared in accordance with Ind AS-27 " Separate Financial Statements".

b) 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, 2020	31 <sup>st</sup> March, 2019	
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, 2020	31 <sup>st</sup> March, 2019	
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%	49%	Cost

**55. Disclosure required under Section 186(4) of the Companies Act, 2013****Particulars of Loan/Investment Made :****(₹ in Millions)**

Sr. No	Name of Investee	2019-20			2018-19		
		Investment made	Loan Given	Outstanding Balance	Investment made	Loan Given	Outstanding Balance
1	KEI Cables Australia Pty Ltd.*	-	1.71	1.71	0.00	9.28	9.28
2	KEI Cables SA Pty Ltd.**	-	9.74	9.74	0.00	0.00	0.00

\* Loan received back during the year ₹ 9.28 Millions

\*\* Investment made during the year ₹ Nil (Previous Year ₹ 2,349/-)

Loan given during the year ₹ 9739798/- (Previous Year ₹ 2,443/-)

Outstanding balance as at year end ₹ 9742241/- (Previous Year ₹ 2,443/-)

**56. Other Significant matters:**

**56.1** During the year ended 31<sup>st</sup> March, 2020, the company has issued 10 Million equity shares of ₹ 2/- each at premium of ₹ 498/- each (Issue Price per share ₹ 500/- each) amounting to ₹ 5000 Millions to Qualified Institutional Investor on QIP basis. The proceeds of QIP have been utilized as per details given below:

---Expenses related to the QIP Issue amounted to ₹146.43 Millions (including GST). The Net proceeds of the QIP have been utilized as per objects of the Issue such as repayment or prepayment of debts, meeting working capital requirements and general corporate purposes aggregating to ₹3973.02 Millions. An amount of ₹ 880.55 Millions was unutilized as on 31<sup>st</sup> March, 2020 which has been invested / kept in the form of bank deposit with banks and also included in Cash and Cash Equivalent as at 31<sup>st</sup> March, 2020.

**56.2** The outbreak of Coronavirus (COVID -19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated impact of this pandemic on its business operations. Based on its review and current Indicators of economic conditions, there is no significant impact on its financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

**57.** Previous Year's figures have been regrouped / rearranged, wherever necessary.

As per our 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: 30<sup>th</sup> May, 2020

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 30<sup>th</sup> May, 2020

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

# 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 2020, 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31<sup>st</sup> March 2020, 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><b>Physical Verification of Inventory</b></p> <p>The COVID-19 outbreak created several potential challenges for management to conduct physical inventory counting as on reporting date and for the auditors to attend these counts. Due to various scenarios like lockdown, travel restrictions etc. as imposed by Government of India, physical inventory counting was a challenging and, in some cases, impracticable exercise.</p> <p>The Group has inventory of the carrying value Rs. 8637.83 Million constituting 32% of Current Assets of the Company.</p> <p>The inventory is lying at various locations, including at 3rd party premises. The Physical inventory counting has been conducted by management at a date other than the date of financial statements due to the reasons stated above.</p> <p>We considered the physical verification of inventory as a key audit matter given the number of individual items constituting inventory and relative size of the balance in the financial statements.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> <li>Completed a walkthrough of the physical inventory counting process and assessed the design and implementation of the key controls addressing the risk.</li> <li>Review of parent company's inventory records and internal controls over inventory movements.</li> <li>Review the policy of the management for physical verification and the documents related to management's physical count procedure actually followed at different locations.</li> <li>We observed the physical verification process at locations of financial significance through video conference with performing roll-back procedures to the balance sheet date, sample testing of management physical verification report.</li> <li>Identifying obsolete inventory, if any.</li> <li>Obtain confirmation from C&amp;F agents and 3rd parties holding inventory on behalf of company and applying substantive procedure.</li> <li>Assess the appropriateness and completeness of the related disclosure in the company's Ind AS Financial Statements.</li> </ul>
2	<p><b>Revenue - Performance Obligations</b></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.</p> <p>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.</p> <p>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>Selecting a sample from each type of the contracts with the customers, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>Tested sample of sales transactions for compliance with the parent company's accounting principles.</li> <li>Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>

S. No.	Key Audit Matter	Auditor's Response
3	<p><b>Revenue - Variable Consideration</b></p> <p>Revenue is recognized in accordance with Ind AS 115, net of discounts, incentives, and rebates accrued by the parent company's customers based on sales.</p> <p>The parent company uses sales agreement terms &amp; conditions and historical trends to estimate discounts. At the reporting date, the parent 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 Parent 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>● Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basic of estimation of the variable consideration.</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>
4	<p><b>Revenue - Over the Period Revenue Recognition</b></p> <p>The Parent 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> <li>● Selecting a sample of contracts for each of the key scope in components and evaluated them along with supporting evidence to determine whether various elements of revenue recognition are assessed in accordance with the principles prescribed under Ind AS 115.</li> <li>● Tested samples of un-invoiced revenue entries with reference to the reports from the information system that records the costs incurred.</li> <li>● Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</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 entity included in the Consolidated Financial Statements which has been audited by other auditor, such other auditor remains for the direction, supervision and performance of the audit 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 Matter**

- (a) We did not audit the financial statements / financial information of subsidiary, whose financial statements / financial information reflect total assets of Rs. 0.63 Millions as at 31st March, 2020, total revenues of Rs. 37.36 Millions and net cash inflows amounting to Rs. 0.49 Millions 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 subsection (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 Rs. (0.13) Million for the year ended 31<sup>st</sup> March, 2020, 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 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 and 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 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors of the Parent Company as on 31<sup>st</sup> March, 2020 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, 2020 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) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Parent Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, as amended 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. 44 to the consolidated financial statements.
  - 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 2020.
  - 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, 2020.

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

**CA Pawan Kumar Agarwal**  
**Partner**  
**Place of Signature: New Delhi**  
**Date: 30<sup>th</sup> May, 2020**      **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, 2020, 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 misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent 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, 2020, 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**  
**Date: 30<sup>th</sup> May, 2020**  
**Partner**  
**Membership Number: 092345**

## Consolidated Balance Sheet As At 31<sup>st</sup> March, 2020

(₹ in Millions)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	4,959.92	4,856.77
(b) Right of Use Assets	4	547.08	-
(c) Capital Work -in- Progress	5	112.10	316.06
(d) Intangible Assets	6	29.21	29.78
(e) Financial Assets			
(i) Investments	7	7.54	17.35
(ii) Loans	8	124.18	68.58
(iii) Others	9	9.29	6.27
(f) Other Non-Current Assets	10	41.48	92.14
		<b>5,830.80</b>	<b>5,386.95</b>
<b>Current Assets</b>			
(a) Inventories	11	8,637.83	6,932.08
(b) Financial Assets			
(i) Trade Receivables	12	13,675.86	10,909.28
(ii) Cash and Cash Equivalents	13	1,194.64	220.73
(iii) Bank Balances Other Than (ii) Above	14	948.89	1,732.67
(iv) Loans	15	29.42	36.86
(v) Other Current Financial Assets	16	866.53	1,040.47
(c) Income Tax Assets	17	20.36	6.65
(d) Other Current Assets	18	1,484.42	1,377.61
		<b>26,857.95</b>	<b>22,256.35</b>
<b>TOTAL ASSETS</b>		<b>32,688.75</b>	<b>27,643.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	19	179.01	157.85
(b) Other Equity	20	14,893.11	7,622.62
(c) Non Controlling Interest		(1.05)	(1.11)
		<b>15,071.07</b>	<b>7,779.36</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	526.98	1,193.37
(b) Provisions	22	110.70	86.26
(c) Deferred Tax Liability (Net)	23	308.33	440.55
(d) Other non Current Liabilities	24	146.24	-
		<b>1,092.25</b>	<b>1,720.18</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	25	2,623.94	3,865.25
(ii) Trade Payables	26		
(A) total outstanding dues of micro enterprises and small enterprises		834.80	914.41
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		10,854.88	9,291.95
(iii) Other Current Financial Liabilities	27	721.67	1,120.57
(b) Other Current Liabilities	28	1,389.57	2,715.85
(c) Provisions	29	81.44	134.98
(d) Current Tax Liability (Net)	30	19.13	100.75
		<b>16,525.43</b>	<b>18,143.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,688.75</b>	<b>27,643.30</b>
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	44		
Other notes to accounts	45 to 57		

The accompanying notes are an integral part of the consolidated financial statements.

As per our 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: 30<sup>th</sup> May, 2020

**(ANIL GUPTA)**

Chairman-cum-Managing Director

DIN: 00006422

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 30<sup>th</sup> May, 2020

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

## Consolidated Statement of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2020 (₹ in Millions)

Particulars	Note No	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>Revenue</b>			
Revenue from Operations	31	48,878.00	42,309.80
Other Income	32	166.54	71.94
<b>Total Income</b>		<b>49,044.54</b>	<b>42,381.74</b>
<b>Expenses</b>			
Cost of Materials Consumed	33	35,031.60	30,366.89
Purchases of Traded Goods	34	117.10	38.78
Changes in inventory of Finished goods, Traded Goods and Work-in-progress	35	(1,326.72)	(1,081.77)
Employee Benefits Expense	36	2,275.90	1,733.94
Finance Costs	37	1,291.51	1,356.08
Depreciation and Amortisation Expenses	38	566.89	339.48
Sub Contractor Expense for EPC Projects	39	1,606.16	1,121.17
Other Expenses	40	6,203.42	5,725.30
<b>Total Expenses</b>		<b>45,765.86</b>	<b>39,599.87</b>
<b>Profit/ (loss) before share of profit /(loss) of Joint Venture and Associate Company and tax</b>		<b>3,278.68</b>	<b>2,781.87</b>
Share of profit/ (loss) of joint venture (net of tax)		(0.13)	(0.00)
Share of profit/ (loss) of Associate Company (net of tax)		(0.00)	(0.00)
<b>Profit Before Tax</b>		<b>3,278.55</b>	<b>2,781.87</b>
Tax Expense	41		
---Current tax		863.94	928.81
---Deferred tax ( Credit ) / Charge		(136.36)	49.65
---Short/(Excess) Provision-Earlier Years		(11.94)	(4.06)
<b>Profit for the Year</b>		<b>2,562.91</b>	<b>1,807.47</b>
<b>Other Comprehensive Income</b>	42		
--- Item not to be reclassified to Profit & Loss		(6.14)	(25.37)
--- Income Tax on above		(4.21)	6.32
--- Items to be reclassified to Profit & Loss		1.06	0.06
--- Income Tax on above		0.07	(0.02)
<b>Other Comprehensive Income for the year net of Tax</b>		<b>(9.22)</b>	<b>(19.01)</b>
<b>Total Comprehensive Income for the year net of Tax</b>		<b>2,553.69</b>	<b>1,788.46</b>
<b>Profit/(Loss) attributable to</b>			
Equity Shareholders of Parent Company		2,562.96	1,808.59
Non Controlling Interests		(0.05)	(1.12)
<b>Other Comprehensive Income attributable to</b>			
Equity Shareholders of Parent Company		(9.33)	(19.01)
Non Controlling Interests		0.11	0.00
<b>Total Comprehensive Income attributable to</b>			
Equity Shareholders of Parent Company		2,553.63	1,789.58
Non Controlling Interests		0.06	(1.12)
<b>(Comprising Profit/Loss and Other Comprehensive Income)</b>		<b>2,553.69</b>	<b>1,788.46</b>
Earnings per Equity Share:	43		
Equity shares of face value ₹ 2/- each			
--- Basic (₹)		31.65	22.98
---Diluted (₹)		31.19	22.74
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	44		
Other notes to accounts	45 to 57		

The accompanying notes are an integral part of the consolidated financial statements.

As per our 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: 30<sup>th</sup> May, 2020

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 30<sup>th</sup> May, 2020

**(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, 2019	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2020
Nos. of Equity Shares	7,89,25,438	1,05,79,000	8,95,04,438
₹ in Millions	157.85	21.16	179.01

### B. Other Equity

Particulars	Reserve and Surplus				Other Comprehensive Income			Total	Non Controlling Interest
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Employee Stock Option Outstanding	Re-Measurement of the Net defined benefit Plans	Foreign Currency Translation Reserve (FCTR)	Equity Instruments through other Comprehensive Income	
<b>Balance as at 1<sup>st</sup> April, 2018</b>	28.00	843.09	21.09	4,965.16	58.93	(21.41)	(2.04)	(2.60)	5,890.22
Profit for the year	-	-	-	1,808.59	-	-	-	-	1,808.59
Other Comprehensive Income for the Year	-	-	-	-	-	(8.29)	0.04	(10.76)	(19.01)
<b>Total comprehensive income for the year</b>	-	-	-	<b>1,808.59</b>	-	<b>(8.29)</b>	<b>0.04</b>	<b>(10.76)</b>	<b>1,789.58</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 Shares (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2019</b>	28.00	901.81	21.09	<b>6,679.28</b>	37.50	<b>(29.70)</b>	<b>(2.00)</b>	<b>(13.36)</b>	<b>7,622.62</b>
Impact on account of Adoption of Ind AS 116 (including Deferred Tax thereon) (refer Note No.- 47.3)	-	-	-	(11.65)	-	-	-	-	(11.65)
<b>Balance as at 1<sup>st</sup> April, 2019</b>	28.00	901.81	21.09	<b>6,667.63</b>	37.50	<b>(29.70)</b>	<b>(2.00)</b>	<b>(13.36)</b>	<b>7,610.97</b>
Profit for the year	-	-	-	2,562.96	-	-	-	-	2,562.96
Other Comprehensive Income for the Year	-	-	-	-	-	(0.57)	1.06	(9.78)	(9.29)
<b>Total comprehensive income for the year</b>	-	-	-	<b>2,562.96</b>	-	<b>(0.57)</b>	<b>1.06</b>	<b>(9.78)</b>	<b>2,553.67</b>
Employee Stock Compensation cost for the year	-	-	-	-	136.12	-	-	-	136.12
Dividend Paid (including Dividend Distribution Tax) for 2018-19 approved by Shareholders in Annual General Meeting held on 17 <sup>th</sup> Sep, 2019	-	-	-	(114.18)	-	-	-	-	(114.18)
Interim Dividend Paid (including Dividend Distribution Tax) for 2019-20	-	-	-	(161.85)	-	-	-	-	(161.85)
Share issue expense for QIP (refer note 20(A))	-	(130.73)	-	-	-	-	-	-	(130.73)
Securities Premium on allotment of Equity Shares (ESOS and QIP) during the year	-	5,043.73	-	-	(44.62)	-	-	-	4,999.11
<b>Balance as at 31<sup>st</sup> March, 2020</b>	28.00	5,814.81	21.09	<b>8,954.56</b>	129.00	<b>(30.27)</b>	<b>(0.94)</b>	<b>(23.14)</b>	<b>14,893.11</b>

Corporate information and summary of significant accounting policies 1 & 2  
Contingent liabilities and commitments 44  
Other notes to accounts 45 to 57

The accompanying notes are an integral part of the consolidated financial statements.

As per our 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: 30<sup>th</sup> May, 2020

**(ANIL GUPTA)**

Chairman-cum-Managing Director

DIN: 00006422

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 30<sup>th</sup> May, 2020

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

**Consolidated Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2020****(₹ in Millions)**

Particulars	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extraordinary items	<b>3,278.68</b>	2,781.87
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and Amortisation Expenses	<b>566.89</b>	339.48
Dividend received	<b>(0.02)</b>	(0.22)
Interest Income	<b>(132.48)</b>	(36.83)
Interest and other finance cost	<b>1,291.51</b>	1,356.08
ESOS compensation expense	<b>136.12</b>	18.68
Provision for compensated absence/ Gratuity	<b>(27.81)</b>	25.92
Impairment Allowance on Trade Receivables	<b>12.10</b>	5.26
Provision for warranty	<b>3.25</b>	4.07
Recognition of lease at commencement	<b>(11.65)</b>	-
Impairment in Loans Receivables	<b>5.28</b>	-
Fair valuation of financial assets	<b>(0.60)</b>	0.51
Unrealised foreign exchange (gain) / loss (net)	<b>1.12</b>	0.06
Property, Plant and Equipment Written off	<b>21.80</b>	2.83
(Gain)/ Loss on disposal of Property, Plant and Equipment	<b>0.97</b>	1.21
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>5,145.16</b>	4,498.92
<b>Movements in working capital :</b>		
(Increase)/Decrease in Trade Receivables	<b>(2,778.68)</b>	(680.91)
(Increase)/Decrease in other financial and non-financial assets	<b>14.64</b>	(1,336.94)
(Increase)/Decrease in Inventories	<b>(1,705.75)</b>	(1,376.20)
Increase/(decrease) in trade payables, other financial and non-financial liabilities and provisions	<b>141.66</b>	5,986.22
<b>Cash Generated from operations</b>	<b>817.03</b>	7,091.09
Income tax paid (including TDS) (net)	<b>(947.33)</b>	(865.07)
<b>Net cash flows from operating activities (A)</b>	<b>(130.30)</b>	6,226.02
<b>(B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work-in-progress) and intangible assets	<b>(805.30)</b>	(1,223.11)
Sale of property, plant and equipment	<b>3.00</b>	2.87
Purchase of Investment	<b>(1.00)</b>	-
Investment in equity shares of Associate Company (₹ Nil, Previous Year ₹ 2,349/-)	<b>-</b>	(0.00)
Interest Income	<b>132.48</b>	36.83
Dividend Received	<b>0.02</b>	0.22
Maturity/(Investment) made in bank deposits (having original maturity of more than 3 months)	<b>780.93</b>	(1,567.34)
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>110.13</b>	(2,750.53)
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings (Banks)	<b>1,024.79</b>	515.30
Proceeds from long term borrowings (others)	<b>200.00</b>	200.00
Repayment of long term borrowings (Banks)	<b>(1,667.17)</b>	(904.27)
Repayment of long term borrowings (Others)	<b>(606.25)</b>	(75.00)
Proceeds from finance lease	<b>2.94</b>	20.76
Repayment of finance lease	<b>(16.22)</b>	(13.11)

## Consolidated Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2020 (Contd...)

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
Interest and other Finance Charges	(1,291.51)	(1,356.08)
Inter corporate & other deposits (Net of repayments)	3.55	13.19
Working capital demand Loan from banks	(1,386.32)	124.17
Working capital Loan from banks- Buyer's Credit	-	(1,377.63)
Working capital Loan from banks- Factoring Arrangements	116.76	(930.19)
Issue of Equity Share Capital ( including premium) upon exercise of ESOS	20.27	19.74
Issue of Equity Share Capital ( including premium) upon QIP	5,000.00	-
Share issue expenses for QIP	(130.73)	-
Dividend paid to equity shareholders	(228.97)	(78.36)
Dividend Distribution Tax	(47.06)	(16.11)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>994.08</b>	<b>(3,857.59)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>973.91</b>	<b>(382.10)</b>
Cash & Cash Equivalents as at the beginning of period	220.73	602.83
Cash and Cash Equivalents at the year ended (Refer Note no. 13)	1,194.64	220.73

### 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, 2018</b>	<b>8,391.04</b>	<b>30.15</b>
Proceeds	764.20	20.76
Repayment	3,205.24	13.11
Fair Value Changes	6.60	0.00
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5,956.60</b>	<b>37.80</b>
Proceeds	1,330.34	2.94
Repayment	3,650.01	16.22
Fair Value Changes	5.04	0.00
<b>As at 31<sup>st</sup> March, 2020</b>	<b>3,641.97</b>	<b>24.52</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.

