



KEI Industries Limited

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**KEI/BSE/2019-20**  
**The Manager,**  
**BSE Limited**  
**Listing Division,**  
**Phiroze Jeejeebhoy Towers,**  
**Dalal Street,**  
**Mumbai- 400 001.**

**Date: 23.08.2019**

**Sub: Annual Report for the Financial Year 2018-19 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

Dear Sir / Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find attached herewith the 27<sup>th</sup> Annual Report of the Company for the Financial Year ended on 31<sup>st</sup> March, 2019, E-voting Instructions along with the Notice convening the 27<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, September 17, 2019 at 10.00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003

The aforesaid documents are also available on website of the Company at [www.kei-ind.com](http://www.kei-ind.com).

This is for your information and record.

Thanking You,  
Yours faithfully,  
**For KEI INDUSTRIES LIMITED**

*For KEI INDUSTRIES LIMITED*

  
**(KISHORE KUNAL)**  
**GM (Corporate) & Company Secretary**

**GM (Corporate) & Company Secretary**

**M. No.: FCS9429**

**CC:**

<b>The National Stock Exchange of India Ltd.</b> <b>Listing Division,</b> <b>Exchange Plaza, Plot No. C/1, G Block,</b> <b>Bandra Kurla Complex, Bandra (E),</b> <b>Mumbai – 400 051</b> <b>NSE Symbol : KEI</b>	<b>The Calcutta Stock Exchange Ltd.</b> <b>The Senior Manager, Listing Division,</b> <b>7, Lyons Range, Kolkata-700001</b>  <b>Stock Code : 21180</b>
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# KEI

Wires and Cables  
The power behind the power®



**POWERED BY  
COMMITMENT.  
PROVEN BY  
PERFORMANCE.**

KEI Industries Limited  
Annual Report 2018-19

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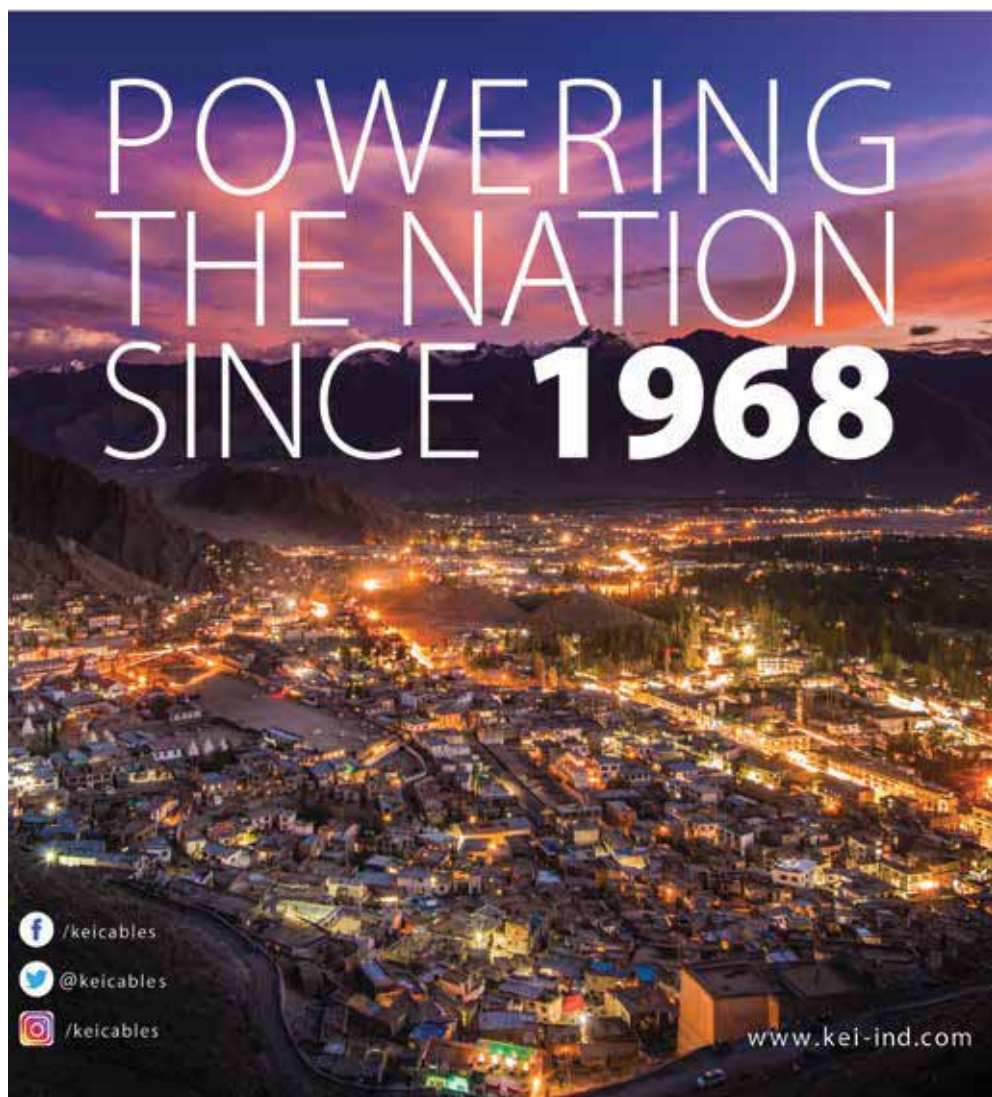
[www.kei-ind.com](http://www.kei-ind.com)

# POWERED BY COMMITMENT. PROVEN BY PERFORMANCE.

If growth enables, consistent growth empowers. Consistency is a force multiplier that enables fulfillment of long-term vision with ease. The key factor is that consistency in growth gives visibility to enhanced revenues and enables an organization to execute long-term plans. That is the power of consistent growth.