Corporate information and summary of significant accounting policies 1 & 2

Contingent liabilities and commitments 44

Other notes to accounts 45 to 57

The accompanying notes are an integral part of the consolidated financial statements.

As per our 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: 30<sup>th</sup> May, 2020

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi  
Date: 30<sup>th</sup> May, 2020

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 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), Bombay Stock Exchange Ltd (BSE) and The Calcutta Stock Exchange Ltd. Company has five manufacturing facilities/plants located at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa and Chinchpada in Dadra and Nagar Haveli and Daman and Diu.

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 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 2020 were authorized and approved for issue by Board of Directors of the Company on 30<sup>th</sup> May 2020.

## 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 statement of Profit and Loss 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 of 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.)	05 Years
- Leasehold Building Improvements	Over the Lease period
<b>Plant and Equipment</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 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.

## 2.6 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 derecognised (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 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 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 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 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.
- v. **Acceptances:** The Group enters into arrangements for purchase under usance Letter of credit issued by banks under non-fund based working capital limits of the Group. Considering these arrangements are majorly 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 Acceptances under Trade and other payables.

#### 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 OFFSETTING 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. 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.

### 2.10.3 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

#### 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

Performance obligation in case of revenue from long - term contracts is satisfied over the period of time. Since the Group creates an asset that the customer controls as the asset is created and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term contracts, where the outcome can be estimated reliably and 10% of the project cost is incurred, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is

measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. 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. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

### 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 the 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 are 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 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 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 Group 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 the Group's functional Currency and presentation Currency.

### **2.20.2 FOREIGN CURRENCY TRANSACTIONS AND BALANCES**

In Consolidated Financial Statements of the Group, 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.

For Advance Consideration, 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**

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

### **AS A LESSEE**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### **SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## UNDER IND AS 17

In the comparative period, 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.

### 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.

### 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 Group 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' 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 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/ Share Issue expenses on private placement basis/ '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 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.

### **2.31.2 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 COST TO COMPLETE

The Group's management estimate the cost to complete for each project for the purpose of revenue recognition and recognition of anticipated losses of the projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. The process requires monitoring controls including financial and operational controls and identifying major risks facing the Group and developing and implementing initiative to manage those risks. The Group's Management is confident that the costs to complete the project are fairly estimated.

### 2.32.3 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.

### 2.32.4 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.

### 2.32.5 IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

### 2.32.6 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.

### 2.32.7 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.

### **2.32.8 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.

### **2.32.9 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.

### **2.32.10 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.

### **2.32.11 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.

### **2.32.12 ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19**

In view of the unprecedented COVID-19 pandemic and economic forecasts, the Management has evaluated the impact on its financial results for the current quarter and made appropriate adjustment to revenue, debtors provisioning and actuarial assumptions. In assessing the recoverability of its assets including receivables and inventories, the Group has considered internal and external information upto the date of approval of these financial statements including economic forecasts. The Group has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

**3. Property, Plant and Equipment:****(₹ in Millions)**

Particulars	Freehold Land	Freehold Buildings	Lease hold Land	Lease hold Buildings Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Asset Taken on Finance Lease - Hire Purchase Vehicles	Computers	Total
<b>Gross Carrying Amount</b>											
<b>As at 1<sup>st</sup> April, 2018</b>	<b>3.66</b>	<b>1,071.79</b>	<b>317.45</b>	<b>78.52</b>	<b>2,919.55</b>	<b>74.53</b>	<b>35.89</b>	<b>28.18</b>	<b>44.57</b>	<b>53.79</b>	<b>4,627.93</b>
Additions	93.32	280.05	-	15.56	680.54	15.24	17.10	8.60	25.69	16.54	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>1,351.84</b>	<b>317.45</b>	<b>94.08</b>	<b>3,595.41</b>	<b>88.03</b>	<b>50.38</b>	<b>34.56</b>	<b>70.26</b>	<b>69.95</b>	<b>5,768.94</b>
Additions	-	264.28	-	-	721.89	15.48	16.33	10.33	-	14.53	1,042.84
Disposals/Adjustments	-	0.09	-	-	38.63	6.54	0.33	2.41	-	13.19	61.19
Transfer to Right of Use Assets*	-	-	317.45	94.08	-	-	-	-	70.26	-	481.79
<b>As at 31<sup>st</sup> March, 2020</b>	<b>96.98</b>	<b>1,616.03</b>	<b>-</b>	<b>-</b>	<b>4,278.67</b>	<b>96.97</b>	<b>66.38</b>	<b>42.48</b>	<b>-</b>	<b>71.29</b>	<b>6,268.80</b>
<b>Depreciation and Impairment</b>											
<b>As at 1<sup>st</sup> April, 2018</b>	<b>-</b>	<b>73.22</b>	<b>7.14</b>	<b>38.26</b>	<b>392.45</b>	<b>25.02</b>	<b>11.70</b>	<b>7.20</b>	<b>8.99</b>	<b>24.45</b>	<b>588.43</b>
Depreciation charge for the year	-	44.71	3.54	9.97	224.66	12.19	5.21	6.44	5.61	16.13	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>117.93</b>	<b>10.68</b>	<b>48.23</b>	<b>616.01</b>	<b>36.04</b>	<b>16.19</b>	<b>12.25</b>	<b>14.60</b>	<b>40.24</b>	<b>912.17</b>
Depreciation charge for the year	-	52.56	-	-	410.29	11.68	6.44	7.37	-	17.30	505.64
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	0.04	-	-	17.74	4.67	0.28	1.50	-	11.19	35.42
Transfer to Right of Use Assets*	-	-	10.68	48.23	-	-	-	-	14.60	-	73.51
<b>As at 31<sup>st</sup> March, 2020</b>	<b>-</b>	<b>170.45</b>	<b>-</b>	<b>-</b>	<b>1,008.56</b>	<b>43.05</b>	<b>22.35</b>	<b>18.12</b>	<b>-</b>	<b>46.35</b>	<b>1,308.88</b>
<b>Net book value</b>											
<b>As at 31<sup>st</sup> March, 2020</b>	<b>96.98</b>	<b>1,445.58</b>	<b>-</b>	<b>-</b>	<b>3,270.11</b>	<b>53.92</b>	<b>44.03</b>	<b>24.36</b>	<b>-</b>	<b>24.94</b>	<b>4,959.92</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>96.98</b>	<b>1,233.91</b>	<b>306.77</b>	<b>45.85</b>	<b>2,979.40</b>	<b>51.99</b>	<b>34.19</b>	<b>22.31</b>	<b>55.66</b>	<b>29.71</b>	<b>4,856.77</b>

**3.1**

(a) Refer note no. 21 & 25 for Property, Plant & Equipment pledged as security.

(b)\* Have been Transferred to "Right of Use Assets" at net Value as per Ind AS 116.

**3.2** 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 year ended on March 31, 2020 is higher by ₹ 146.56 Millions.

#### 4. Right of Use Assets:

(₹ in Millions)

Particulars	Lease hold Land	Lease hold Buildings Improvements	Offices & Warehouses	Asset Taken on Finance Lease - Hire Purchase Vehicles	Total
<b>Gross Carrying Amount</b>					
<b>As at 31<sup>st</sup> March, 2019</b>	-	-	-	-	-
Transfer from Property, Plant & Equipment due to adoption of Ind AS 116	<b>306.77</b>	<b>45.85</b>	-	<b>55.66</b>	<b>408.28</b>
<b>As at 1<sup>st</sup> April, 2019</b>	<b>306.77</b>	<b>45.85</b>	<b>170.32</b>	<b>55.66</b>	<b>578.60</b>
Additions	-	2.39	12.61	2.94	17.94
Disposals/Adjustments	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>306.77</b>	<b>48.24</b>	<b>182.93</b>	<b>58.60</b>	<b>596.54</b>
<b>Depreciation and Impairment</b>					
<b>As at 1<sup>st</sup> April, 2019</b>	-	-	-	-	-
Depreciation charge for the year	3.53	6.76	30.62	8.55	49.46
Impairment	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>3.53</b>	<b>6.76</b>	<b>30.62</b>	<b>8.55</b>	<b>49.46</b>
<b>Net book value</b>					
<b>As at 31<sup>st</sup> March, 2020</b>	<b>303.24</b>	<b>41.48</b>	<b>152.31</b>	<b>50.05</b>	<b>547.08</b>
<b>As at 31<sup>st</sup> March, 2019</b>	-	-	-	-	-

#### 4.1

- For Disclosures related to Ind AS 116 refer Note No. 47.
- Leasehold Land represents land obtained on long term lease from Government Authorities and are considered as Finance Lease.
- Carrying value of Assets acquired under hire purchase as on 31.03.2019 exclude the amount related to hire purchase agreement settled during the current year.
- Refer note no. 21 & 25 for Right of Use Assets pledged as security.
- Effective April 1<sup>st</sup>, 2019, the Company has adopted Ind AS 116 'Leases' using the modified retrospective approach, Accordingly, previous year figures are not applicable.

**5. 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 , 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>
Additions	104.81	597.07	10.11	26.25	<b>738.24</b>
Adjustments	264.20	620.93	13.45	43.62	<b>942.20</b>
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1.40</b>	<b>110.69</b>	<b>0.01</b>	<b>0.00</b>	<b>112.10</b>
<b>Net Book Value</b>					
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1.40</b>	<b>110.69</b>	<b>0.01</b>	<b>0.00</b>	<b>112.10</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>

**5.1 (a)** Contractual commitments for the acquisition of Property, Plant & Equipment ₹ 159.11 Millions (Previous Year ₹ 302.93 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, 2020	31 <sup>st</sup> March, 2019
Building	<b>11.40</b>	8.37
Plant & Equipment	<b>15.46</b>	6.64
Furniture & Fixtures	<b>0.39</b>	0.05
<b>Total Borrowing Cost Allocated to Assets during the year</b>	<b>27.25</b>	15.06
<b>Borrowing Cost Pending allocation for future years</b>	-	8.41

**(c)** Capitalization rate 9.31% (Previous Year 9.09%) has been used to determine amount of borrowing cost eligible for capitalization.

**6. Intangible Assets:**

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>Gross carrying amount (at cost)</b>		
<b>As at 1<sup>st</sup> April, 2018</b>	<b>45.51</b>	<b>45.51</b>
Addition during the year	10.49	<b>10.49</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>56.00</b>	<b>56.00</b>
Addition during the year	11.22	<b>11.22</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>67.22</b>	<b>67.22</b>
<b>Accumulated amortization</b>		
<b>As at 1<sup>st</sup> April, 2018</b>	<b>15.20</b>	<b>15.20</b>
Addition during the year	11.02	<b>11.02</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>26.22</b>	<b>26.22</b>
Amortization	11.79	<b>11.79</b>
Impairment	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>38.01</b>	<b>38.01</b>
<b>Net book value</b>		
<b>As at 31<sup>st</sup> March, 2020</b>	<b>29.21</b>	<b>29.21</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>29.78</b>	<b>29.78</b>

**7. Non-Current Investments:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>1 Investments Equity Instruments (Quoted and Unquoted)</b>		
<i>a) In Associate* (Investments at Equity Method) (₹ Nil, Previous Year ₹ 593/-)</i>	-	-
<i>b) Others ** (Investments at fair value through OCI)</i>	<b>2.80</b>	12.68
<b>Total Investments in Equity Instruments</b>	<b>2.80</b>	12.68
<b>2 Investments Mutual Funds (Unquoted) (Investments at fair value through OCI)</b>		
<i>a) Investments in Mutual Funds***</i>	<b>3.17</b>	2.97
<b>Total Investments in Mutual Funds</b>	<b>3.17</b>	2.97
<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</i>	<b>1.57</b>	1.70
<b>Total Investments</b>	<b>7.54</b>	17.35



Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>* Investments in Equity Shares Unquoted (Investments at Equity Method)</b>		
-- KEI Cables SA (PTY) Limited (principal place of business - South Africa) 490 (Previous Year 490) Equity Shares of 1 ZAR each fully paid	-	-
Less: Provision for Impairment	-	-
<b>Net Investment in Associate</b>	-	-
<b>** Equity Shares Quoted</b>		
--- State Bank of India 670 (Previous Year 670) Equity Shares of ₹ 1 each fully paid	0.13	0.21
--- PNB Gilts Limited 8000 (Previous Year 8000) Equity Shares of ₹ 10 each fully paid	0.19	0.25
--- Punjab National Bank 11000 (Previous Year 11000) Equity Shares of ₹ 2 each fully paid	0.36	1.05
--- Bank of Baroda (formerly Dena Bank) 285 (Previous Year 2595 of Dena Bank) Equity Shares of ₹ 2 each (Previous Year ₹ 10 each of Dena Bank) fully paid	0.02	0.03
---ICICI Bank Limited 4950 (Previous Year 4950) Equity Shares of ₹ 2 each fully paid	1.60	1.98
---YES Bank Limited 1270 (Previous Year 1270) Equity Shares of ₹ 2 each fully paid (953 Equity shares are blocked for trading up to 13 March, 2023)	0.03	0.35
---Jaypee Infratech Limited 5000 (Previous Year 5000) Equity Shares of ₹ 10 each fully paid	0.00	0.01
----Technofab Engineering Limited 104228 (Previous Year 104228) Equity Shares of ₹ 10 each fully paid	0.47	8.80
<b>Total Equity Investments (FVOCI)</b>	<b>2.80</b>	<b>12.68</b>
<b>*** Mutual Funds Unquoted</b>		
---UTI-Opportunities Fund-Growth 11770.711 (Previous Year 11770.711) Units of ₹ 10 each	0.55	0.73
---L192D SBI PSU Fund-Regular Plan-Dividend 212944.872 (Previous Year 212944.872) Units of ₹ 10 each	1.62	2.24
---INF955L01I19 Baroda Equity Savings Fund-Regular Growth 99990 (Previous Year Nil) Units of ₹ 10 each	1.00	-
<b>Total investments in Mutual Funds (FVOCI)</b>	<b>3.17</b>	<b>2.97</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>2.80</b>	<b>12.68</b>
<b>Aggregate value of unquoted investments</b>	<b>3.30</b>	<b>2.31</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>

## 8. Non-Current Loans:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Loans Secured, considered good</b>	-	-
<b>Loans Unsecured, considered good</b>		
Security Deposits to Related Parties	0.15	2.00
Security Deposits to Others	121.07	61.55
Loans to Related Parties	-	0.14
Loans to Workers & Staff	2.96	4.89
<b>Loans having Significant increase in Credit Risk</b>	-	-
<b>Loans Credit Impaired</b>	-	-
<b>Total</b>	<b>124.18</b>	<b>68.58</b>

For Related Parties disclosures refer note no. 48.

## 9. Other Non-Current Financial Assets:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed Deposits with banks having more than 12 month Maturity	7.87	4.97
(Fixed Deposits under lien/custody with Banks /Others)		
Unpaid Dividend Bank Account *	1.42	1.30
<b>Total</b>	<b>9.29</b>	<b>6.27</b>

\* Balance in unpaid dividend bank account can only be used towards settlement of dividend unclaimed by shareholders of the company or by transfer to Investor Education Protection Fund.

## 10. Other Non-Current Assets:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Capital Advances (unsecured, considered good)	39.93	90.07
Others :		
--- Prepaid Expenses	1.55	2.07
<b>Total</b>	<b>41.48</b>	<b>92.14</b>

## 11. Inventories:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Raw Materials Including In Transit	1,772.06	1,235.36
Work -in- Progress	1,766.00	1,951.67
Finished Goods Including in Transit	4,456.53	2,942.38
Traded Goods Including In Transit	20.70	42.35
Stores & Spares Including In Transit	86.45	71.55
Project Materials	389.50	543.31
Packing Materials	97.57	116.32
Scrap Materials	49.02	29.14
<b>Total</b>	<b>8,637.83</b>	<b>6,932.08</b>

### 11.1 Break-up for Goods-In-Transit:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
--- Finished Goods	1,202.73	742.76
--- Raw Materials	489.83	146.21
--- Stores & Spares	0.05	2.54
--- Project Materials	5.29	-
<b>Total</b>	<b>1,697.90</b>	<b>891.51</b>

### 11.2 Finished Goods held at Net Realizable Value:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
--- Finished goods	185.50	572.32

**11.3** The above includes inventories held by third parties amounting to ₹ 61.31 millions (31<sup>st</sup> March, 2019 ₹ 65.44 millions).

**11.4** Refer Note no. 25.1 for Inventories hypothecated as security against bank borrowings.

**11.5** For valuation of Inventory refer Note no 2.8.

### 12. Current Trade Receivables:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Trade Receivables</b>		
Secured, Considered Good	-	-
Unsecured, Considered Good	13,790.19	11,076.43
Receivables having Significant Increase in Credit Risk	64.92	-
Receivables Credit Impaired*	-	-
<b>Total Trade Receivables ( Gross )</b>	<b>13,855.11</b>	<b>11,076.43</b>
Less: Expected Credit Loss (ECL)	160.94	167.15
Less: Impairment Allowance for Trade receivable - Significant Increase in Credit Risk *	18.31	-
Less: Impairment Allowance for Trade receivable - Credit Impaired	-	-
<b>Total Impairment Allowance</b>	<b>179.25</b>	<b>167.15</b>
<b>Total</b>	<b>13,675.86</b>	<b>10,909.28</b>

**12.1** 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.

- 12.2** 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.

**Relevant carrying amounts are as follows:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Total Transferred Receivables	<b>1,372.55</b>	1,255.79
Associated Secured Borrowing (Refer Note No. 25)	<b>1,372.55</b>	1,255.79

- 12.3** Trade Receivables are usually non interest bearing and are on trade terms of 90 days.

- 12.4** \* Includes Trade Receivable and impairment allowance thereon for Related Parties disclosures refer note no. 48.

- 12.5** For credit risk and movement in impairment allowances refer note no. 52.2.

**13. Cash and Cash Equivalents:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Cash in Hand	<b>2.87</b>	3.83
Balances with Banks		
--- Current Accounts	<b>86.48</b>	70.80
--- Fixed Deposits with less than 3 month maturity	<b>1,098.63</b>	146.10
--- Fixed Deposits with Banks as Deposits Repayment Reserve Account*	<b>6.66</b>	-
<b>Total</b>	<b>1,194.64</b>	220.73

\* Deposits Repayment Reserve Account is created as per requirement of Sec. 73 of Companies Act, 2013.

(₹ in Millions)

**13.1**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed Deposits under lien/custody with Banks / Others	<b>181.22</b>	143.44

**14. Bank Balances other than Cash and Cash Equivalents:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed Deposits with original maturity of more than 3 months but less than 12 months*	<b>941.35</b>	1,728.65
Unpaid Dividend Accounts	<b>0.45</b>	0.40
Fixed Deposits with Banks as Deposits Repayment Reserve Account**	<b>7.09</b>	3.62
<b>Total</b>	<b>948.89</b>	1,732.67

\*\* Deposits Repayment Reserve Account is created as per requirement of Sec. 73 of Companies Act, 2013

(₹ in Millions)			
14.1	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	* Fixed Deposits under lien/custody with Banks / Others	940.75	1,728.65

**15. Current Loans:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Unsecured, Considered Good</b>		
Security Deposits to Related Party	4.46	2.37
Security Deposits to Others	9.96	21.26
Loans to Related Parties		
-Loans to Staff	0.14	0.33
-Associate Company KEI Cables SA (PTY) Limited * (₹ Nil, Previous Year ₹ 2443/- )	-	0.00
Loans to Workers & Staff	10.40	12.90
<b>Total</b>	<b>24.96</b>	<b>36.86</b>
<b>Loan Receivables - Having Significant increase in credit risk</b>		
Loans to Related Parties		
-Associate Company KEI Cables SA (PTY) Limited	9.74	-
- Less: Impairment in Loans Receivables	5.28	-
<b>Total</b>	<b>4.46</b>	<b>-</b>
<b>Total</b>	<b>29.42</b>	<b>36.86</b>

\*For Related Parties disclosures refer note no. 48.

**16. Other Financial Assets** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Contract Assets (Refer Note 45.2)	866.53	1,040.47
<b>Total</b>	<b>866.53</b>	<b>1,040.47</b>

**17. Income Tax Assets:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Income Tax paid (Net of provision for taxation)	20.36	6.65
<b>Total</b>	<b>20.36</b>	<b>6.65</b>

## 18. Other Current Assets:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Advances other than capital advances</b>		
--- Advances to Related Parties	0.54	0.33
--- Advances to Suppliers	500.99	529.32
--- Advances Recoverable	30.11	29.19
<b>Others</b>		
--- Interest Accrued	18.91	29.92
--- Prepaid Expenses	43.69	31.41
--- Earnest Money	48.25	62.64
--- Claims Recoverable from Government	841.93	694.80
<b>Total</b>	<b>1,484.42</b>	<b>1,377.61</b>

### 18.1 Break-up of Advance to Related Parties:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Recoverable from Joint Venture "Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland "	0.54	0.33
<b>Total</b>	<b>0.54</b>	<b>0.33</b>

## 19. Equity Share Capital:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b><u>Authorized</u></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><u>Issued, Subscribed &amp; paid-up</u></b>		
89,504,438 (Previous Year 78,925,438) Equity shares of ₹ 2/- each fully paid	179.01	157.85
<b>Total</b>	<b>179.01</b>	<b>157.85</b>

### 19.1 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.



## 19.2 Reconciliation of Number of Equity Shares:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Nos.	₹ in Millions	Nos.	₹ in Millions
Balance as at the beginning of the year	7,89,25,438	157.85	7,83,61,438	156.72
Add: Issued during the year through ESOP*	5,79,000	1.16	5,64,000	1.13
Add: Issued during the year through QIP	1,00,00,000	20.00	-	-
Balance as at the end of the year	8,95,04,438	179.01	7,89,25,438	157.85

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

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

(₹ in Millions)

Name of Shareholder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	1,36,80,776	15.29%	1,36,80,776	17.33%
M/s Projection Financial and Management Consultants Private Limited	79,00,000	8.83%	79,00,000	10.01%
M/s Anil Gupta HUF beneficiary Mr. Anil Gupta	46,50,375	5.20%	46,50,375	5.89%
Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund	47,56,179	5.31%	53,00,000	6.72%

## 19.4 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.

During the year 2019-20, 5,79,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2019-20, 100,00,000 equity shares of ₹ 2 each fully paid were issued to Qualified Institutional Buyers under QIP.

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

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
	Nos. of shares	Nos. of shares
<b>Options available under ESOS, 2015</b>		
-- Options available at the beginning of the year	5,79,000	11,28,000
-- Options granted during the year	13,95,000	15,000
-- Equity Shares issued during the year		
Under KEI ESOS 2015 option Plan: equity shares of ₹ 2 each.	5,79,000	5,64,000
<b>-- Options available at the close of the year</b>	<b>13,95,000</b>	<b>5,79,000</b>

For terms and other details of KEI ESOS, 2015 refer note no 46.

## 20. 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, 2020		As at 31 <sup>st</sup> March, 2019	
Capital Reserve		28.00		28.00
Securities Premium				
Opening balance	901.81		843.09	
Add: On allotment of Equity Shares	5,043.73		58.72	
Less: Share Issue Expenses (Net of GST credit)	130.73	5,814.81	-	901.81
General Reserve		21.09		21.09
Retained Earnings				
Opening balance	6,679.28		4,965.16	
Add: Profit during the period	2,562.96		1,808.59	
Less: Impact on account of Adoption of Ind AS 116	11.65		-	
Less: Interim equity dividend*	134.26		-	
Less: Final equity dividend	94.71		78.36	
Less: Tax on Interim equity dividend*	27.59		-	
Less: Tax on Final equity dividend	19.47	8,954.56	16.11	6,679.28
Employee Stock Options Outstanding		129.00		37.50
Foreign Currency Translation Reserve (FCTR)				
Opening balance	(2.00)		(2.04)	
Add: during the year	1.06	(0.94)	0.04	(2.00)
Other Comprehensive Income		(53.41)		(43.06)
<b>Total</b>		<b>14,893.11</b>		<b>7,622.62</b>

\* The Parent Company declared and paid an interim dividend of ₹1.50/- per equity share (75%) on 9<sup>th</sup> March, 2020, resulting in cash out flow of ₹ 161.85 Millions (including dividend distribution tax), for the Financial year 2019-20. The Board has proposed that this may be treated as final dividend.

### 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. The QIP issue expenses have been adjusted with securities premium account, net of taxes, if any.
- 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.

**(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.

## 21. Non Current Borrowings:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(i) Secured</b>		
<b>Term Loan</b>		
-- Term Loans from Banks	<b>156.24</b>	294.04
-- Foreign Currency Term Loans from Banks	-	97.37
-- External Commercial Borrowings	<b>301.72</b>	385.70
--Term Loans from Non-Banking Financial Company	-	310.00
<b>Total Term Loan</b>	<b>457.96</b>	1,087.11
<b>Finance Lease Obligations on Hire Purchase of Vehicles</b>	<b>9.57</b>	22.11
<b>(ii) Unsecured</b>		
<b>Deposits</b>		
-- Public Deposits	<b>23.80</b>	49.75
-- Deposits from Related Parties	<b>35.65</b>	34.40
<b>Total</b>	<b>526.98</b>	1,193.37

### 21.1 Nature of Security and Repayment Terms of Term Loan:

(₹ in Millions)

Sl. No.	Nature of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	Secured Term Loan from Bank	INR	Oct, 2019	Floating 1year-MCLR+ 1.85% p.a.	-	64.79
2	Secured Term Loan from Bank	INR	Oct, 2019	Floating 1 year MCLR+ 1.35% p.a.	-	46.14
3	Secured Term Loan from NBFC	INR	Feb, 2020	Fixed 9.75% p.a.	-	205.77
4	Secured Term Loan from Bank	INR	Feb, 2020	Floating 1 year MCLR + 0.50% p.a.	-	194.06
5	Secured Term Loan from Bank	INR	Feb, 2020	Floating 1 year MCLR + 0.50% p.a.	-	162.50
6	Secured Term Loan from Bank	USD	Sep, 2020	Fixed all inclusive cost of maximum of 4.85% p.a.	<b>106.55</b>	291.39
7	External Commercial Borrowing	USD	Dec, 2022	Floating 3 month LIBOR + 190 BPS	<b>421.56</b>	494.91
8	Secured Term Loan from NBFC	INR	Feb, 2020	Fixed 9.50% p.a.	-	199.69
9	Secured Term Loan from Bank	INR	Feb, 2020	Floating 3 month MCLR + 0.35% p.a.	-	233.14
10	Secured Term Loan from Bank	INR	Feb, 2020	Floating 1 year MCLR + 0.05% p.a.	-	114.81

Sl. No.	Nature of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
11	Secured Term Loan from Bank	INR	April, 2021	Floating 6 Month MCLR + 0.25% p.a.	80.96	-
12	Secured Term Loan from Bank	INR	Sep, 2022	Floating 6 Month MCLR + 0.40% p.a.	250.00	-
13	Secured Term Loan from Bank	INR	March, 2021	Floating 1 year MCLR + 0.25% p.a.	99.51	-
<b>Total</b>					<b>958.58</b>	2,007.20
Less: Current Maturities (Note no. 27)					<b>500.62</b>	920.09
Non-Current Borrowings (Note no. 21)					<b>457.96</b>	1,087.11

**21.2** Term Loans from Banks are Secured by a first Pari passu charge over Land & Building, Plant & Machinery and other movable Property, Plant and Equipment located at the Company's Plants at 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.2nd charge on Plot No. A 280-284, Chopanki in favour of SBI Gift City Gandhinagar Branch for ECB Loan. Further these loans are secured by personal guarantee of Shri Anil Gupta Chairman-cum-Managing Director of the Company.

**21.3** Finance Lease Obligations are taken from scheduled banks and are secured against hypothecation of vehicles. The Rate of interest on such loans varies between 8.50% to 10.00%.

**21.4** Unsecured Deposits are repayable within 3 years from the date of acceptance. The Company has not defaulted in repayment of deposits.

**21.5** For Related Parties disclosures refer note no. 48.

**21.6** The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed by lenders.

## 22. Non Current Provisions:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Employee benefits		
---Provision for Compensated Absences	110.70	86.26
<b>Total</b>	<b>110.70</b>	86.26

For movement in provision refer note no. 29.1.

## 23. Deferred Tax Liability (Net):

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred Tax Liability :</b>		
Additional depreciation/amortization on PPE and Intangible Assets	449.10	587.73
Additional depreciation/amortization on PPE and Intangible Assets- Other Jurisdiction	0.32	-
Other timing differences	1.05	7.59
<b>Total Deferred Tax Liabilities</b>	<b>450.47</b>	595.32

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Deferred Tax Asset :</b>		
Liabilities / provisions that are deducted for tax purposes when paid	<b>26.37</b>	66.81
Provision for doubtful debts/impairment allowance	<b>49.59</b>	58.41
Defined benefit obligations	<b>10.74</b>	15.85
Long term capital loss on shares	<b>2.76</b>	1.86
Right of use assets	<b>42.90</b>	-
Other timing differences-Other Jurisdiction (₹ 3000/- previous year ₹ Nil)	<b>0.00</b>	-
Other timing differences	<b>9.78</b>	11.84
<b>Total Deferred Tax Assets</b>	<b>142.14</b>	154.77
<b>Net Deferred Tax Liabilities</b>	<b>308.33</b>	440.55

**23.1 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- Other Jurisdiction *	Other items	Total deferred tax assets
<b>As at 1<sup>st</sup> April, 2018</b>	<b>56.57</b>	<b>11.39</b>	<b>51.45</b>	-	<b>8.60</b>	<b>128.01</b>
-- Profit and Loss	1.84	-	15.36	-	3.26	<b>20.46</b>
-- Other Comprehensive Income	-	4.46	-	-	1.84	<b>6.30</b>
<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>
-- Profit and Loss	(8.82)	-	(40.44)	0.00	40.77	(8.49)
-- Other Comprehensive Income	-	(5.11)	-	-	0.97	(4.14)
<b>As at 31<sup>st</sup> March, 2020</b>	<b>49.59</b>	<b>10.74</b>	<b>26.37</b>	<b>0.00</b>	<b>55.44</b>	<b>142.14</b>

\* Profit and Loss Amount (₹ 3,000/- , Previous Year ₹ Nil)

**23.2 Movement in Deferred Tax Liabilities:**

(₹ in Millions)

Particulars	Additional depreciation/ amortization on PPE and Intangible Assets	Additional depreciation/ amortization on PPE and Intangible Assets- Other Jurisdiction	Other items	Total deferred tax liabilities
<b>As at 1<sup>st</sup> April, 2018</b>	<b>515.89</b>	-	<b>9.32</b>	<b>525.21</b>
-- Profit and Loss	71.84	-	(1.73)	<b>70.11</b>
-- Other Comprehensive Income	-	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>587.73</b>	-	<b>7.59</b>	<b>595.32</b>
-- Profit and Loss	(138.63)	0.32	(6.54)	(144.85)
-- Other Comprehensive Income	-	-	-	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>449.10</b>	<b>0.32</b>	<b>1.05</b>	<b>450.47</b>

## 24. Other Non Current Liabilities

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Lease Liability	146.24	-
<b>Total</b>	<b>146.24</b>	<b>-</b>

## 25. Current Borrowings:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(i) Secured:</b>		
<b>Loan repayable on demand</b>		
--- Working Capital Loans from Banks	1,004.64	2,390.96
--- Factoring Arrangements	1,372.55	1,255.79
<b>(ii) Unsecured:</b>		
<b>Loans from Related Parties</b>		
--- Loan from Related Party *	188.00	208.00
<b>Deposits</b>		
---Deposits from Related Parties*	24.35	-
---Inter Corporate Deposits from Related Parties*	-	5.00
---Inter Corporate Deposits from others	4.00	5.50
---Public Deposits from others	30.40	-
<b>Total</b>	<b>2,623.94</b>	<b>3,865.25</b>

\*For Related Parties disclosures refer note no. 48.

**25.1** Working Capital facilities from banks are secured by 1st Pari passu charge by way of hypothecation on the entire current assets including raw material, stock in process, finished goods, consumable, stores & spares and receivables of the company, 1st Pari passu charge on present and future fixed assets at SP 920-922, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar (Rajasthan); Plot No. A 280-284, Chopanki; and movable Property, Plant and Equipment 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); SP 2/874, RIICO Industrial Area, Pathredi; SP 919, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar, (Rajasthan); and Industrial Plot/ Survey No.- 1/1/2/5, Situated at Village Chinchpada, Silvassa both present and future. Further these loans are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum- Managing Director of the company.

**25.2** Working Capital Loans from Banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated, as per the terms and conditions of the sanction.