At KEI, we have been committed to drive consistent growth to build a stronger and more stable business. We are proud to share that our efforts have been largely vindicated as reflected in our consistent performance year-on-year across a range of financial and operational metrics. By staying steadfast to our well-thought-out strategies - be it enhancing manufacturing capacities, building differentiated capabilities or diversifying our operations, we have ensured realization of our revenues and profitability targets year-on-year.

Our consistent all-round growth is also an outcome of our clear strategies for each of our business verticals. We have maintained our performance in driving disciplined capital allocation, positive cash flow generation and a strong balance sheet. This in turn has enabled us to generate solid returns to our shareholders, better value for our stakeholders and re-investments back into the business to set a virtuous growth cycle in motion.



**We're keeping our commitments, and we're making a difference for our customers, channel partners, investors, employees and communities.**

**In this report, you'll see why we are so proud of where we are today, and why we are confident about our future.**

# ABOUT US

**KEI Industries Limited is amongst India's top three wire and cable manufacturers, with a comprehensive product portfolio ranging from housing wires to Extra High Voltage (EHV) cables. Leveraging our in-house cable production, we have strategically forward integrated into Engineering, Procurement and Construction (EPC) services for power and transmission projects. Our high-quality solutions have made us a trusted and preferred provider in the Retail, Institutional and Export segments.**

While incorporated in 1992, our Company's existence goes much beyond with its roots in a partnership firm established in 1968. Led by this five decades of industry experience, we have consistently focused on growing a diversified and de-risked business model across segments, products, sectors and geographies.

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

## DIVERSIFIED INTO THREE MAJOR BUSINESS SEGMENTS

- ✦ Retail
- ✦ Institutional
  - HT & LT Cables
  - EHV Cables
  - EPC Services
- ✦ Exports

## DIVERSIFIED PRODUCT MIX

- ✦ Extra-High Voltage Cables up to 400 kV
- ✦ High & Medium Voltage Cables
- ✦ Control & Instrumentation Cables
- ✦ Specialty Cables
- ✦ Submersible Cables
- ✦ Rubber Cables
- ✦ PVC/Poly Wrapped Winding Wires (WW)
- ✦ Flexible & House Wires (HW)
- ✦ Stainless Steel Wires (SSW)
- ✦ EPC Services

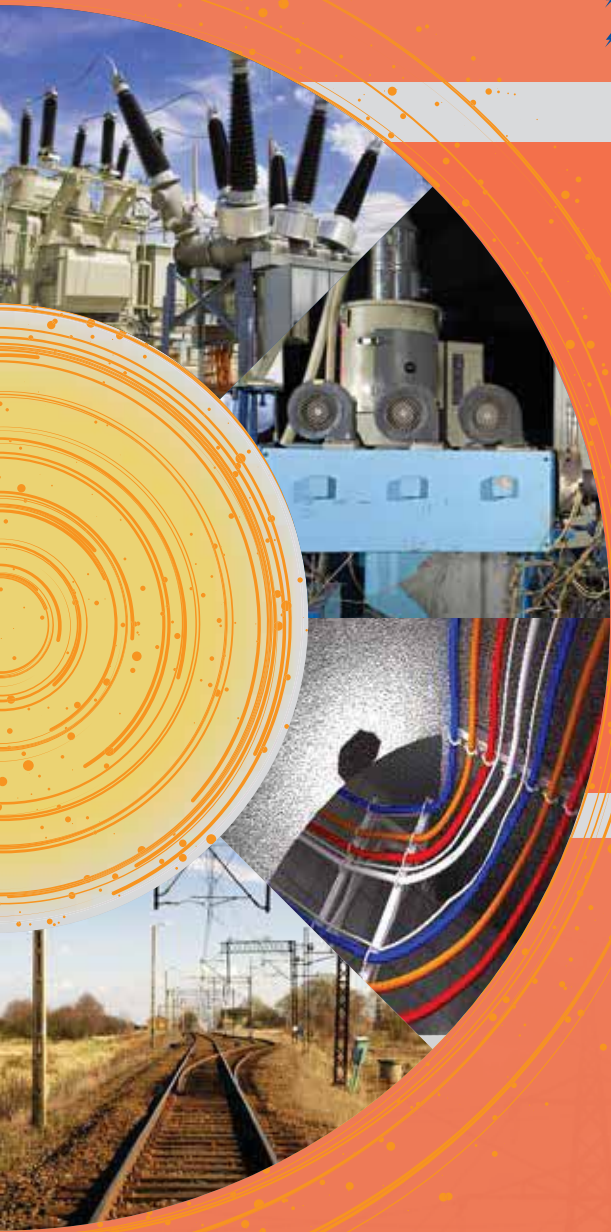
## DIVERSIFIED SECTORAL PRESENCE

- ✦ Power
- ✦ Oil Refineries
- ✦ Railways
- ✦ Automobiles
- ✦ Cement
- ✦ Steel
- ✦ Fertilizers
- ✦ Textile
- ✦ Real Estate