**25.3** For Term and Conditions of Loans and Deposits from Related parties refer note No.48.

**25.4** The Company has not defaulted on any loans/deposits payable during the year and has satisfied all debt covenants prescribed by lenders.

**25.5** The Company has arranged Channel Finance facility for its customers from various banks against which a sum of ₹ 1,584.65 millions (Previous Year ₹ 1,378.76 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, 2020 is ₹ 3.92 Millions (Previous Year ₹ 2.53 Millions).



## 26. Trade Payables:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Outstanding dues of micro enterprises and small enterprises (Refer Note 26.1 below)</b>	<b>834.80</b>	914.41
<b>Outstanding dues of creditors other than micro enterprises and small enterprises</b>		
Acceptances	<b>7,696.85</b>	5,930.45
Others*	<b>3,158.03</b>	3,361.50
<b>Total</b>	<b>10,854.88</b>	9,291.95
<b>Total</b>	<b>11,689.68</b>	10,206.36

\* The amount are Unsecured and non-interest bearing.

**26.1** 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.

**Amount remaining unpaid to supplier covered under MSMED Act at the end of the year.**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Principal	<b>834.80</b>	914.41
Interest	-	-
<b>Total</b>	<b>834.80</b>	914.41
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 and Small Enterprises which were outstanding for more than stipulated period are ₹ Nil (Previous Year: ₹ Nil).

## 27. Other Current Financial Liabilities:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Current Maturities of Long Term Debts</b>		
---From Banks	274.23	521.40
---Foreign Currency Loans from Banks	106.55	194.02
-- External Commercial Borrowings	119.84	109.21
---From Others (Non-Banking Financial Company)	-	95.46
<b>Total Current Maturities of Long Term Debts (Refer Note 21.1)</b>	<b>500.62</b>	920.09
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles	14.95	15.69
Interest on Borrowings		
---Accrued but not due	0.28	3.19
---Accrued and due	3.63	3.35
Security Deposits Received	14.70	14.66
Employee Benefits Payable	185.62	161.90
Unpaid Dividend (Refer Note 27.1)	1.87	1.69
<b>Total</b>	<b>721.67</b>	1,120.57

**27.1** Amount due & outstanding to be credited to Investor Education and Protection Fund ₹ Nil (Previous Year ₹ Nil).

## 28. Other Current Liabilities:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Contract Liabilities (Refer Note 45.2)	1,178.35	2,434.92
Lease Liability	24.20	-
Sundry Creditors -Capital Goods	95.98	105.67
Statutory Dues Payable	91.04	175.26
<b>Total</b>	<b>1,389.57</b>	2,715.85

## 29. Current Provisions:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Employee Benefits</b>		
---Provision for Compensated Absences	16.37	12.69
---Provision for Gratuity	38.89	99.36
Provision for warranty	26.18	22.93
<b>Total</b>	<b>81.44</b>	134.98

**29.1 Movement of Provisions ( Current and Non Current ):****(₹ in Millions)**

Particulars	Compensated Absences	Gratuity	Warranty Provision
<b>As at 1<sup>st</sup> April, 2019</b>	<b>98.95</b>	<b>99.36</b>	<b>22.93</b>
Credited during the year	35.66	36.16	23.65
Paid during the year	7.54	96.63	-
Unused amount reversal	-	-	20.40
<b>As at 31<sup>st</sup> March, 2020</b>	<b>127.07</b>	<b>38.89</b>	<b>26.18</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.

**29.2 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 2019-20	FY 2018-19
Contribution to employee Provident Fund & Employees Pension Scheme.	55.66	45.01

**DEFINED BENEFIT PLAN- AS PER ACTUARIAL VALUATION**

The Company operates a defined benefit plan, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity.

**a) The amounts recognized in the Balance Sheet is as under:****(₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Present value of obligations as at the end of year	<b>253.19</b>	217.02
Fair value of plan assets as at the end of the year	<b>214.30</b>	117.66
Funded status	<b>(38.89)</b>	(99.36)
<b>Net Assets/(Liability) recognized in balance sheet</b>	<b>38.89</b>	99.36

**b) Expense recognized in Statement of Profit and Loss is as under: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Current Service Cost	28.61	22.96
Interest Cost on Defined Benefit Obligation	16.49	13.18
Interest Income on Plan Assets	8.94	6.79
Net Interest Cost	7.55	6.38
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>36.16</b>	<b>29.35</b>

**c) Expenses recognized in Other Comprehensive Income is as under: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Actuarial (Gains)/Loss on Defined Benefit Obligation	(3.64)	13.02
Actuarial (Gains)/Loss on Asset	(0.90)	(0.27)
<b>Actuarial Gain/(Loss) recognized in Other Comprehensive Income</b>	<b>(4.54)</b>	<b>12.75</b>

**d) Movements in the present value of the Defined Benefit Obligations: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Present Value of Obligations as at beginning of year	217.01	171.11
Acquisition Adjustment	-	-
Interest Cost	16.49	13.18
Current Service Cost	28.61	22.96
<b>Actuarial (Gains)/Losses arising from:</b>		
Changes in Demographic Assumptions	(0.04)	-
Changes in Financial Assumptions	(2.42)	1.72
Experience Adjustments	(1.18)	11.29
Past Service Cost	-	-
Benefits Paid	(5.29)	(3.24)
<b>Present value of obligations as at end of year</b>	<b>253.18</b>	<b>217.02</b>

**e) Movements in fair value of Plan Assets: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fair Value of plan assets as on beginning of year	117.65	88.22
Interest Income	8.94	6.79
Re-measurement Gain/(Loss) – return on plan assets excluding amounts included in net interest expense)	0.90	0.27
Contributions from the employer	92.09	25.62
Benefits paid	(5.29)	(3.24)
<b>Fair value of Plan Assets at the end of year</b>	<b>214.29</b>	<b>117.66</b>

**f) Actuarial Assumptions are as under:**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Discount Rate	6.70%	7.60%
Expected rate of Future Salary Increase	6.00%	7.00%
Retirement Age	58 yrs	58 yrs
Mortality rates	As per Indian Assured Lives Mortality (2012-14) Table	As per Indian Assured Lives Mortality (2006-08) Table
<b>Age</b>	<b>Withdrawal Rate</b>	
Up to 30 Years	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%
Above 44 Years	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)	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	58.67	62.46
2	13.17	6.27
3	10.13	10.77
4	7.31	7.97
5	9.08	6.32
Above 5	154.83	123.23

#### h) Summary of Membership Data:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Number of Employees	2006	1793
Total Monthly Salary for Gratuity ( ₹ in Millions )	58.17	48.00
Average Past Service ( Years )	5.95 yrs	5.72 yrs
Average Age ( Years )	36.13 yrs	36.50 yrs
Average Remaining Working Life ( Years )	21.87 yrs	21.50 yrs

#### i) Sensitivity analysis is as under:

##### Impact of the Change in Discount Rate: (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Impact due to Increase of 1%	232.28	200.98
Impact due to Decrease of 1%	277.95	235.88

##### Impact of the Change in Salary Increase: (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Impact due to Increase of 1%	277.88	235.81
Impact due to Decrease of 1%	231.96	200.76

#### 30. Current Tax Liability: (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for Current Tax (Net of advance Tax)	19.13	100.75
<b>Total</b>	<b>19.13</b>	<b>100.75</b>

#### 31. Revenue From Operations (Gross): (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>Revenue from Contract with Customers</b>				
<b>Sale of Products</b>				
---Manufactured Goods	35,020.41		32,100.09	
---Traded Goods	224.60		46.13	
<b>Sale of Services</b>				
---Income from EPC Projects	13,360.40		9,658.26	
---Job Work	-		0.43	
<b>Other Revenue</b>				
---Scrap Material	242.26	48,847.67	317.92	42,122.83
<b>Other operating Revenues</b>				
--- Export Benefits	23.99		143.91	
--- Unadjusted Credit balances written back	6.34	30.33	43.06	186.97
<b>Total</b>		<b>48,878.00</b>		<b>42,309.80</b>

31.1 For Disclosures related to IND AS 115 "Revenue from Contract with Customers" refer note no. 45.



### 32. Other Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Dividend from long term investments		0.02		0.22
Interest Income from Bank Deposits/Others		132.48		36.83
Interest Income from financial assets carried at amortized cost		2.18		2.06
Miscellaneous Income		13.59		11.55
Insurance Claims		18.27		21.28
<b>Total</b>		<b>166.54</b>		<b>71.94</b>

### 33. Cost of Materials Consumed:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>Raw Materials Consumed</b>				
Opening Stock	1,089.15		1,108.52	
Add : Purchases	32,009.99		27,792.75	
Less : Closing Stock	1,282.23		1,089.15	
Less : Captive use	18.93	31,797.98	40.30	27,771.82
<b>EPC Project Materials</b>				
Opening Stock	543.31		4.71	
Add : Purchases	3,074.52		3,133.67	
Less: Closing Stock	384.21	3,233.62	543.31	2,595.07
<b>Total</b>		<b>35,031.60</b>		<b>30,366.89</b>

### 34. Purchases of Traded Goods:

(₹ in Millions)

Class of Goods	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Miscellaneous		117.10		38.78
		<b>117.10</b>		<b>38.78</b>

### 35. Changes in Inventory of Finished Goods, Traded Goods and Work-in-progress:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Opening Stock				
--- Finished Goods	2,942.36		2,228.38	
--- Traded Goods	42.36		10.62	
--- Work in Progress	1,951.67		1,623.35	
--- Scrap Material	29.14	4,965.53	21.41	3,883.76
Less : Closing Stock				
--- Finished Goods	4,456.53		2,942.36	
--- Traded Goods	20.70		42.36	
--- Work in Progress	1,766.00		1,951.67	
--- Scrap Material	49.02	6,292.25	29.14	4,965.53
<b>(Increase)/decrease in inventories of finished goods, traded goods and work-in-progress</b>		<b>(1326.72)</b>		<b>(1081.77)</b>

### 36. Employee Benefits Expense:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Salaries, Wages & Other Benefits	1,992.61		1,585.52	
Contribution to Provident & Other Funds	91.59		74.35	
Expense on employee stock option scheme	136.12		18.68	
Staff Welfare Expenses	55.58	2,275.90	55.39	1,733.94
<b>Total</b>		<b>2,275.90</b>		<b>1,733.94</b>

#### 36.1 Compensation Paid To Key Managerial Personnel included in above:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Salaries, Wages & Other Benefits		194.89		166.15
Contribution to Provident & Other Funds		0.09		0.09
Director's Meeting Fee		7.28		6.30
Expense on employee stock option scheme		44.26		5.60
<b>Total</b>		<b>246.52</b>		<b>178.14</b>

### 37. Finance Costs:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Interest on borrowings		950.75		949.83
Other Financial Charges		324.95		406.25
Interest and Financial Charges on Lease Liabilities		15.81		-
<b>Total</b>		<b>1,291.51</b>		<b>1,356.08</b>

### 38. Depreciation and Amortisation Expenses:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Depreciation on Tangible Assets		505.64		328.46
Depreciation on Right of use Assets		49.46		-
Amortisation on Intangible Assets		11.79		11.02
<b>Total</b>		<b>566.89</b>		<b>339.48</b>

### 39. Sub Contractor Expenses for EPC Projects:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
Sub Contractor's Expenses		1,606.16		1,121.17
<b>Total</b>		<b>1,606.16</b>		<b>1,121.17</b>

**40. Other Expenses:****(₹ in Millions)**

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March, 2020</b>		<b>Year Ended 31<sup>st</sup> March, 2019</b>	
Consumption of Stores, Spares and Consumables		<b>132.03</b>		123.98
Packing Expenses		<b>1,125.97</b>		1,012.78
Job Work Charges		<b>863.61</b>		678.70
Power, Fuel & Lighting		<b>631.95</b>		542.33
Repairs & Maintenance				
--- Plant & Machinery	<b>207.43</b>		187.80	
--- Building	<b>11.23</b>		7.85	
--- Others	<b>32.67</b>	<b>251.33</b>	24.10	219.75
Freight, Handling and Octroi		<b>1,147.71</b>		972.13
Rebate, Discount, Commission on Sales		<b>193.76</b>		188.15
Bad Debts Written off		<b>45.35</b>		68.00
Impairment Allowance on Trade Receivables (including ECL)		<b>12.10</b>		5.26
Impairment in Loans Receivables		<b>5.28</b>		-
Rates & Taxes		<b>120.92</b>		96.37
Rent		<b>67.08</b>		95.00
Insurance		<b>97.34</b>		75.10
Travelling & Conveyance		<b>239.36</b>		227.42
Advertisement & Publicity		<b>259.75</b>		194.44
Auditor's Remuneration (Refer Note 40.1)		<b>5.24</b>		4.43
Loss on sales of Property, Plant and Equipment (net)		<b>0.97</b>		1.21
Property, Plant and Equipment Written off		<b>21.80</b>		2.83
Communication Expenses		<b>32.33</b>		35.56
Donations		<b>2.73</b>		5.67
Professional & Consultancy Charges		<b>245.35</b>		289.07
Miscellaneous Expenses		<b>517.60</b>		576.12
Exchange Fluctuation (Net)		<b>125.71</b>		296.21
Corporate Social Responsibility Expenditure (Refer Note 40.3)		<b>58.15</b>		14.79
<b>Total</b>		<b>6,203.42</b>		5,725.30

**40.1 Auditor's Remuneration (excluding applicable Tax):****(₹ in Millions)**

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March, 2020</b>		<b>Year Ended 31<sup>st</sup> March, 2019</b>	
Audit Fee		<b>3.81</b>		3.00
Limited Review Fee		<b>0.60</b>		0.60
Tax Audit		<b>0.60</b>		0.60
For Other Services		<b>0.23</b>		0.23
<b>Total</b>		<b>5.24</b>		4.43
Certification fee for QIP (included in Share Issue Expenses)		<b>1.25</b>		-
<b>Total</b>		<b>6.49</b>		4.43

**40.2** Gross amount required to be spent on Corporate Social Responsibility by the company during the year ₹ 41.32 Millions (Previous Year ₹ 29.00 Millions).

#### 40.3 Amount spent on Corporate Social Responsibility during the year on: (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
i) Construction/Acquisition of assets		-		-
ii) PM Care Fund - Covid 19 Relief		20.00		-
iii) On purpose other than (i) above		38.15		14.79
<b>Total</b>		<b>58.15</b>		<b>14.79</b>

#### 41. Income Tax Expense:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>(a) Income tax expense</b>				
Accounting profit		3,278.68		2,781.87
Enacted tax rates in India		25.168%		34.944%
Computed expected tax expense		825.18		972.10
Tax effect due to non-taxable income for Indian tax purposes		(0.86)		(0.08)
Overseas taxes		0.85		-
Tax reversals due to expenses allowed for Indian tax purpose		(279.12)		(194.53)
Tax Effect of non-deductible expenses		318.90		156.27
Tax Effect of Other allowed deductions for Indian tax purpose		(1.01)		(4.94)
Tax Effect of Earlier year		(11.94)		(4.06)
<b>Total Current Income tax expense</b>		<b>852.00</b>		<b>924.75</b>
<b>Deferred tax</b>				
(Decrease) /Increase in deferred tax liabilities		(144.85)		76.43
Decrease / (Increase) in deferred tax assets		8.49		(26.78)
<b>Total deferred tax expenses/(benefit)</b>		<b>(136.36)</b>		<b>49.65</b>
<b>Total Income tax expense</b>		<b>715.64</b>		<b>974.41</b>

The applicable Indian corporate statutory tax rate for the year ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 is 25.168% and 34.944%, respectively. The Change in the corporate statutory tax rate to 25.168% is consequent to changes made via The Taxation Laws (Amendment ) Act 2019, as applicable to the Company.

Overseas Tax expense is due to income taxes payable overseas, principally in Nepal.

## 42. Other Comprehensive Income

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020		Year Ended 31 <sup>st</sup> March, 2019	
<b>Items that will not be reclassified to profit and loss :</b>				
Re-measurement gains (losses) on defined benefit plans		4.54		(12.75)
Net (loss)/gain on FVTOCI equity securities		(10.68)		(12.62)
Income tax effect on above		(4.21)		6.32
<b>Items that will be reclassified to profit and loss:</b>				
Net gain on hedge of a net investment		-		-
Income tax effect		-		-
Exchange differences on translation of foreign operations		1.06		0.06
Income tax effect on above		0.07		(0.02)
<b>Total</b>		<b>(9.22)</b>		<b>(19.01)</b>

## 43. 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, 2020	Year Ended 31 <sup>st</sup> March, 2019
Profit after Taxation ( ₹ in Millions )	2,562.91	1,807.47
Basic Earnings Per Share ( ₹ )	31.65	22.98
Diluted Earnings Per Share ( ₹ )	31.19	22.74
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, 2020	Year Ended 31 <sup>st</sup> March, 2019
Number of Equity shares at the beginning of the year	7,89,25,438	7,83,61,438
Add: Weighted average number of equity shares issued during the year	20,44,462	2,90,499
<b>Weighted average number of Equity shares for Basic EPS</b>	<b>8,09,69,900</b>	<b>7,86,51,937</b>
Add: Adjustment for Employee Stock Options outstanding	11,93,582	8,45,227
<b>Weighted average number of equity shares for Diluted EPS</b>	<b>8,21,63,482</b>	<b>7,94,97,164</b>

#### 44. Contingent Liabilities & Commitments:

(₹ in Millions)

	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>44.1</b>	Claims against Company not acknowledged as debt		
	a) Sales Tax / Entry Tax demands under appeal	<b>10.42</b>	9.49
	b) Income tax Matters:		
	-- Demand due to Additions / disallowances during Assessments, which are under Appeal	<b>21.05</b>	13.67
	c) Excise / Service tax demands under appeal	<b>82.32</b>	81.53
	d) Misc. claims against Company in Labour Court	<b>1.07</b>	1.07
<b>44.2</b>	Guarantees against Performance/Security Deposits/EMD	<b>11,673.40</b>	13,569.71
<b>44.3</b>	Other money for which Company is contingent liable		
	a) Unutilized Letter of Credits	<b>989.87</b>	275.44
	b) Outstanding LC Discounted	<b>517.33</b>	577.87
	In respect of the items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments/decisions pending at various forums /authority. The Company doesn't expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operations or cash flows.		
<b>44.4</b>	<b>Commitments:</b>		
	Estimated amount of contracts remaining to be executed on Capital Account	<b>159.11</b>	302.93

#### 45. Disclosures as required under Ind-AS 115 "Revenue from contracts with customers" are given below:

##### 45.1 Disaggregation of Revenue:

Year Ended 31<sup>st</sup> March, 2020

(₹ in Millions)

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter Segment Elimination	Total
--- Manufactured Goods	33,660.37	1,360.04	462.88	(462.88)	35,020.41
--- Traded Goods	125.64	-	98.96	-	224.60
--- Income From EPC Projects	-	-	13,360.40	-	13,360.40
--- Job work	-	-	-	-	-
--- Scrap Material	236.66	5.60	-	-	242.26
<b>Total</b>	<b>34,022.67</b>	<b>1,365.64</b>	<b>13,922.24</b>	<b>(462.88)</b>	<b>48,847.67</b>

(₹ in Millions)

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter Segment Elimination	Total
--- Point in time	34,022.67	1,365.64	98.96	(462.88)	35,024.39
--- Over the time	-	-	13,823.28	-	13,823.28
<b>Total</b>	<b>34,022.67</b>	<b>1,365.64</b>	<b>13,922.24</b>	<b>(462.88)</b>	<b>48,847.67</b>



(₹ in Millions)

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter Segment Elimination	Total
--- India	26,061.86	871.14	13,386.96	(93.75)	40,226.21
--- others	7,960.81	494.50	535.28	(369.13)	8,621.46
<b>Total</b>	<b>34,022.67</b>	<b>1,365.64</b>	<b>13,922.24</b>	<b>(462.88)</b>	<b>48,847.67</b>

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 work	-	0.43	-	-	0.43
--- Scrap Material	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>

## 45.2 Contract Balances:

(₹ in Millions)

Particulars	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2019
<b>Current :</b>				
---Advance received from Customers	-	866.09	-	2,022.97
---Incentive Payable to Customers	-	206.76	-	142.53
---Income received in advance	-	105.50	-	269.42
---Unbilled Revenue	866.53	-	1,040.47	-
<b>Total</b>	<b>866.53</b>	<b>1,178.35</b>	<b>1,040.47</b>	<b>2,434.92</b>

**45.3** Trade Receivables from Contract with customer are separately shown in note no. 12.

**45.4** Trade Receivables includes Retention by Customers ₹ 2,890.76 Millions (previous year ₹ 2,274.04 Millions).

**45.5 Remaining performance obligations to be executed over a period of more than one year:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
--- Manufactured Goods*	-	-
--- EPC Projects*	18,479.31	26,210.86
<b>Total</b>	<b>18,479.31</b>	<b>26,210.86</b>

\* Based on the estimates of the Management.

**45.6 Reconciliation of revenue recognized with Contract Price**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Gross revenue recognized during the year	49,357.60	42,546.06
Add: Incentives paid/payable to Customers	(265.25)	(207.91)
Add: Discount paid/payable to Customers	(254.04)	(250.79)
Add: Other Variable Consideration	9.36	35.47
<b>Net revenue recognized during the year</b>	<b>48,847.67</b>	<b>42,122.83</b>

## 46. 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 vested over a period of four years from the date of grant. Nomination and Remuneration Committee had granted fresh 15,000 Options on September 25, 2018 which vested over a period of one year from the date of grant. During the current financial year the Committee further granted 13,95,000 shares which will vest over a period of three years from the date of grant. Details of Scheme is given as below:

Vesting Particulars of Options granted on 23.09.2015	Options vested	Weighted average exercise price (₹)	Option Expiry Date	Outstanding share options from the date of grant
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	5,60,000	35	26/10/2016	22,52,000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	5,64,000	35	26/10/2017	16,92,000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	5,64,000	35	26/10/2018	11,28,000
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	5,64,000	35	26/10/2019	5,64,000
<b>Weighted average remaining contractual life of options outstanding at the end of the year NIL (Previous year 0.52 years)</b>				

Vesting Particulars of Options granted on 25.09.2018	Options vested	Weighted average exercise price ( ₹ )	Option Expiry Date	Outstanding share options from the date of grant
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	15,000	35	10/10/2019	15,000
<b>Weighted average remaining contractual life of options outstanding at the end of the year NIL (Previous year 0.52 years)</b>				

Vesting Particulars of Options granted on 06.08.2019	Options vested	Weighted average exercise price ( ₹ )	Option Expiry Date	Outstanding share options from the date of grant
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	4,55,000	225	20/08/2020	13,65,000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	4,55,000	225	20/08/2021	9,10,000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	4,55,000	225	20/08/2022	4,55,000
<b>Weighted average remaining contractual life of options outstanding at the end of the year 1.52 Years</b>				

Vesting Particulars of Options granted on 27.09.2019	Options vested	Weighted average exercise price ( ₹ )	Option Expiry Date	Outstanding share options from the date of grant
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	10,000	225	12/10/2020	30,000
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	10,000	225	12/10/2021	20,000
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	10,000	225	12/10/2022	10,000
<b>Weighted average remaining contractual life of options outstanding at the end of the year 1.52 Years</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. Share Allotment Committee has allotted 22,67,000 Equity Shares of face value ₹ 2/- each to the eligible employees as per Scheme.

**Movement of options granted under the Scheme are:**

Particulars	KEI ESOS 2015			
	IV	III	II	I
<b>Date of Grant</b>	<b>27.09.2019</b>	<b>06.08.2019</b>	<b>25.09.2018</b>	<b>23.09.2015</b>
<b>Options outstanding as at 1<sup>st</sup> April 2018</b>	N.A.	N.A.	<b>NIL</b>	<b>11,28,000</b>
Options Granted during the year	N.A.	N.A.	15,000	NIL
Option forfeited during the year	N.A.	N.A.	NIL	NIL
Option vested	N.A.	N.A.	NIL	5,64,000
Option exercised	N.A.	N.A.	NIL	5,64,000
Option expired during the year	N.A.	N.A.	NIL	NIL

Particulars	KEI ESOS 2015			
	IV	III	II	I
<b>Options Exercisable at the end of the year</b>	N.A.	N.A.	<b>15,000</b>	<b>5,64,000</b>
<b>Options outstanding at 31.03.2019</b>	N.A.	N.A.	<b>15,000</b>	<b>5,64,000</b>
Options Granted during the year	30,000	13,65,000	NIL	NIL
Option forfeited during the year	NIL	NIL	NIL	NIL
Option vested	NIL	NIL	15,000	5,64,000
Option exercised	NIL	NIL	15,000	5,64,000
Option expired during the year	NIL	NIL	NIL	NIL
<b>Options Exercisable at the end of the year</b>	<b>30,000</b>	<b>13,65,000</b>	<b>NIL</b>	<b>NIL</b>
<b>Options outstanding at 31.03.2020</b>	<b>30,000</b>	<b>13,65,000</b>	<b>NIL</b>	<b>NIL</b>

Refer Note 36 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			
	IV	III	II	I
	2019-20		2018-19	
Risk-free interest rate	5.82%	5.96%	8.13%	7.73%
Weighted average expected life of options	1.52	1.52	0.52	0.52
Historical Volatility	48.20%	45.86%	44.13%	63.55%
Dividend Yield	0.22%	0.22%	0.21%	0.27%
Exercise price at the date of Grant (₹)	225.00	225.00	35.00	35.00
Share price at the time of option grant (₹)	525.90	420.10	333.70	98.80

#### 47 Disclosures as required under Ind-AS 116 " Leases" are given below:

##### 47.1 Change in Accounting Policy

The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below:

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings as at 1st April, 2019.

Particulars	₹ in Millions
Lease commitments as at 31 <sup>st</sup> March, 2019	<b>37.80</b>
Add/(less): adjustments on account of extension/termination	<b>181.97</b>
<b>Lease liabilities as on 1<sup>st</sup> April, 2019</b>	<b>219.77</b>

- 47.2 On transition, the adoption of new standard resulted in reduction of ₹11.65 Millions from retained earnings including Deferred Tax thereon with recognition of Right of Use Asset of ₹ 578.60 Millions ( including ₹408.28 Millions transfer from Property, Plant and Equipment) and ₹ 219.77 Millions as lease liability ( including ₹ 37.80 Million as opening). Due to this profit for the year is lower by ₹ 6.49 Millions.

**47.3 The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :**

Particulars	₹ in Millions
Decrease in Property Plant and equipment (Transferred to Right of Use)	408.28
Increase in Lease Liability	181.97
Increase in Rights of Use	170.32
Restatement of Reserve and Surplus	(8.72)
Increase/Decrease in Deferred tax assets (recognised in Reserve and Surplus)	(2.93)

**47.4 Additions to Right of Use assets:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020	As At 1 <sup>st</sup> April, 2019
Offices & Warehouses	12.61	170.32
Asset Taken on Finance Lease - Hire Purchase Vehicles	2.94	55.66
Lease hold Buildings Improvement	2.39	45.85
Lease hold Land	-	306.77
<b>Total Additions to Right of Use assets</b>	<b>17.94</b>	<b>578.60</b>

**47.5 Carrying value of Right of Use assets at the end of the reporting period by class:** (₹ in Millions)

Particulars	Class 1 - Offices & Warehouses	Class 2 - Asset Taken on Finance Lease - Hire Purchase Vehicles	Class 3 - Lease hold Buildings Improvement	Class 4 - Lease hold Land	Total
<b>Balance as at 1<sup>st</sup> April, 2019</b>	<b>170.32</b>	<b>55.66</b>	<b>45.85</b>	<b>306.77</b>	<b>578.60</b>
Additions during the year	12.61	2.94	2.39	-	17.94
Depreciation charge for the year	30.62	8.55	6.76	3.53	49.46
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>152.31</b>	<b>50.05</b>	<b>41.48</b>	<b>303.24</b>	<b>547.08</b>

**47.6 Maturity analysis of lease liabilities:** (₹ in Millions)

Maturity analysis - contractual undiscounted cash flows	Class 1 - Offices & Warehouses		Class 2 - Asset Taken on Finance Lease - Hire Purchase Vehicles	
	Year Ended 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019
Less than one year	38.24	37.83	16.44	18.46
One to five years	124.56	121.72	9.97	23.76
More than five years	57.38	85.00	Nil	Nil

**47.7 Amounts recognised in Statement of profit and loss:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020
Interest on lease liabilities in Finance Cost	15.81
Lease payments not recognised as a liability in Other Expenses	
- Variable lease payments not included in the measurement of lease liabilities	-
- Expenses relating to short-term leases	1.73
- Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	61.12

**47.8 Amounts recognised in the statement of cash flows:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2020
Total cash outflow for leases	106.23

**47.9 Future Lease Commitments**

The Total Future cash out flow for leases that had not yet commenced: ₹ Nil

**47.10 Practical expedients applied:**

In applying Ind AS 116 for the first time, the Company has used the following practical expedients:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1st April 2019 .
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases.
- Excluding initial direct costs for the measurement of the Right-of-Use asset at the date of initial application.
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

**47.11** Refer note no. 21.3 for terms and conditions in respect of hire-purchase of vehicles on finance lease.

**48. The Related parties as per terms of Ind AS-24 "Related Party Disclosures" (under the section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) are disclosed below:**

**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 31.03.2020	As at 31.03.2019
India	100% share in Profit/Loss	

**ii) Associate**

KEI Cables SA (PTY) Limited

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2020	As at 31.03.2019
South Africa	49%	49%



**iii) Co-Venturer of Joint Venture:**

Brugg Kabel AG Switzerland

<b>iv) Key Managerial Personnel (KMP):</b>	<b>Designation</b>
Shri Anil Gupta	Chairman-cum-Managing Director
Shri Rajeev Gupta	Executive Director Finance & CFO
Shri Akshit Diviaj Gupta	Whole Time Director
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> Feb 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> Sep 2018
Ms. Thavashnee Pillay	Director in KEI Cables SA (PTY) Limited, Associate Company w.e.f. 12 <sup>th</sup> Sep 2018

**v) Other related parties where KMP are interested and transactions have taken place:**

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

**vi) Relatives of KMP with whom transaction have taken place:**

Smt. Vedika Gupta  
Shri Sunil Gupta  
Smt. Shashi Gupta  
Smt. Shweta Jha  
Smt. Vimla Devi

**vii) Other related parties where relatives of KMP are interested and transactions have taken place:**

Sunil Gupta (HUF)

**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	As at 31.03.2020	As at 31.03.2019
(i)	<b>Sales</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	60.66	-
		60.66	-
(ii)	<b>Settlement of liabilities on behalf of related party</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)	0.09	0.01
		0.09	0.01
(iii)	<b>Interest paid on Deposits/ Unsecured Loan</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	16.72	17.97
	Shri Akshit Diviaj Gupta	0.23	0.14
		16.95	18.11
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	2.51	1.95
	KEI International Limited	0.05	0.05
	KEI Cables Private Limited	0.15	0.19
		2.71	2.19
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	1.16	0.53
	Smt. Shweta Jha	0.33	0.19
		1.49	0.72
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	0.36	0.36
		0.36	0.36
(iv)	<b>Impairment in loan</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	5.28	-
		5.28	-
(v)	<b>Impairment in Investment</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ( ₹ 2349/-, Previous year ₹ Nil)	0.00	-
		0.00	-

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(vi)	<b>Impairment in Trade Receivable</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	18.31	-
		18.31	-
(vii)	<b>Interest Income on loan given</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	0.20	-
		0.20	-
(viii)	<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)	0.78	0.68
	Projection Financial & Management Consultants Private Limited	8.44	6.10
	Dhan Versha Agency Private Limited	3.60	3.35
		12.82	10.13
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	18.00	17.10
		18.00	17.10
(ix)	<b>Managerial Remuneration</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	173.15	147.24
	Shri Rajeev Gupta	11.40	9.72
	Shri Akshit Diviaj Gupta	6.75	6.03
		191.30	162.99
(x)	<b>Employee Benefits Expenses</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	3.68	3.25
		3.68	3.25
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt Vedika Gupta	2.15	-
		2.15	-
(xi)	<b>Expense on Share Based Payments to Employees</b>		
	Shri Rajeev Gupta	34.49	4.38
	Shri Kishore Kunal	9.77	1.22
		44.26	5.60

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xii)	<b>Director Meeting Fees paid</b>		
	<b>Key Managerial Personnel</b>		
	Smt. Archana Gupta	1.05	1.12
	Shri Kishan Gopal Somani	0.98	0.60
	Shri Pawan Bholusaria	1.87	1.72
	Shri Sadhu Ram Bansal	0.60	0.53
	Shri Vikram Bhartia	1.35	1.28
	Shri Vijay Bhushan	0.98	1.05
	Smt. Shalini Gupta	0.45	-
		7.28	6.30
(xiii)	<b>Defined Benefit Obligation for Gratuity Benefit</b>		
	<b>(Included in Managerial Remuneration &amp; Employee benefit expenses)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	38.94	45.00
	Shri Rajeev Gupta	6.21	5.24
	Shri Akshit Diviaj Gupta	1.08	0.72
	Shri Kishore Kunal	0.97	0.77
		47.20	51.73
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt. Vedika Gupta	0.04	-
		0.04	-
(xiv)	<b>Defined Benefit Obligation for Leave Encashment Benefit</b>		
	<b>(Included in Managerial Remuneration &amp; Employee benefit expenses)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	1.58	1.46
	Shri Akshit Diviaj Gupta	0.99	0.64
	Shri Kishore Kunal	0.66	0.60
		3.23	2.70
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt. Vedika Gupta	0.06	-
		0.06	-
(xv)	<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	93.39	26.00
		93.39	26.00

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xvi)	<b>Dividend Paid (Including Interim Dividend)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	36.94	13.68
	Shri Rajeev Gupta	0.97	0.27
	Shri Kishore Kunal	0.23	0.07
	Smt. Archana Gupta	2.26	0.84
	Shri Kishan Gopal Somani (₹2700/-, Previous year ₹1000/-)	0.00	0.00
	Shri Pawan Bholusaria (Previous Year ₹4500/-)	0.01	0.00
	Shri Vikram Bhartia	0.03	0.01
		40.44	14.87
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	12.56	4.65
	Projection Financial & Management Consultants Private Limited	21.33	7.90
	Shubh Laxmi Motels & Inns Private Limited	9.40	3.48
	Soubhagya Agency Private Limited	8.44	3.13
	Dhan Versha Agency Private Limited	2.70	1.00
	KEI Cables Private Limited	4.25	1.58
		58.68	21.74
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta ( ₹3510/- ,Previous Year ₹1300/-)	0.00	0.00
	Smt. Shashi Gupta (₹ 4050/-, Previous year ₹1500/-)	0.00	0.00
	Smt. Vimla Devi	-	0.06
		-	0.06
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF) (₹1350/-, previous year ₹500/-)	0.00	0.00
		0.00	0.00
(xvii)	<b>Investment made in equity shares</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited (Previous Year ₹2349/-)	-	0.00
		-	0.00
(xviii)	<b>Equity Share Allotment (KEI ESOS 2015)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	0.30	0.30
	Shri Kishore Kunal	0.08	0.08
		0.38	0.38