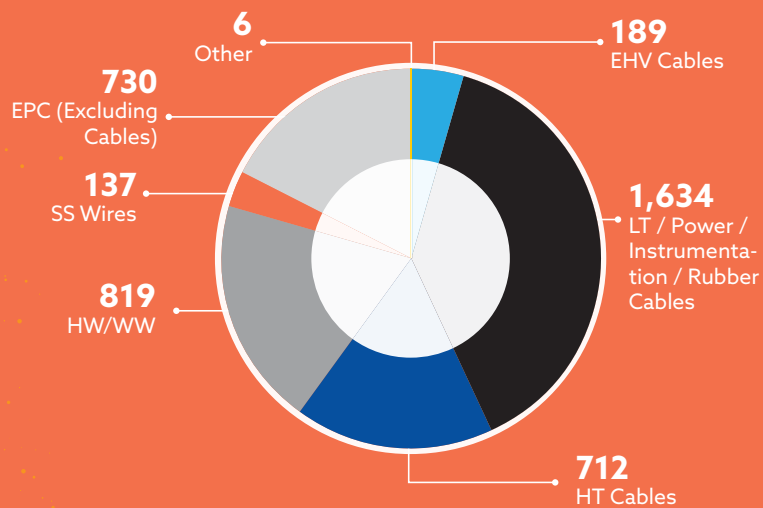


### DIVERSIFIED DOMESTIC & GLOBAL FOOTPRINT

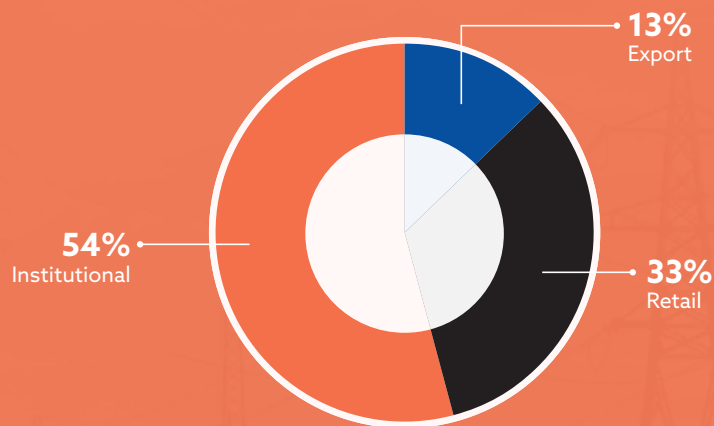
- ⚡ Products sold across the country through 1,450 distribution partners
- ⚡ Products exported to 45 countries



### PRODUCTWISE NET SALES FY 2018-19 (₹ in Crores)

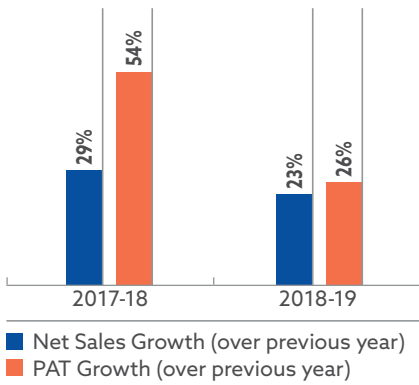


### REVENUE MIX FOR FY 2018-19

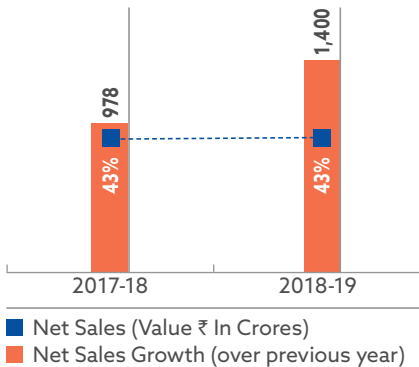


# PROVING OUR PERFORMANCE ON ALL FRONTS

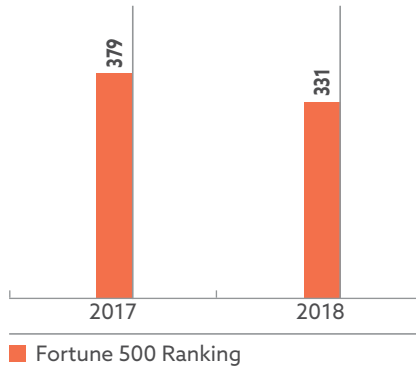
## DELIVERING ON FINANCIAL TARGETS



## GROWING OUR RETAIL BUSINESS



## ENHANCING OUR CORPORATE STATUS

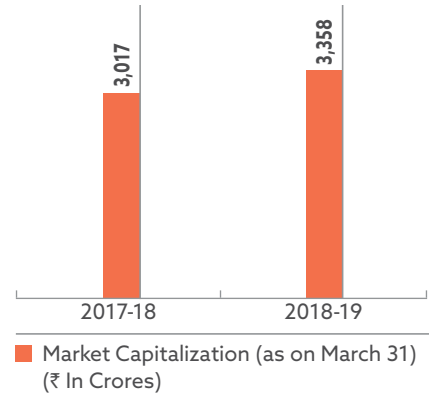


## IMPROVING OUR CREDIT RATINGS

- ⚡ Rating assigned to long-term facilities is A
- ⚡ Rating assigned to short-term facilities is A1

(Ratings as per CARE & ICRA Limited)

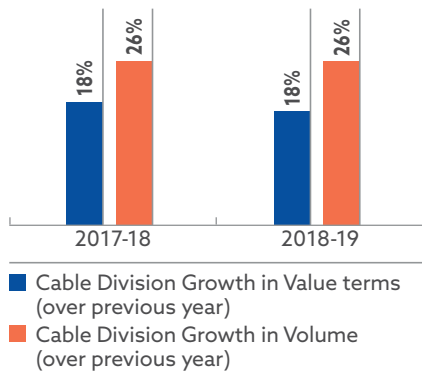
## GAINING MARKET VALUE



## CONSISTENTLY WINNING SUPERBRAND TITLE

- ⚡ Awarded the prestigious Superbrand status in 2019 for exemplary performance
- ⚡ Achieved this esteemed recognition for the 7<sup>th</sup> time since 2011

## ACHIEVING OPERATIONAL GOALS



## CELEBRATING 50 YEARS

KEI commenced business as a partnership firm under the name of Krishna Electrical Industries established in 1968. The firm was converted into a public limited company in 1992 and christened as KEI Industries Limited. The year 2018 marked 50 glorious years in existence. To celebrate this proud milestone and remarkable journey, several events were held across various Company locations throughout the year. The programs saw overwhelming participation from all our stakeholders including employees, channel partners and customers.