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xix)	<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
		<b>6.34</b>	<b>6.34</b>
(xx)	<b>Advance Given</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)	0.11	0.05
		<b>0.11</b>	<b>0.05</b>
(xxi)	<b>Loan Given</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited (Previous year ₹2443/-)	10.97	0.00
		<b>10.97</b>	<b>0.00</b>
(xxii)	<b>Deposits/Unsecured Loan received during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	60.00	20.00
	Shri Akshit Diviaj Gupta	-	3.50
		<b>60.00</b>	<b>23.50</b>
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	10.00	7.00
	KEI Cables Private Limited	-	3.00
	KEI International Limited	-	1.20
		<b>10.00</b>	<b>11.20</b>
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	13.00	7.80
	Smt. Shweta Jha	2.60	0.55
		<b>15.60</b>	<b>8.35</b>
(xxiii)	<b>Deposits/Unsecured Loan received earlier repaid during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	80.00	17.00
	Shri Akshit Diviaj Gupta	-	1.00
		<b>80.00</b>	<b>18.00</b>
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	-	-
	KEI Cables Private Limited	3.80	-
	KEI International Limited	1.20	-
		<b>5.00</b>	<b>-</b>



S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	-	12.80
		-	12.80
(xxiv)	<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	4.46	4.22
		4.61	4.37
(xxv)	<b>Maximum Outstanding Balance of security during the year (At fair value)</b>		
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	4.46	4.22
		4.61	4.37
(xxvi)	<b>Maximum Outstanding Balance of security during the year (At Cost)</b>		
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	4.77	4.77
		4.92	4.92
(xxvii)	<b>Investment by Loanee in Equity shares of Company</b>		
	Anil Gupta (HUF)	13.62	13.62
	Projection Financial & Management Consultants Private Limited	114.20	114.20
		127.82	127.82
(xxviii)	<b>Expenses Payable</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	46.57	45.20
	Shri Rajeev Gupta	0.56	0.29
	Shri Akshit Diviaj Gupta	0.39	0.33
	Shri Kishore Kunal	0.04	0.13
		47.56	45.95
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Smt. Vedika Gupta	0.11	-
		0.11	-

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xxix)	<b>Advance Outstanding</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	<b>0.54</b>	0.33
		<b>0.54</b>	0.33
(xxx)	<b>Loan Outstanding</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited (Previous year ₹2443/-)	<b>9.74</b>	0.00
	Less: Impairment	<b>5.28</b>	-
		<b>4.46</b>	0.00
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	<b>0.14</b>	0.46
		<b>0.14</b>	0.46
(xxxi)	<b>Maximum amount of loan outstanding during the year</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited (Previous year ₹2443/-)	<b>9.74</b>	0.00
		<b>9.74</b>	0.00
(xxxii)	<b>Investment in Equity Shares</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹2349/- (Previous Year ₹2349/-)	<b>0.00</b>	0.00
	Less: Impairment ₹2349/- (Previous Year NIL)	<b>0.00</b>	-
		-	0.00
(xxxiii)	<b>Trade Receivables Outstanding</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	<b>64.92</b>	-
	Less : Impairment	<b>18.31</b>	-
		<b>46.61</b>	-
(xxxiv)	<b>Interest Income Receivable</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited	<b>0.18</b>	-
		<b>0.18</b>	-

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(xxxv)	<b>Credit balance of Deposits/ Unsecured loan outstanding as at the year end</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	188.00	208.00
	Shri Akshit Diviaj Gupta	2.50	2.50
		190.50	210.50
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	35.50	25.50
	KEI Cables Private Limited	-	3.80
	KEI International Limited	-	1.20
		35.50	30.50
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	13.00	-
	Smt. Shweta Jha	5.00	2.40
		18.00	2.40
	<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) Inter corporate loans/advances have been given for business purposes only.
- (v) Transactions with Related parties are made on terms equivalent to those that prevail in arms' length transactions.
- (vi) Deposits and loans received from Related Parties are for business purpose and the rate of interest thereon is at arms length price.
- (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 .

#### **49. 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, intersegment 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).

Particulars	Cables		Stainless steel Wire		EPC Projects		Unallocated		Inter Segment Elimination		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue (Gross)</b>												
External	33,574.77	30,611.66	1,375.27	1,380.20	13,966.61	10,332.55	(0.00)	-	(38.65)	(14.61)	48,878.00	42,309.80
Inter-Segment Revenue	6,284.70	3,024.65	-	-	-	-	-	-	(6,284.70)	(3,024.65)	-	-
<b>Total Revenue</b>	<b>39,859.47</b>	<b>33,636.31</b>	<b>1,375.27</b>	<b>1,380.20</b>	<b>13,966.61</b>	<b>10,332.55</b>	<b>(0.00)</b>	<b>-</b>	<b>(6,323.35)</b>	<b>(3,039.26)</b>	<b>48,878.00</b>	<b>42,309.80</b>
<b>Result</b>												
Segment Result	4,413.70	3,664.37	87.58	90.93	1,636.93	1,422.22	-	-	(270.76)	(14.61)	5,867.45	5,162.91
Unallocated Expenditure net of unallocated income							(1,429.76)	(1,062.01)			(1,429.76)	(1,062.01)
Finance Cost							(1,291.51)	(1,356.08)			(1,291.51)	(1,356.08)
Interest Income							132.48	36.83			132.48	36.83
Dividend Income							0.02	0.22			0.02	0.22
<b>Profit Before Tax</b>	<b>4,413.70</b>	<b>3,664.37</b>	<b>87.58</b>	<b>90.93</b>	<b>1,636.93</b>	<b>1,422.22</b>	<b>(2,588.77)</b>	<b>(2,381.04)</b>	<b>(270.76)</b>	<b>(14.61)</b>	<b>3,278.68</b>	<b>2,781.87</b>
Share of profit/(Loss) of Joint venture and Associate Company (Net of tax)											(0.13)	(0.00)
Tax including Deferred Tax												
Profit for the year											715.64	974.40
<b>Other Information</b>											<b>2,562.91</b>	<b>1,807.47</b>
Segment Assets	19,856.03	17,453.74	670.48	614.83	9,639.93	7,251.88	2,522.31	2,322.85	-	-	32,688.75	27,643.30
Segment Liabilities	12,658.74	12,202.17	309.71	280.85	1,568.19	1,769.62	3,081.04	5,611.30	-	-	17,617.68	19,863.94
Capital Expenditure	752.06	1,132.64	27.35	11.09	16.33	21.03	131.29	46.72	-	-	927.03	1,211.48
Depreciation and Amortization	482.51	274.41	18.09	11.69	14.14	9.94	52.15	43.44	-	-	566.89	339.48

(₹ in Millions)

Information about Geographical Segment (In Rupees):

SECONDARY SEGMENT INFORMATION	India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>External Revenue (Gross)</b>	<b>39,887.41</b>	<b>36,944.65</b>	<b>8,990.59</b>	<b>5,365.16</b>	<b>48,878.00</b>	<b>42,309.81</b>
<b>Addition to Non Current Assets</b>	<b>848.91</b>	<b>1,248.23</b>	<b>1.19</b>	<b>1.15</b>	<b>850.10</b>	<b>1,249.38</b>

Information about major customers :

There are no customers having revenue exceeding 10% of total revenues.

## 50. 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, 2020				As at 31 <sup>st</sup> March, 2019			
		FVPL	FVOCI	AMORTISED COST	FAIR VALUE	FVPL	FVOCI	Amortized Cost	FAIR VALUE
<b>Financial Assets</b>									
Investments	7								
- Equity Instruments		-	2.80	-	2.80	-	12.68	-	12.68
- Mutual funds		-	3.17	-	3.17	-	2.97	-	2.97
Loans	8 & 15	-	-	153.60	153.87	-	-	105.44	105.44
Trade receivables	12	-	-	13,675.86	13,675.86	-	-	10,909.28	10,909.28
Cash and Cash equivalents	13	-	-	1,194.64	1,194.64	-	-	220.73	220.73
Bank Balances other than Cash and Cash equivalents	14	-	-	948.89	948.89	-	-	1,732.67	1,732.67
Other financial assets	9 & 16	-	-	875.82	875.82	-	-	1,046.74	1,046.74
<b>Total financial assets</b>		-	<b>5.97</b>	<b>16,848.81</b>	<b>16,855.05</b>	-	<b>15.65</b>	<b>14,014.86</b>	<b>14,030.51</b>
<b>Financial Liabilities</b>									
Borrowings	21 & 25	3,150.92	-	-	3,150.92	5,058.62	-	-	5,058.62
Trade payables	26	-	-	11,689.68	11,689.68	-	-	10,206.36	10,206.36
Other Current Financial Liabilities	27	-	-	721.67	721.67	-	-	1,120.57	1,120.57
<b>Total financial liabilities</b>		<b>3,150.92</b>	-	<b>12,411.35</b>	<b>15,562.27</b>	<b>5,058.62</b>	-	<b>11,326.93</b>	<b>16,385.55</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 at Amortized Cost is considered a reasonable approximation of Fair Value.
- (iii) Above table excludes Investment in Associate and Joint Venture, which are measured at cost in accordance with Ind AS 27, 'Separate Financial Statements'.

## 51. 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 relied 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, 2020	Note Reerence	Level 1		Level 2		Level 3	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Financial assets</b>							
Investments at FVOCI	7						
- Equity Instruments		2.80	12.68	-	-	-	-
- Mutual funds		-	-	3.17	2.97	-	-
Loans	8 & 15	-	-	-	-	153.60	105.44
<b>Total financial assets</b>		<b>2.80</b>	<b>12.68</b>	<b>3.17</b>	<b>2.97</b>	<b>153.60</b>	<b>105.44</b>
<b>Financial liabilities</b>							
Borrowings	21 & 25	-	-	-	-	3,150.92	5,058.62
Other Current Financial Liabilities:	27	-	-	-	-	721.67	1,120.57
<b>Total Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,872.59</b>	<b>6,179.19</b>

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, 2020 and 31<sup>st</sup> March, 2019 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.

## 52. 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.

### 52.1. 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.

### 52.1.1. 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, 2020			As at 31 <sup>st</sup> March, 2019		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Import of Goods & Advance Received	EURO	55,432	4.65	EURO	1,82,646	14.28
	GBP	1,30,061	12.01	GBP	-	-
	CHF	2,73,963	21.73	CHF	7,82,555	54.71
	AUD	25,073	1.21	AUD	-	-
	USD	5,99,07,817	4,478.70	USD	6,32,93,663	4,432.70
	NPR	18,24,26,765	114.93	NPR	-	-
Royalty/Know How/License fee	EURO	6,54,696	54.96	EURO	5,31,640	41.58
Expenses Payable	USD	10,43,717	79.11	USD	6,06,711	42.06
	SGD	-	-	SGD	3,517	0.18
	GBP	1,54,489	14.46	GBP	1,43,919	13.11
	AED	56,750	1.18	AED	53,750	1.01
	EURO	4,749	0.40	EURO	58,926	4.61
	NPR	10,42,564	0.65	NPR	-	-
Statutory Dues Payable	NPR	1,06,541	0.07	NPR	-	-
Term Loan/ECB	USD	70,09,080	531.29	USD	1,14,27,243	792.14

**(b) Amount receivable in foreign currency on account of the following:**

Particulars	As at 31 <sup>st</sup> March, 2020			As at 31 <sup>st</sup> March, 2019		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Exports of Goods & Advance Paid	USD	3,07,15,983	2,299.78	USD	1,90,78,813	1,315.19
	EURO	5,73,089	47.01	EURO	20,27,373	156.92
	AUD	64,91,550	299.26	AUD	43,65,035	210.48
	CHF	39,595	2.92	CHF	-	-
	GBP	2,75,825	25.47	GBP	73,806	6.59
	NPR	2,43,258	0.15	NPR	-	-

Particulars	As at 31 <sup>st</sup> March, 2020			As at 31 <sup>st</sup> March, 2019		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Recoverables	AUD	2	0.00	AUD	1,92,500	9.28
	AED	1,01,255	2.08	AED	61,068	1.15
	GMD	1,60,162	0.24	GMD	8,000	0.01
	USD	1,89,329	14.07	USD	1,50,000	10.30
	SGD	6	0.00	SGD	248	0.01
	ZAR	23,42,583	9.92	ZAR	510	0.00
	EURO	15,558	1.30	EURO	-	-
	THB	219	0.00	THB	-	-
	RMB	1,594	0.02	RMB	-	-
	NPR	14,56,687	0.86	NPR	-	-
Balance with Banks	AED	90,608	1.84	AED	58,952	1.11
	SGD	1,297	0.07	SGD	6,847	0.35
	USD	50,070	3.75	USD	4,851	0.33
	GMD	1,273	0.00	GMD	11,328	0.02
	NPR	74,73,270	4.66	NPR	-	-
Fixed Deposit with Banks	NPR	6,00,00,000	37.40	NPR	-	-

### 52.1.2. 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, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
USD – Increase/ Decrease by 5%	(141.82)	(197.05)	141.82	197.05
EUR – Increase/ Decrease by 5%	(0.59)	4.82	0.59	(4.82)
AUD – Increase/ Decrease by 5%	14.90	12.84	(14.90)	(12.84)

### 52.1.3. 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 7.

#### 52.1.4. 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, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
NSE Index Increase by 5%	-	-	0.30	0.78
NSE Index Decrease by 5%	-	-	(0.30)	(0.78)

#### 52.1.5. 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.

#### 52.1.6. INTEREST RATE RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY

- Company invests in fixed deposits for a period between 3 months to 7 years. All fixed deposits are with banks, 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. 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.
- 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, 2020	31 <sup>st</sup> March, 2019
Variable rate borrowings	1,856.68	3,701.31
Fixed rate borrowings	1,809.81	2,293.09
<b>Total borrowings</b>	<b>3,666.48</b>	<b>5,994.40</b>

Refer Note No. 21, 25 & 27 for maturities of Company borrowings.

**52.1.7. 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, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Interest Rate – Increase/ Decrease by 50 basis point (50 bps)	(4.47)	(4.47)	4.47	4.47

**52.2. 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 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 fixed 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 categorization	Provision for expenses credit loss
Low Credit Risk	Cash and Cash Equivalents, other Bank Balances and Fixed Deposits with Banks	12 month expected credit loss
Moderate Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss
	Loans	12 month expected credit loss
High Credit Risk	Trade Receivables, Loans 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, 2020	As at 31 <sup>st</sup> March, 2019
A: Low credit risk	Cash and Cash Equivalents, other Bank Balances and other Non Current Financial Assets	9, 13 & 14	2,152.82	1,959.67
B: Moderate credit risk	Trade Receivables, Loans and other Current Financial Assets	8,12,15 & 16	14,695.99	12,055.19
C: High credit risk	Nil		-	-

**A: Low Credit Risk:**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2020				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
Cash and Cash Equivalents	13	1,194.64	-	1,194.64
Bank Balances other than Cash and Cash equivalents	14	948.89	-	948.89
Other Non Current Financial Assets	9	9.29	-	9.29

(₹ 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	13	220.73	-	220.73
Bank Balances other than Cash and Cash equivalents	14	1,732.67	-	1,732.67
Other Non Current Financial Assets	9	6.27	-	6.27



**B: Moderate Credit Risk:**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2020						
Particulars	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)	12 & 16	13,906.50	677.41	58.97	78.75	<b>14,721.63</b>
Impairment allowance		28.30	139.09	3.07	8.79	<b>179.25</b>
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		<b>13,878.21</b>	<b>538.32</b>	<b>55.90</b>	<b>69.96</b>	<b>14,542.39</b>
Gross Carrying Amount at high risk	15	9.74	-	-	-	<b>9.74</b>
Impairment allowance		5.28	-	-	-	<b>5.28</b>
Carrying Amount of Loans (Net of Impairment)		<b>4.46</b>	-	-	-	<b>4.46</b>

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019						
Particulars	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)	12 & 16	11,345.73	612.48	112.03	46.66	<b>12,116.90</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>11,345.73</b>	<b>463.84</b>	<b>97.54</b>	<b>42.64</b>	<b>11,949.75</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, 2018</b>	161.90
Expected credit loss (ECL) Recognized	5.25
Expected credit loss (ECL) Reversal	-
<b>Impairment Loss allowance on 31<sup>st</sup> March, 2019</b>	167.15
Expected credit loss (ECL) Recognized	-
Impairment Recognised	18.31
Expected credit loss (ECL) Reversal	6.21
<b>Loss Allowance on 31<sup>st</sup> March, 2020</b>	<b>179.25</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, 2020 and 31<sup>st</sup> March, 2019.
- Cash flow from operating activities provides funds to service financial liabilities on a day-to-day basis.