# WHAT POWERS US TO PERFORM CONSISTENTLY

## MANUFACTURING PROWESS

We have set up world-class facilities at five different locations in India: Bhiwadi (Rajasthan), Chopanki (Rajasthan), Pathredi (Rajasthan), Silvassa and Chinchpada (Dadra & Nagar Haveli). Our diversified manufacturing presence provides flexibility to our operations, enabling us to efficiently meet market needs across the country.

Besides maintaining a strategic manufacturing footprint, we have

consistently enhanced our plant capacities aligned with the rising demand for our products. During the year, the Company has completed the capacity expansion for HT & LT cables at Pathredi. We are also growing our manufacturing capacity for housing wires by setting up a new unit at our Silvassa facility. Our consistent investments towards growing our manufacturing strengths have been pivotal in scaling our revenues consistently.



## CUMULATIVE CAPACITY OVER LAST THREE YEARS

Product category	Unit of measurement	Capacity as on March 31, 2017	Capacity as on March 31, 2018	Capacity as on March 31, 2019
EHV Cables	Kms	900	900	900
HT Cables	Kms	7,500	7,500	11,100
LT Cables	Kms	84,000	84,000	94,000
Rubber Cables	Kms	3,600	3,600	3,600
Winding, Flexibles & House Wires	Kms	677,000	677,000	817,000
Stainless Steel Wires	MT	6,000	6,000	6,000

## QUALITY AND SAFETY COMMITMENT

We ensure adherence to the most stringent quality standards including KEMA (Arnhem, The Netherlands), FGH (Germany), TUV (Rheinland), SGS, IRS, ABS, CEIL, BRE (UK), LLOYDS REGISTER, BVQI, DNV-GL, KVAERNER POWERGAS, CPRI, ERDA, IDEMI, EIL, PDIL and MECON. Our plants are certified to Quality Management System (ISO 9001:2015), Environment Management System (ISO 14001:2015) and Occupational Health & Safety Management System (ISO 45001:2018). Our testing laboratories are NABL ISO / IEC 17025:2017 certified. We have been consistently awarded the Superbrand status, validating the respect and recognition earned by our brand among customers and industries. Our unflinching quality commitment has enabled us to garner the trust of our clients for our production process, technology and products, enabling us to consistently grow our sales in India and beyond.

## WIDE DOMESTIC REACH

We have stepped up our dealer/distribution network in India in recent years to strengthen the retail availability of our products. Over FY 2013-19, our dealer strength has more than doubled, enabling us to consistently increase the share of revenues from the Retail segment. We have also consistently increased our focus on marketing and brand promotion to drive deeper connect.

### Number of Dealers/Distributors

2016-17	2017-18	2018-19
1,147	1,284	1,450

(as on March 31)

### Higher spends on brand building (₹ in Crores)

2016-17	2017-18	2018-19
7.53 <sub>Cr</sub>	14.85 <sub>Cr</sub>	19.44 <sub>Cr</sub>



## STRONG PRODUCT CREDENTIALS

To participate in tenders floated by institutional clients, prior product approval is necessary. Our products have secured the necessary approvals from utility sector clients, thereby pre-qualifying us to participate in large utility tenders. This gives us a strong competitive edge in the industry.

## PRODUCTIVITY AND EFFICIENCY MANAGEMENT

We have engaged two leading consultants to leverage their expertise and experience towards meeting our business goals. The first consultant we have enlisted is in the EPC division for systems and process / procedure updation and material flow management. The second consultant is working with us to redefine the organizational chart, structure, reporting and span of control with the aim of helping KEI scale and build an efficiency model that will allow it to continue on its growth plan.

## PEOPLE-DRIVEN INSTITUTION

The top management has been associated with the Company for more than two decades. Their extensive experience and leadership have powered KEI's incredible journey and evolution as an organization, building an institution that stands for growth, respect and ownership. We are driving continuity in leadership through succession and career planning. The second level of managers have been with the Company for over 15 years and are being groomed, empowered and made accountable for leadership roles. Across the organization, we continue to provide training and upskilling opportunities to our employees to propel personal and organizational growth.

# LETTER FROM THE CHAIRMAN-CUM-MANAGING DIRECTOR



We are proud of the consistency we have ingrained in our business. As we move ahead on our journey, we continue to reinforce consistency in our performance to build a stronger, more sustainable business that benefits all our stakeholders



*Dear Shareholders,*

I am happy to report that FY 2018-19 was another solid year for your Company. Over the past five years, we have consistently delivered on our growth commitments. The ability to unfailingly deliver on revenue and profitability targets year-after-year is a rare virtue in the corporate world. We are proud of the consistency we have ingrained in our business. As we move ahead on our journey, we continue to reinforce consistency in our performance to build a stronger, more sustainable business that benefits all our stakeholders.

## **AN IMPROVING BUSINESS ENVIRONMENT**

Global economy witnessed a slowdown in 2018 with policy uncertainty, ongoing trade tensions, and a further erosion of business and consumer confidence dampening growth. The global market conditions impacted the domestic economy as well as reflected in India's Gross Domestic Product (GDP) moderating to 6.8% in FY 2018-19, as compared to 7.2% witnessed in FY 2017-18. Volatile commodity pricing in key inputs of copper and aluminum impacted the cables and wires industry. The medium and long-term fundamentals, however, continue to be robust given the Government's increasing focus on infrastructure development and the huge investment potential in the power sector. Also, the stabilization of the Goods and Services Tax (GST) has considerably strengthened the growth prospects for the organized sector.