- (d) Company regularly monitors rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated is used for working capital management.
- (e) Following table 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, 2020					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	26	11,689.68	11,689.68	-	<b>11,689.68</b>
Borrowings	21 & 25	3,150.92	2,623.94	526.98	<b>3,150.92</b>
Unpaid dividend	27	1.87	1.87	-	<b>1.87</b>
Other current financial liabilities	27	719.80	719.80	-	<b>719.80</b>

(₹ 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)	26	10,206.36	10,206.36	-	<b>10,206.36</b>
Borrowings	21 & 25	5,058.62	3,865.25	1,193.37	<b>5,058.62</b>
Unpaid dividend	27	1.69	1.69	-	<b>1.69</b>
Other current financial liabilities	27	1,118.88	1,118.88	-	<b>1,118.88</b>

### 52.3 CURRENT & LIQUID RATIO:

Following table shows ratio analysis of Company for respective periods:

Period	Current Ratio	Liquid Ratio
<b>31<sup>st</sup> March, 2020</b>	1.63	1.10
<b>31<sup>st</sup> March, 2019</b>	1.23	0.84

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.

## 53. CAPITAL MANAGEMENT:

### 53.1 RISK MANAGEMENT:

Capital management is driven by Parent 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 Parent 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.

**53.2 DIVIDENDS:**

No changes were made in the objectives, policies or processes for managing capital during the year:

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Total number Equity shares outstanding	89,504,438	78,925,438
Interim dividend (including Dividend Distribution Tax) for the year*	161.85	-
Final dividend ₹ in Millions (including Dividend Distribution Tax) for the year (not recognized) - Subject to approval of Shareholders in ensuing Annual General Meeting.	-	114.18

\* The Parent Company declared and paid an interim dividend of ₹1.50/- per equity share ( 75%) on 9<sup>th</sup> March, 2020, resulting in cash out flow of ₹ 161.85 Millions (including dividend distribution tax), for the Financial year 2019-20. The Board has proposed that this may be treated as final dividend.

**54. Interest in Other Entities:****(a) Subsidiaries**

Information of subsidiary of parent company at 31<sup>st</sup> March, 2020 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, 2020	As at 31 <sup>st</sup> March, 2019	
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, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
KEI Cables Australia PTY LTD	10%	10%	(0.05)	(1.12)	(1.16)	(1.11)

**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 2020	As at 31 <sup>st</sup> March 2019
Non-Current Assets	-	-
Current Assets	0.63	38.05
<b>Total Assets (A)</b>	<b>0.63</b>	<b>38.05</b>

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Non-Current Liabilities	-	-
Current Liabilities	12.56	49.32
<b>Total Liabilities (B)</b>	<b>12.56</b>	<b>49.32</b>
<b>Equity C= (A-B)</b>	<b>(11.93)</b>	<b>(11.27)</b>
<b>Equity Attributable to Owners of the Parent</b>	<b>(10.74)</b>	<b>(10.14)</b>
<b>Non - Controlling Interests</b>	<b>(1.19)</b>	<b>(1.13)</b>

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Revenue Including other Income	37.36	399.24
Expenditure	37.84	410.40
<b>Profit/(Loss) before Tax</b>	<b>(0.48)</b>	<b>(11.16)</b>
Current Tax	-	0.06
<b>Profit/(Loss) after Tax</b>	<b>(0.48)</b>	<b>(11.22)</b>
Profit for the year attributable to owners of the Parent	<b>(0.43)</b>	<b>(10.10)</b>
Profit for the year attributable to NCI	<b>(0.05)</b>	<b>(1.12)</b>
<b>Profit for the Year</b>	<b>(0.48)</b>	<b>(11.22)</b>
Other Comprehensive Income for the year ( net of tax)	1.13	0.04
Other Comprehensive Income for the year attributable to owners of the parent	1.02	0.04
Other Comprehensive Income for the year attributable to NCI	0.11	0.00
<b>Other Comprehensive Income for the year</b>	<b>1.13</b>	<b>0.04</b>
<b>Total Comprehensive income for the year</b>	<b>0.65</b>	<b>(11.18)</b>
Total Comprehensive Income for the year attributable to owners of the parent	<b>0.59</b>	<b>(10.06)</b>
Total Comprehensive Income for the year attributable to NCI	<b>0.06</b>	<b>(1.12)</b>
<b>Total comprehensive income for the year</b>	<b>0.65</b>	<b>(11.18)</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 2020	As at 31 <sup>st</sup> March 2019
Cash Flows from Operating Activities	8.41	(17.91)
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	(7.92)	9.55
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>0.49</b>	<b>(8.36)</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 2020 which, in the opinion of the directors, are not 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 2020	As at 31 <sup>st</sup> March 2019 *	
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%	49%	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 2020	As at 31 <sup>st</sup> March 2019 *	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Non-Current Assets	-	-	-	-
Current Assets * (Previous year, ₹ 5,395/-)	50.66	0.01	2.48	2.46
<b>Total Assets (A)</b>	<b>50.66</b>	<b>0.01</b>	<b>2.48</b>	<b>2.46</b>
Non-Current Liabilities	-	-	-	-
Current Liabilities * (Previous year, ₹ 2,393/-)	80.09	0.00	0.90	0.76
<b>Total Liabilities (B)</b>	<b>80.09</b>	<b>0.00</b>	<b>0.90</b>	<b>0.76</b>
<b>Net Equity C= (A-B) * (Previous year, ₹ 3,003/-)</b>	<b>(29.43)</b>	<b>0.00</b>	<b>1.58</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 2020	As at 31 <sup>st</sup> March 2019 *	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019 **
Revenue	64.65	-	-	0.05
Cost of Materials Consumed	56.51	-	-	-
Finance Costs ** (Previous year, ₹ 1,345/-)	0.29	-	-	0.00
Other Expenses * (Previous year, ₹ 1,756/-)	39.08	0.00	0.13	0.05
Tax expense	-	-	-	-
<b>Profit/ (Loss) and Total Comprehensive Income for the year ***</b>	<b>(31.23)</b>	<b>(0.00)</b>	<b>(0.13)</b>	<b>(0.00)</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>Equity (31<sup>st</sup> March 2018)</b>	N.A.	<b>1.71</b>
Profit/ (Loss) for the year	(0.00)	(0.00)
Capital Distribution * (Previous year, ₹ 2,349/-)	0.00	-
<b>Equity (31<sup>st</sup> March 2019)</b>	<b>0.00</b>	<b>1.71</b>
Profit/ (Loss) for the year ***	(31.23)	(0.13)
Capital Distribution	-	-
<b>Equity (31<sup>st</sup> March 2020)</b>	<b>(29.43)</b>	<b>1.58</b>
Group share in %	49%	100%
<b>Carrying Amount ( ₹ 1,471/-)</b>	<b>(14.42)</b>	<b>1.58</b>

Note: \*\*\* For FY 2018-19 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

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

(₹ in Millions)

S. No	Name of the Entity	Ownership Interest	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		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	Parent	-	100.06%	15,080.09	100.02%	2,563.52	112.26%	(10.35)	99.98%	2,553.17
2	Subsidiaries									
B	Foreign									
a.)	KEI Cables Australia PTY LTD	90.00%	(0.06%)	(9.54)	(0.02%)	(0.43)	(11.04%)	1.02	0.02%	0.59
3	Non - Controlling Interest in All Subsidiaries	10.00%	(0.01%)	(1.05)	0.00%	(0.05)	(1.22%)	0.11	0.00%	0.06



S. No	Name of the Entity	Ownership 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
<b>4</b>	<b>Associate</b>									
	Foreign									
	Investments Accounted for using Equity Method									
a.)	Investments in KEI Cables SA (PTY) Limited	49.00%	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>5</b>	<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%	0.01%	1.57	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
B	Foreign									
	<b>TOTAL</b>		100%	15071.07	100.00%	2562.91	100.00%	(9.22)	100%	2553.69

## 56. Other Significant matters:

**56.1** During the quarter ended 31<sup>st</sup> March, 2020, the company has issued 10 Million equity shares of ₹ 2/- each at premium of ₹ 498/- each (Issue Price per share ₹ 500/- each) amounting to ₹ 5000 Millions to Qualified Institutional Investor on QIP basis. The proceeds of QIP have been utilized as per details given below:

---Expenses related to the QIP Issue amounted to ₹146.43 Millions (including GST). The Net proceeds of the QIP have been utilized as per objects of the Issue such as repayment or prepayment of debts, meeting working capital requirements and general corporate purposes aggregating to ₹3973.02 Millions. An amount of ₹ 880.55 Millions was unutilized as on 31<sup>st</sup> March, 2020 which has been invested / kept in the form of bank deposit with banks and also included in Cash and Cash Equivalent as at March 31, 2020.

**56.2** The outbreak of Coronavirus (COVID -19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated impact of this pandemic on its business operations. Based on its review and current Indicators of economic conditions, there is no significant impact on financial results for this year. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

## 57. Previous Year's figures have been regrouped / rearranged, wherever necessary.

As per our 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: 30<sup>th</sup> May, 2020

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 30<sup>th</sup> May, 2020

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint ventures

#### Part "A": Subsidiaries

(Rs. In Millions)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	KEI CABLES AUSTRALIA PTY LTD
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period will be 30.06.2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AUD and Exchange Rate is 46.35 INR = 1AUD (As on 31.03.2020)
4.	Share Capital	0.01
5.	Reserves and Surplus	(11.94)
6.	Total Assets	0.63
7.	Total Liabilities	12.56
8.	Investments	-
9.	Turnover	37.86
10.	Profit before taxation	(0.48)
11.	Provision for taxation	-
12.	Profit after taxation	(0.48)
13.	Proposed Dividend	Nil
14.	% of shareholding	90%

#### Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures  
(Rs. In Millions)

Sl. No.	Name of Associates/ Joint Ventures	KEI Cables SA (PTY) Ltd, South Africa *	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel A.G. Switzerland **
1.	Latest audited Balance Sheet Date	31.03.2020	31.03.2020
2.	Share of Associate/ Joint Ventures held by the Company on the year end		
	No.	490 Equity shares	N.A.
	Amount of Investment in Associates/ Joint Venture (INR) *(Rs.2,349)	0	NIL
	Extent of Holding %	49%	100% of Profit and Loss
3.	Description of how there is significant influence	Associate	Jointly Controlled Entity & Share in Profit / Loss 100 %
4.	Reason why the associate/joint venture is not consolidated	N.A.	N.A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	(29.43)	1.58
6.	Profit/Loss for the year (PAT)	(31.23)	(0.13)
	(i) Considered in Consolidation * INR (1490)	(0.00)	(0.13)
	(ii) Not Considered in Consolidation	(31.23)	-

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi  
Date: 30<sup>th</sup> May, 2020

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

# NOTICE

**THE 28<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF KEI INDUSTRIES LIMITED WILL BE HELD ON WEDNESDAY, THE 9<sup>TH</sup> DAY OF SEPTEMBER, 2020 AT 2.00 P.M. THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS (VC/OAVM) FOR WHICH PURPOSE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT D-90, OKHLA INDUSTRIAL AREA, PHASE-1, NEW DELHI-110020 SHALL BE DEEMED AS THE VENUE FOR THE MEETING AND THE PROCEEDINGS OF THE AGM SHALL BE DEEMED TO BE MADE THEREAT, TO TRANSACT THE FOLLOWING BUSINESS:**

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2020, the Report of Board of Directors and Auditors of the Company thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2020 and the Report of Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹ 1.50 per equity share already paid during the year as the Final Dividend for the Financial Year 2019-20.
3. To appoint a Director in place of Mr. Rajeev Gupta (holding DIN: 00128865), who retires by rotation and being eligible, offers himself for re-appointment.

## **SPECIAL BUSINESS:**

4. **Re-appointment of Mr. Rajeev Gupta (holding DIN:00128865) as Executive Director (Finance) & CFO of the Company:**

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

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee of the Board

and Board of Directors and provisions of Sections 196 and 197 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and any other applicable law(s), regulation(s) and guideline(s), the members of the Company hereby accord its approval for the re-appointment of Mr. Rajeev Gupta (holding DIN:00128865) as Whole-time-Director (Designated as Executive Director (Finance) & CFO) of the Company for a further period of 5 years commencing from June 01, 2020 to May 31, 2025 on the terms & conditions set out here below and with further discretion to the Board / Committee to alter from time to time said terms & conditions in such manner as it may deem fit in the best interest of the Company and agreed to with Mr. Rajeev Gupta.

<b>1. Period</b>	<b>from June 01, 2020 to May 31, 2025</b>
<b>2. Remuneration</b>	
<b>a. Salary</b>	<b>₹4,19,400/- basic salary per month w.e.f. June 01, 2020</b>
<b>b. Perquisites</b>	<b>For this purpose perquisites are classified into three categories A, B and C:</b>

### **Category-A**

- Housing:** Rent allowance at the rate of ₹ 1,66,000/- per month
- Other Allowances:**
  - Education Allowance: ₹2,000/- per month
  - Special Allowance: ₹2,23,296/- per month
  - Conveyance Allowance: ₹1,03,840/- per month
- Medical Reimbursement:** Expenses incurred for himself and his family as per Company rules.

**iv) Leave Travel Allowance:** Leave Travel Allowance for self and members of his family as per Company Rules.

**v) Leave Encashment and other entitlements:** Leave encashment and other entitlements as per Company Rules.

#### **Category-B**

The Company's contribution for him to provident fund, superannuation fund, gratuity fund and annuity fund in accordance with the Rules and Regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

#### **Category-C**

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

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

**RESOLVED FURTHER THAT** Mr. Anil Gupta, CMD, Mrs. Archana Gupta, Director and Mr. Kishore Kunal, Company Secretary be and are hereby severally authorised to sign and file all the necessary applications, documents, inter alia, with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution and for matters connected herewith or incidental hereto."

#### **5. Ratification of Remuneration of M/s. S. Chander & Associates, Cost Accountants, appointed as Cost Auditors of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and

the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force or from time to time), M/s. S. Chander & Associates., Cost Accountants, appointed by the Board of Directors / Audit Committee of the Company to conduct the audit of the cost records maintained by the Company for the Financial Year 2020-21, be paid the remuneration of ₹3,35,000/- plus Goods and Service tax as applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for this purpose by the said Cost Auditors.

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

**By Order of the Board of Directors  
For KEI INDUSTRIES LIMITED**

**(Kishore Kunal)**

**Place: New Delhi** GM (Corporate) & Company Secretary  
**Date: August 06, 2020** **M. No.: FCS-9429**  
**CIN: L74899DL1992PLC051527**  
**Regd. Office: D-90, Okhla Industrial Area,**  
**Phase-I, New Delhi-110020**

#### **NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. At 25<sup>th</sup> AGM, M/s. Pawan Shubham and Co., Chartered Accountants (Firm Registration Number 011573C) were appointed as Statutory Auditors of the Company for a term of 5 years until the conclusion of 30<sup>th</sup> AGM of the Company.

The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is not required, in terms of Notification No. S.O. 188 (E) dated May 07, 2018, issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of the Notice of Annual General Meeting.

3. Since this AGM is being held pursuant to the Circular issued by Ministry of Corporate Affairs having circular no. 20/2020 dated May 05, 2020 read alongwith MCA circular dated April 08, 2020, and April 13, 2020 and SEBI circular dated May 12, 2020 this AGM is being held through VC / OAVM, where physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer at its email [skbatrapcs@gmail.com](mailto:skbatrapcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
5. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. MAS Services Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
7. The Register of Members and Share Transfer Books will remain closed from September 03, 2020 to September 09, 2020 (both days inclusive).
8. Un-claimed / Unpaid Dividend for the Financial Year 2011-12 has been transferred to the Investor Education and Protection Fund established by the Central Government. Further, amount of Un-claimed / Un-paid Dividend for the Financial

Year 2012-13 is due for deposit to the Investors Education and Protection Fund.

Members are therefore requested to en-cash their dividend warrants for subsequent Financial Years. Members are requested to write to the Company and/or Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh/revalidated warrants could be issued by the Company.

Further, the Company has also transferred 10,569 Equity Shares of the Company to the Demat Account of Investor Education and Protection Fund held with NSDL and CDSL pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time for the FY 2011-12 in respect of which dividend has not been paid or claimed for seven consecutive years or more.

Further, the details of shareholders whose dividend and shares are transferred to Investor Education and Protection Fund are updated on the website of the Company [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

Concerned shareholders may claim their shares or apply for refund of dividend to the IEPF Authority by making an application in the prescribed Form. For claiming Refund from IEPF, website link: <http://www.iepf.gov.in/IEPFA/refund.html>.

9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
10. In terms of Article 113 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Rajeev Gupta (holding DIN: 00128865) retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment



and the re-appointment as such director shall not be deemed to constitute a break in his office.

The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

11. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses specified under Item No. 4 and Item No. 5 are annexed hereto.
12. All documents referred to in the Notice and accompanying Explanatory Statement, as well as the Annual Report, are open for inspection at the Registered Office of the Company on all working days during normal business hours up to the date of the Meeting.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
14. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication(s) including Annual Report, Notices and Circulars etc. from the Company electronically. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any, to the Registrar and Transfer Agent M/s. MAS SERVICES LTD., T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Ph:- +91-11-26387281/82/83, Fax:- +91-11-26387384, E-mail:- [info@masserv.com](mailto:info@masserv.com), website: [www.masserv.com](http://www.masserv.com) and / or the Company Secretary or to their respective depository participants if the shares are held in electronic form.
15. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:-

Members having valid PAN	7.5% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India.

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed ₹ 5,000/- and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act.

Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable.