## DELIVERED ON OUR FINANCIAL COMMITMENTS

Notwithstanding the external difficulties, our robust business model enabled us to deliver on our financial commitments. In fact, our top-line performance exceeded the guidance we provided at the beginning of last year. We generated ₹ 4,227 Crores in Net Sales in FY 2018-19 as against ₹ 3,446 Crores in the previous year, a growth of 23%. We also delivered strong margins with Profit After Tax (PAT) growing by 26% to stand at ₹ 182 Crores as against ₹ 145 Crores in the previous year. Another commendable highlight was that we witnessed holistic performance with all our business segments delivering strong growth. With a well-diversified and well-structured business portfolio, we have not only de-risked our operations by ensuring no overdependence on any one segment, product or geography, we have also reinforced our foundation for continued growth and solid margins. The unexecuted order book as on May, 2019 stood at ₹ 4,707 Crores, which further provides robust visibility of revenues and profitability for the next few years.

## STELLAR PERFORMANCE CONTINUES IN RETAIL SEGMENT

Our growing reach in the domestic market and higher brand visibility via various media spends have powered an outstanding performance of our Retail segment. The thrust this year was on strengthening our dealer network in under-penetrated markets and building our presence in new

markets. We continued to deepen our engagement with our channel partners and influencers to realize our shared goal of serving end-users efficiently and effectively. We also aggressively raised the pitch in advertising and brand promotion through various communication channels to strengthen brand recall.

Moving into FY 2019-20, we remain focused on growing our Retail business for multiple reasons. First, external growth levers such as government thrust on reviving the real estate sector and growing urbanization will provide ample business opportunities. Second, housing wires segment generates higher margins than conventional cables and third, Retail offers positive cash flows. With enhancement of our housing wire capacity underway, we are well on way to augment production and grow our revenues and profitability from the Retail business.

## DELIVERING STRONG PERFORMANCE IN INSTITUTIONAL SEGMENT

The highlight for our Institutional segment has been the strong order book position of EHV cables, resulting in better capacity utilization during the year. Our EPC division, which is the forward integration of our cabling business, also witnessed good traction during the year. In EPC, our strategy remains to largely focus on projects with significant cabling requirements to give us a considerable advantage. We offer exclusivity through high-end 400 kV EHV cables – a product manufactured

by only a few selected companies in India.

Various schemes for upgradation of transmission and distribution network in rural and urban areas are ushering opportunities for scaling our EHV and EPC business. Government projects such as Power for All, Ujjwal DISCOM Assurance Yojana (UDAY), Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme, Housing for All and Saubhagya Scheme are expected to gain momentum as India seeks to usher higher economic and social prosperity. On the back of these market dynamics, we remain confident of sustained demand for EHV cables and operating our plants at optimal utilization levels leading to higher margins.

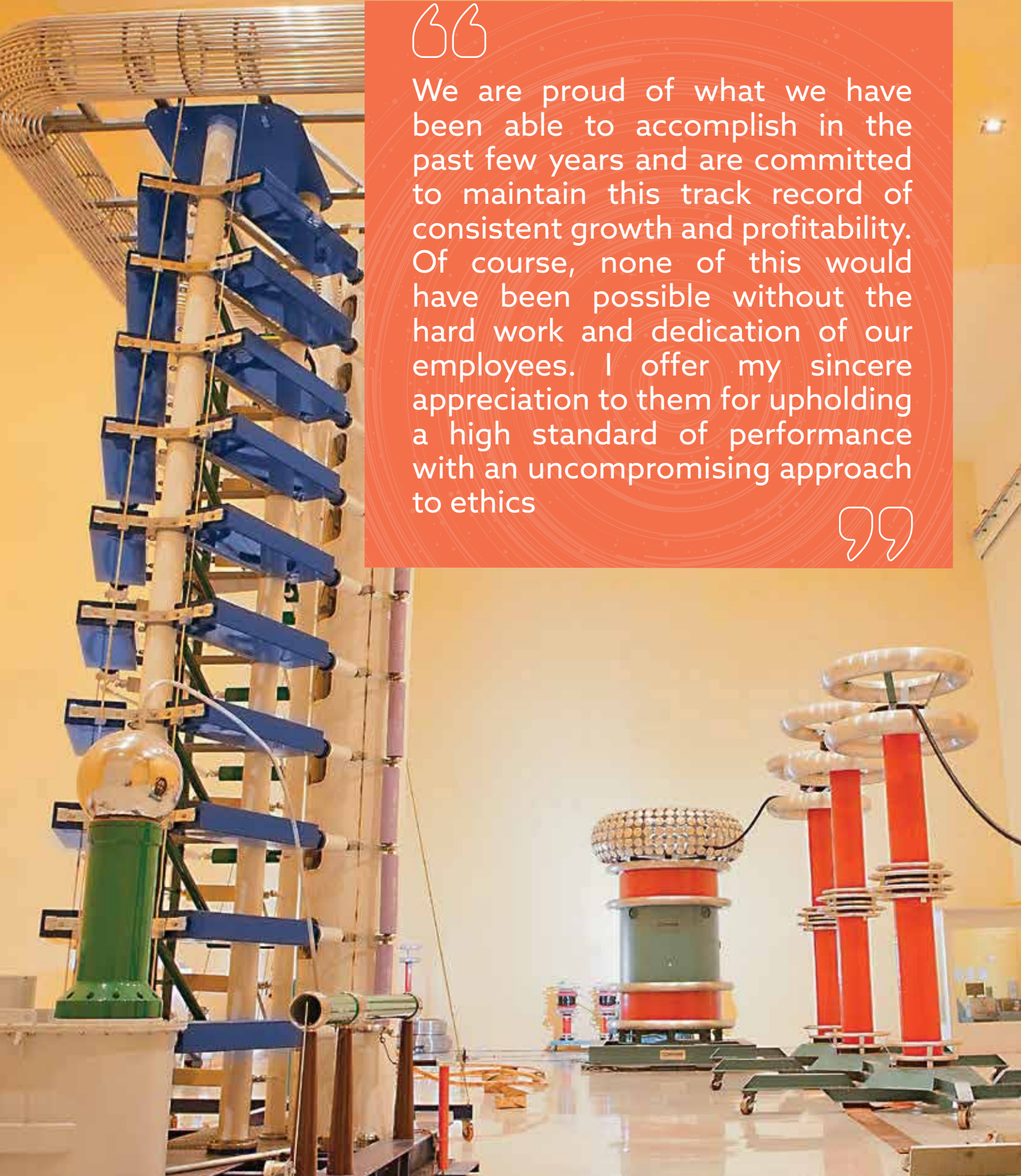
## IMPRESSIVE PERFORMANCE FROM EXPORTS

We continue to grow from strength to strength in overseas markets. Our steadfast commitment to delivering high-quality customized offerings to meet niche demands of clientele across industries has provided a strong impetus to our performance. We are confident of further growing our revenue in the current year as we will be executing a large order received from an Africa-based company. Fortifying our relationships with our global customers remains central to growing our Exports segment. In FY 2018-19, we expanded our marketing network further by setting up a new office in Africa.

“

We are proud of what we have been able to accomplish in the past few years and are committed to maintain this track record of consistent growth and profitability. Of course, none of this would have been possible without the hard work and dedication of our employees. I offer my sincere appreciation to them for upholding a high standard of performance with an uncompromising approach to ethics

”





As we strengthen our presence, we are confident of unearthing new opportunities to grow our business and enhancing our ranking as a preferred global supplier.

### **GROWING OUR CAPACITY TO DRIVE FUTURE PERFORMANCE**

With strong underlying macro drivers of investments in real estate, infrastructure, and power signaling towards sustained demand for our products, we are staying prepared to capitalize on the unfolding opportunities. During the year, we completed the expansion of our LT & HT facilities at Pathredi, Rajasthan. The LT & HT facilities have a manufacturing capacity of 10,000 km per annum and 3,600 km per annum respectively. We are also augmenting our manufacturing capacity for housing wires through a new unit at Chinchpada (Silvassa) in Dadra & Nagar Haveli. The first phase of production has already commenced from the end of July 2019 while the second production phase is slated to begin by the end of FY 2019-20. Once fully completed, the new Silvassa unit will have the capacity to produce 6 lakh km of housing wires per annum. All these expansions are expected provide a strong thrust to our revenue potential.

### **OUTLOOK**

At KEI, our goal is to create consistent and superior returns for our shareholders while building a sustainable business that benefits all our stakeholders. Our businesses are well positioned in highly attractive market segments, each with compelling growth characteristics. While capitalizing on these new

opportunities and executing our current order book, we will continue to focus on operational initiatives for driving higher margins, cost control and positive cash generation. Further, our comprehensive offerings, enhanced capacities and deep connect have enabled us to build a strong customer and supplier value proposition. With these growth levers in place and supported by a sound financial position and healthy corporate culture, KEI is positioned for continued success.

### **CONCLUSION**

We are proud of what we have been able to accomplish in the past few years and are committed to maintain this track record of consistent growth and profitability. Of course, none of this would have been possible without the hard work and dedication of our employees. I offer my sincere appreciation to them for upholding a high standard of performance with an uncompromising approach to ethics. I would also like to take this opportunity to thank the Board of Directors, customers, bankers, financial institutions, Central and State government bodies, channel partners, business associates, suppliers and employees, community and to you, our shareholders, for your continued support. We look forward to updating you over the coming quarters on what should be another good year for KEI.

Sincerely,

**Anil Gupta**

*Chairman-cum-Managing Director*

## RETAIL SEGMENT

# CONSISTENTLY PROPELLING OUR PERFORMANCE

**Our drive and passion to unleash a dynamic future led us to embrace the promising growth prospects in the retail space. Over the years, we have stayed invested in the retail route that we commenced in the early 2000s. Our steadfast focus is rewarding us well as reflected in the year-on-year increase in the share of our retail sales to total sales.**

### OVERVIEW

Our Retail segment comprises housing wires and HT & LT cables and is rooted in the three pillars of trust and quality, brand awareness and customer service. Our focused priorities have enabled us to develop a strong reputation as the “power behind the power” and establish a clear positioning of a “specialist cable manufacturer”.

Increasing the share of the Retail segment is pivotal to delivering on our growth strategy. This is because Retail offers higher margins and has lower working capital requirements due to faster realizations and lower inventory of finished goods requisition compared to other business segments.



### BUSINESS HIGHLIGHTS FY 2018-19

- ⚡ Retail sales achieved a stellar growth of 43% year-on-year to reach ₹ 1,400 Crores
- ⚡ Increased sales from Retail has improved our margins and working capital cycle
- ⚡ Increased our distribution strength to 1,450 channel partners, up from 1,284 in the previous year

### OUR PERFORMANCE DRIVERS

#### Growing our dealer network

In the year under review, we continued to adopt an aggressive dealer expansion strategy. Our focus was on deepening our presence in underpenetrated markets and reaching out to new markets across India. We directed special efforts in expanding our presence in the eastern and north eastern states. Also, we continue to seek, appoint and retain strong dealers as their role is critical in growing our business. By persistently pursuing our dealer expansion strategy, we have transformed our identity from a local player in North India to a pan-India player.