16. Members are entitled to nominate a person to whom his/her shares in the Company shall vest in the event of his/her demise, by filling up Form No. SH-13. The members are requested to avail of this facility. The duly filled in and signed Nomination Form No. SH-13 should be sent to the Registrar and Transfer Agents, M/s. MAS Services Limited at the address mentioned in point No. 14.
17. The Securities and Exchange Board of India vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and BSE Circular Ref. No. LIST/COMP/15/2018-19 dated July 05, 2018 and NSE Circular Ref. No. NSE/CML/2018/26 dated July 09, 2018, as modified by the Securities and Exchange Board of India vide its Circular No. SEBI/LAD-NRO/GN/2018/49 dated



November 30, 2018 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which mandated that transfer of securities with effect from April 01, 2019 would be in dematerialized form only. Members holding shares in physical form are requested to take necessary steps with their respective Depository Participants to dematerialize their physical shares. Information on dematerialization of shares including the process for dematerialization is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

18. Members desiring any information on the accounts at the AGM are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company at its Registered Office or to the Registrar and Transfer Agents.
20. The recorded transcript of the forthcoming AGM on September 09, 2020, shall also be made available on the website of the Company in the investor relation section, as soon as possible after the meeting is over.
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**Instructions for e-voting and joining the AGM are as follows:**

**VOTING THROUGH ELECTRONIC MEANS**

- (a) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For

this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

- (b) The remote e-voting period commences on Sunday, September 06, 2020 (9:00 a.m. IST) and ends on Tuesday, September 08, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 02, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (c) The Board of Directors has appointed S.K. Batra & Associates (Membership No. FCS 7714), Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- (d) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (e) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (f) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

(g) The instructions for members for remote e-Voting are as under:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>.**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 1*** and EVEN is 101456 then user ID is 101456000001
---	---

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered with the depositories, for procuring user id and Password and for registration of email ID for e-Voting, please follow the steps mentioned below:
- a) In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), self-attested copy of PAN Card, self-attested copy of Aadhar Card by email to [info@masserv.com](mailto:info@masserv.com) / [cs@kei-ind.com](mailto:cs@kei-ind.com).
- b) In case shares are held in demat mode, please provide DPID CLENT ID (16 digit

DP ID+CLIENT ID or 16 digit beneficiary ID), Name, client master or copy of consolidated account statement, self-attested copy of PAN Card, self-attested copy of Aadhar Card by writing an email to [info@masserv.com](mailto:info@masserv.com) / [cs@kei-ind.com](mailto:cs@kei-ind.com).

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details / Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system ?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting.
2. Select "EVEN" 113342 (e-voting even number) of "KEI Industries Limited";
3. Now you are ready for e-Voting as Cast Vote page opens;
4. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted;
5. Upon confirmation, the message "Vote cast successfully " will be displayed;
6. Once you have voted on the resolution, you will not be allowed to modify your vote;

7. For the votes to be considered valid, the Institutional shareholders (other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution /Authority Letter etc. to the Scrutinizer through e-mail at [skbatrapcs@gmail.com](mailto:skbatrapcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

8. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
- (h) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

**(i) INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
- Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
- Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for 1000 Members on first come first served basis. However, this number

does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- Members, who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 and our Registrar and Transfer Agent on [info@masserv.com](mailto:info@masserv.com)/ 011-26387281-82-83
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number & number of shares at [info@masserv.com](mailto:info@masserv.com) / [cs@kei-ind.com](mailto:cs@kei-ind.com) before September 05, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### (j) Other Instructions

- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kei-ind.com](http://www.kei-ind.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, BSE Limited, and Calcutta Stock Exchange where the shares of the Company are listed.

- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**By Order of the Board of Directors  
For KEI INDUSTRIES LIMITED**

**(Kishore Kunal)**

**Place: New Delhi** GM (Corporate) & Company Secretary  
**Date: August 06, 2020** M. No.: FCS-9429

**CIN: L74899DL1992PLC051527**

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

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

##### **ITEM NO. 4**

At 23<sup>rd</sup> Annual General Meeting of the Company held on September 16, 2015, members of the Company had approved re-appointment of Mr. Rajeev Gupta as Executive Director (Finance) for a period of 5 years w.e.f. June 01, 2015 till May 31, 2020. Mr. Rajeev Gupta is working as Head of Accounts & Finance of the Company for approximately 27 years. His innovative guidance in managing the Finance of the Company has helped the Company to grow in a significant manner. His valuable contribution and guidance has helped the Company to achieve the future targets in sales and value. Presently he is working as Executive Director (Finance) & CFO of the Company. Considering his invaluable contribution & dedication in the management of the Company he has been proposed to be re-appointed as Whole Time Director of the Company (designated as the Executive Director (Finance) & CFO) for a fresh term of five years with effect from June 01, 2020.

Subject to shareholders' approval, Nomination and Remuneration Committee and Board of Directors at



their respective meetings held on 30.05.2020 have re-appointed Mr. Rajeev Gupta as Executive Director (Finance) & CFO of the Company for a period of 5 years w.e.f. June 01, 2020 till May 31, 2025 on the terms and conditions as set out in the resolution under Item No. 04.

The detailed terms and conditions of re-appointment of Mr. Rajeev Gupta and remuneration payable to him are set out in resolution under Item No. 04.

Mr. Rajeev Gupta has given consent letter in Form DIR-2, intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) of the Companies Act, 2013 to act as a Director(s) and intimation to the effect that they are not disqualified from being appointed as a Director(s) of a listed entity by virtue of any SEBI order or any such authority, as per instructions given by SEBI and circulated to the Companies by BSE vide its circular No. LIST/COMP/14/2018-19 and NSE vide its circular Ref No. NSE/CML/2018/24 dated June 20, 2018 respectively.

Except Mr. Rajeev Gupta, no other Director and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise in the passing of resolution set out at Item No. 04 of the Notice.

Your Board recommends the passing of Resolution as set out in the accompanying Notice as an Special Resolution with respect to re-appointment of Mr. Rajeev Gupta as Executive Director (Finance) & CFO of the Company.

Accordingly, the Board/Committee recommends the resolution as set out in Item No. 4 of Notice for approval of the members.

#### **Item No. 05**

M/s. S. Chander & Associates, Cost Accountants, were re-appointed as Cost Auditors of the Company by the Board of Directors on the recommendation of the Audit Committee, to audit the cost records maintained by the Company in connection with manufacture of Electrical Cables, Wires and Stainless Steel Wires for the Financial Year ending March 31, 2021 at a remuneration of ₹ 3,35,000/- plus Goods and Service Tax as applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred or the purpose.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the

Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors/ Audit Committee, is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2021.

None of the Directors/ Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Accordingly, the Board/Committee recommends the resolution as set out in Item No. 5 of Notice for approval of the members.

**By Order of the Board of Directors  
For KEI INDUSTRIES LIMITED**

**(Kishore Kunal)**

**Place: New Delhi** GM (Corporate) & Company Secretary  
**Date: August 06, 2020** M. No.: FCS-9429  
**CIN: L74899DL1992PLC051527**  
**Regd. Office: D-90, Okhla Industrial Area,**  
**Phase-I, New Delhi-110020**

**PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 AND SECRETARIAL STANDARD - 2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI), INFORMATION ABOUT THE DIRECTOR PROPOSED TO BE RE- APPOINTED/ APPOINTED UNDER ITEM NO.4 IS FURNISHED AS BELOW:**

**ITEM NO. 4**

<b>Name of Director</b>	Mr. Rajeev Gupta (holding DIN: 00128865)
<b>Date of Birth</b>	31.01.1964
<b>Date of First Appointment</b>	21.04.2006
<b>No. of Equity Shares held (face value of ₹ 2 each)</b>	378691
<b>Qualification</b>	B.Com (Hons) and fellow member of the Institute of Chartered Accountants of India.
<b>Nature of Expertise</b>	Mr. Rajeev Gupta has been on the Board of Directors of the Company since April 21, 2006. He joined the Company in 1993. He is B. Com (Hons.) and fellow member of The Institute of Chartered Accountants of India and has about 27 years of experience in managing the financial affairs of the Company. He has been instrumental in raising funds for the Company for Expansion/ Modernization Projects of the Company. He looks after the Finance & Accounts Department of the Company.
<b>Relationship with other Director(s)</b>	Not related with any Director of the Company
<b>Name of Listed Companies in which he holds Directorship</b>	KEI Industries Limited
<b>Name of Committees of Listed Companies in which he is Chairman/ Member</b>	- <b>KEI Industries Limited</b> Finance Committee- Member Corporate Social Responsibility Committee- Member Risk Management Committee- Member Qualified Institutions Placement Committee - Member
<b>Number of Meetings of the Board attended during the FY 2019-20</b>	Six (6)

**ADDITIONAL INFORMATION AS REQUIRED PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO 4:**

**I. GENERAL INFORMATION:**

(1)	<b>Nature of Industry</b>	The Company is engaged in manufacturing of Electrical Cables & Wires and execution of Engineering Procurement and Construction (EPC) Projects on turnkey basis.
(2)	Date or expected date of commencement of commercial production	The Company is already in existence and is in operation since December 31, 1992.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable



(₹ In Millions)

<b>(4) Financial Performance for last 3 years is given below:</b>			
<b>Particulars - On Standalone Basis</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018</b>
<b>Revenue from Operations (Gross)</b>	<b>48,842.66</b>	<b>42,269.63</b>	<b>34,964.19</b>
Other Income	164.69	71.91	92.99
Total Income	49,007.35	42,341.54	35,057.18
<b>Total Expenses</b>	<b>45,740.68</b>	<b>39,548.50</b>	<b>33,015.58</b>
<b>Profit before tax</b>	<b>3,266.67</b>	<b>2,793.04</b>	<b>2,041.60</b>
Tax Expenses (including Current tax, MAT Credit Entitlement, Deferred Tax, short/excess provision for earlier years)	715.64	974.33	596.04
<b>Profit for the year</b>	<b>2,551.03</b>	<b>1818.71</b>	<b>1,445.56</b>
Proposed Dividend/Interim Dividend on Equity Shares for financial year. *Interim dividend for FY 2019-2020	134.26*	94.71	78.36
Dividend Distribution Tax on Proposed Dividend/Interim Dividend.	27.59*	19.47	16.11
<b>Paid up Share Capital</b>	<b>179.01</b>	<b>157.85</b>	<b>156.72</b>
<b>Other Equity</b>	<b>14,888.58</b>	<b>7,631.08</b>	<b>5,888.60</b>
<b>Net Worth</b>	<b>15,067.59</b>	<b>7,788.93</b>	<b>6,045.32</b>
<b>Note: Figures for the Previous Year has been regrouped/rearranged wherever required.</b>			

(5)	Foreign investments or collaborators, if any	<ul style="list-style-type: none"> <li>Foreign Technical Collaboration Agreement with Brugg Kabel A.G, Switzerland for manufacturing of Extra High Voltage (EHV) cables ranging from 220kV to 400kV.</li> <li>Invested towards initial and further share capital for setting up subsidiary in Australia and an associate in South Africa.</li> </ul>
-----	--	--

## II. INFORMATION ABOUT THE APPOINTEE:

### (A) Mr. Rajeev Gupta, Executive Director (Finance) & CFO

(1)	Background details	Mr. Rajeev Gupta has been on the Board of Directors of the Company since April 21, 2006. He joined the Company in 1993. He is B.Com (Hons.) and fellow member of The Institute of Chartered Accountants of India and has about 27 years of experience in managing the financial affairs of the Company. He has been instrumental in raising funds for the Company for Expansion/ Modernization Projects of the Company. He looks after the Finance & Accounts Department of the Company.
(2)	Past remuneration	(a) Salary: ₹ 50,32,800/- per annum (b) Perquisites: ₹ 59,41,632/- per annum (c) Value of ESOP (2019-20): ₹ 7,36,35,000/-

(3)	Recognition or awards	None
(4)	Job profile and his suitability	Mr. Rajeev Gupta, being Executive Director (Finance) & CFO of the Company is entrusted with substantial powers of management in relation to financial matters, strategic planning and development of the Company. He looks after the Financial planning of the company and reporting to higher management. As Executive Director (Finance) & CFO of the Company, he is responsible for motivating the team of professional to implement the Financial Policies.
(5)	Remuneration proposed	As per resolution under Item No. 04.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top level managerial persons having comparative qualifications and experience.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel	There is no other pecuniary relationship of Mr. Rajeev Gupta with the company except the remuneration payable to him as ED (Finance) & CFO and shares held by him and his relatives in the Company.

### III. OTHER INFORMATION:

(1)	Reasons for loss or inadequate profits	The Company has been making profit since inception. The Company has also good dividend payment record. During the last three years Company has been able to improve operational performance but the profit may be inadequate due to margin pressure, low capacity utilization and competition in the Industry. This is an enabling resolution.
(2)	Steps taken or proposed to be taken for improvement	The Company has taken various steps to improve productivity and increase operational efficiency. Margin has improved with the strong order book position and demand.
(3)	Expected increase in productivity and profits in measurable terms	The Company is expected to achieve its projected sales & profitability.

### IV. DISCLOSURES:

- (1) The Shareholders of the Company shall be informed of the remuneration package of Mr. Rajeev Gupta as per the provisions of applicable laws.
- (2) Requisite disclosure regarding remuneration, service contracts, stock options etc. has been disclosed as a part of Directors' Report under the heading "Corporate Governance" attached to the Annual Report of the Company.

## REQUEST FORM

To,  
**MAS SERVICES LIMITED**  
T-34, 2<sup>nd</sup> Floor,  
Okhla Industrial Area, Phase II,  
New Delhi - 110020

Date:

**Sub: Updation of PAN and Bank Account details in Company records**

Unit: KEI Industries Limited  
FOLIO NO:

Dear Sir,

With reference to your letter regarding the captioned subject, please find below our Bank and PAN details for updating the same in Company records (attach self attested proofs also) :

<b>A</b>	PAN of 1 <sup>st</sup> shareholder												
	PAN of 2 <sup>nd</sup> shareholder												
	PAN of 3 <sup>rd</sup> shareholder												
<b>B</b>	Bank Details of 1 <sup>st</sup> Shareholder	[Attach Original cancelled cheque(with name printed on it)]											
	Name of Bank:												
	Branch address :												
	9 Digit MICR Code												
	Bank Account Number												
	11 Digit IFSC Code												
	Account type:	Saving / Current account / cash credit											
<b>C</b>	E-mail-Id (in block letters):												
	Mobile No. /Phone No.:												

Signature of 1 <sup>st</sup> Shareholder	Signature of 2 <sup>nd</sup> Shareholder	Signature of 3 <sup>rd</sup> Shareholder
--	--	--

**For change of address only:**

Kindly change/update my address in your records. I am enclosing SELF ATTESTED COPY of any two Photo Id proofs: Driving license /Passport/Aadhar card/Voter ID card.

New Address: (FILL IN BLOCK LETTERS ONLY)

-----

Pin Code (Mandatory)						
----------------------	--	--	--	--	--	--

Thanking you,

Yours truly,

Signature of 1 <sup>st</sup> Shareholder	Signature of 2 <sup>nd</sup> Shareholder	Signature of 3 <sup>rd</sup> Shareholder
Name:	N.A.	N.A.

**SIGNATURE ATTESTATION**

Account no. of Shareholder: \_\_\_\_\_

Signature of above FIRST shareholder as per Bank's records: \_\_\_\_\_

Signature of Bank Manager: \_\_\_\_\_

Bank & Branch Seal with employee name & number: \_\_\_\_\_

Bank Telephone nos.(with STD code.) : \_\_\_\_\_

**REMINDER**

**Dear Shareholders,**

**Unit: KEI Industries Limited**

**Sub: Mandatory updation of PAN and Bank account details in Company records and Dematerialization for transfer of shares**

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 Dated April 20, 2018 and SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 Dated July 16, 2018 every listed Company has to update Bank Account details and PAN number of all the shareholders holding shares in physical form.

We are sending this letter and request the shareholders who have not updated their Bank Account Details and PAN till date to send the following documents to the Company/RTA to update your details in records of the Company:

- 1) Duly filled and signed Request Form (enclosed);
- 2) Self attested copy of PAN card, including that of joint shareholders; (exempt for shareholders resident of Sikkim state);
- 3) An original cancelled cheque of 1st shareholder only;
  - Name of 1st shareholder should be printed on cheque leaf and;
  - If name of shareholder is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker alongwith cancelled cheque shall be required;
- 4) Copy of Share Certificate.

As directed by SEBI, in case of failure to register PAN and Bank details as aforesaid, any transaction in the securities of the Company shall be subject to enhance due diligence by the Company / RTA, as may be prescribed. Also, it may be noted that issue of payment instruments without bank details may be disallowed.

Further, pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated that transfer of securities with effect from April 01, 2019 would be in dematerialized form only.

In other words, request for effecting transfer of equity shares held in physical form will not be processed from the effective date i.e. April 01, 2019. Members holding shares in physical form are requested to take necessary steps with their respective Depository Participants to dematerialize their physical shares. Information on dematerialization of shares including the process for dematerialization is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**For KEI INDUSTRIES LIMITED**

**Place: New Delhi**

**Dated: August 6, 2020**

**CIN: L74899DL1992PLC051527**

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

**(Kishore Kunal)**

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





**KEI INDUSTRIES LIMITED**

CIN: L74899DL1992PLC051527

Corporate & Registered Office:

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

Ph: +91-11-26818840/8642, Fax: +91-11-26811959/7225

Email: [cs@kei-ind.com](mailto:cs@kei-ind.com), Website: [www.kei-ind.com](http://www.kei-ind.com)