#### Strengthening our channel partner connect

Dealers and influencers such as electricians, interior designers and architects are an invaluable link through which we reach out to our end-consumers. Keeping our channel partners engaged, incentivized and motivated is thus important to drive consumer-centricity and amplify our retail sales. During the year, we continued to implement our performance-related schemes and initiatives for our channel partners, Being the key sponsors of the Rajasthan Royals team in the popular cricket tournament Indian Premier League (IPL), we also hosted meet-and-greet session for our channel partners with the players from the squad. Our regular interface with our channel partners has helped to deepen our connect and positions us well for continued growth.

#### Reinforcing our brand connect

We continue to vigorously drive advertising and brand promotion campaigns to ensure top-of-the-mind recall. During FY 2018-19, we spent ₹ 19.44 Crores towards advertising as against ₹ 14.85 Crores in the previous year. Over FY 2013-19, our advertisement expenditure has seen a ten-fold increase, reflecting



the consistent investments we are making towards enhancing our brand visibility and connect. Our key initiatives in the realm of advertising and brand promotion includes:

### IPL Association

We continued our association with the Rajasthan Royals team at the IPL for the second consecutive year. As part of this partnership, the team players promoted the safety USP of KEI wires - 'KEI Wires - Har Tension Sahein, Chalti Rahein'. Being the key sponsor of the Rajasthan Royals team, our branding logo was proudly sported at the front side of the team jersey. Brand visibility was also extended to the cricket stadium and on match tickets. In order to connect with the team supporters who were present at the stadium, we also set up a 'Selfie Booth' to boost their engagement during matches. Our partnership with one of the finest teams at the IPL has enabled us to reach out to audiences across the country and raise our connect to powerful levels.

### Ground sponsorship for India-West Indies Tour

Extending support to Indian cricket, KEI is the proud co-sponsor of the India-West Indies tour in the Caribbean Islands. To be held over August-September 2019, the cricket matches bring in-large ground visibility for KEI through pitch mat branding. Brand visibility will also be enhanced through display of Company logo on the digital perimeter board, digital sight screen and during the award ceremony. This partnership, we are confident, will help us to

strengthen our relationship with our consumers and key stakeholders. In addition, brand engagement in new geographies will further help in exploring new market opportunities and extend our presence.

### Digital & Other Initiatives

Keeping pace with the changing times, we have stepped up our focus on the digital medium for driving brand visibility. Online marketing and social media are being actively used to reach out to our target audiences. At the same time, we continue to conduct Below-the-Line (BTL) activities to promote products in the mass market. Our participation at leading exhibitions and sponsorship of marquee industry events has further enhanced our brand visibility.

### COMMITTED TO FUTURE PERFORMANCE

Growing awareness on electrical safety has driven a shift towards branded cables and wires. Also, the stabilization of GST has narrowed down the price differential between branded and unbranded products, thus tipping the balance in favor of the organized sector.

The demand for cables and wires in the retail segment is directly co-related with infrastructure development, construction of new housing, power for all and replacement demand. Government schemes for affordable housing (Pradhan Mantri Awas Yojana), healthcare and education are expected to gain momentum, which will lead to increased demand for cables and wires in the retail market. The increased availability of electricity on the back of multiple schemes being pursued by the Government also augurs well for the demand for housing wires. Another important factor fueling the domestic demand for housing wires is growing urbanization and nuclearization of households.

To cater to the rising demand, KEI has set-up a new plant for housing wires at Chinchpada (Silvassa) in Dadra & Nagar Haveli. At the same time, we are consistently upping our spends on marketing campaigns and increasing our dealer/distributor reach. Led by these strategic steps, we are confident of accelerating the performance of the Retail segment.



**INSTITUTIONAL SEGMENT**

# HT & LT CABLES PROVING OUR METTLE IN HIGHER ORDER EXECUTION

**Strong demand from infrastructure and power transmission & distribution sectors provides considerable growth potential for HT & LT cables. Committed to seize these opportunities, we have invested in reinforcing our manufacturing capabilities. Our superior competencies are serving us well as proven by the consistent growth in sale of cables to institutional customers.**

**OVERVIEW**

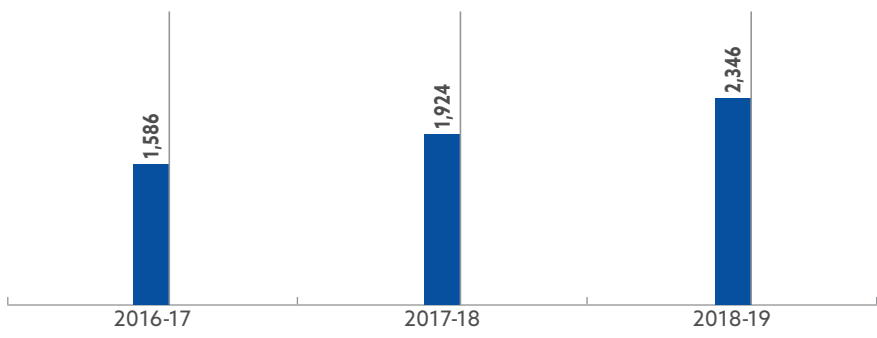
We are a leading EHV, HT & LT cables manufacturer in India. Our state-of-the-art high voltage cable facility uses German technology and features a manufacturing capability of up to 400 kV. We manufacture and supply cables as per Indian Standard specifications and as per International standards as well. We benefit from the services of our in-house research and development team, who help us to customize the products to serve prestigious clients across diverse industries. At the same time, we have consistently grown our network to facilitate efficient delivery of our world-class products. This includes a well-entrenched marketing presence and establishment of warehouses across the country.

**BUSINESS HIGHLIGHTS**

⚡ Institutional revenue from HT & LT cables stood at ₹ 2,346 Crores in FY 2018-19 as against ₹ 1,924 Crores in the previous year, a growth of 22%

**NUMBERS THAT PROVE OUR PERFORMANCE**

HT & LT Cables (Institutional Segment) (₹ in Crores)



■ Sales





### OUR PERFORMANCE DRIVERS

In categories such as HT & LT power cables, the manufacturing process is technology and capital intensive. We recorded a strong growth in HT & LT cables sales on account of increased capacity utilization. Further, the manufacture of HT & LT cables is governed by strict quality regulations. Armed with the necessary approvals and pre-qualification credentials, we have been able to achieve higher order inflow from public and private companies. We also benefit from our established relationships with marquee clientele.

### COMMITTED TO FUTURE PERFORMANCE

The demand for cables in India is expected to receive significant impetus through the re-elected Government's thrust on sectors such as power, railways, urban infrastructure, housing, roads and petrochemicals. Economic activity is expected to gain renewed momentum on the back of stabilization of recently introduced fiscal and monetary measures. This, in turn, will spur private investment. Major industries such as steel and cement are expected to invest in plant modernization aligned with the Apex court's directive to comply with BS-VI emission norms. The continued focus

on development of the renewable energy sector also augurs well for the cables and wires industry. As per market estimates, the cables and wires industry is expected to nearly double over FY 2018-23 to ₹ 1,033 billion.

Going forward, we are looking at aggressive business development to capitalize on the promising opportunities and boost our order pipeline. Our expanded capacity will enable us to drive higher output levels. Supported by a favorable external environment, our goal is to achieve a stable growth for our institutional sales.

## INSTITUTIONAL SEGMENT

# EHV CABLES PROVING OUR PERFORMANCE BY REACHING FULL CAPACITY

We have consistently invested in our technology and capabilities to manufacture EHV cables, ever since we made our strategic foray in this product line in 2010. Over the last few years, our commitment has been to realize the full potential of our investments. FY 2018-19 marked a new high for our EHV Cables division as we have secured a strong order book position to realize full capacity utilization.

### OVERVIEW

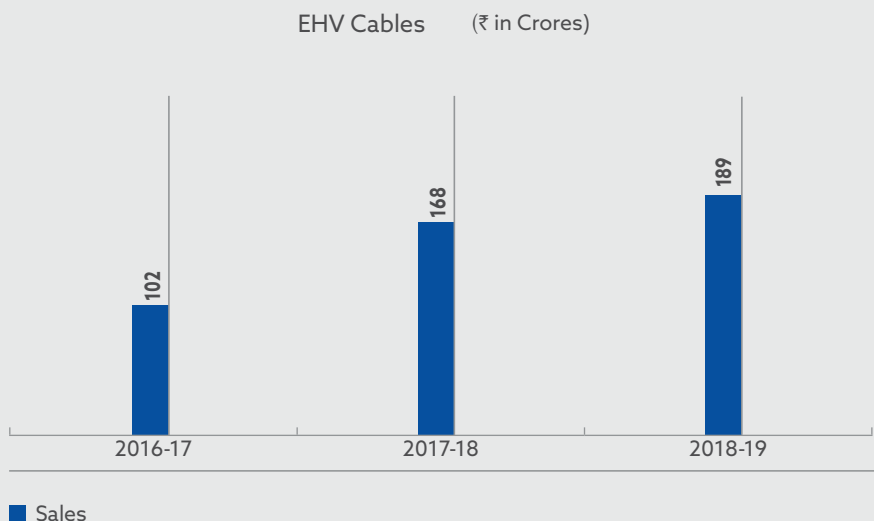
The tremendous advantages of EHV cables over conventional overhead lines for sub-transmission and distribution of power emboldened us to establish a strong niche to cater to this fast-growing segment. We entered the EHV cables segment powered by our technological collaboration with Switzerland-based Brugg Kabel AG. Our partner enjoys over 100 years of experience and ability to manufacture cables up to 550 kV. Gaining from the unmatched competence and technical excellence of our partner, we were able to make a faster entry into the EHV cables market. Today, backed by this strategic collaboration, we provide high-end designs and process back-up services benchmarked to the highest global standards.

In January 2017, we completed the installation of a new 400 kV EHV cables production line at our Chopanki unit. With the commencement of commercial production at Chopanki, KEI is only the third company in India to manufacture cables up to 400 kV. Our cables division also stands to benefit from backward integration through in-house PVC compound manufacturing.

### BUSINESS HIGHLIGHTS FY 2018-19

- ⚡ Revenue from EHV cables stood at ₹ 189 Crores in FY 2018-19 as against ₹ 168 Crores in the previous year
- ⚡ Huge inflow of orders has resulted in production lines operating at full utilization levels leading to higher margins
- ⚡ Order book of EHV cables including accessories, erection and commissioning stands at ₹ 571 Crores as on May 2019

### NUMBERS THAT PROVE OUR PERFORMANCE



## OUR PERFORMANCE DRIVERS

In the year under review, we secured a robust order book due to strong influx of orders from power transmission & distribution companies. Our optimized operations have resulted in higher profitability for the EHV cables division. Another important driver of higher performance is that EHV products command better margins in comparison to several of our other products.

## COMMITTED TO FUTURE PERFORMANCE

The Government's strong focus on providing power for all will propel the growth of the power sector, especially the Transmission and Distribution (T&D) segment. The T&D sector is among the biggest users of high voltage transmission lines as higher voltage would lead to more transfer of power with reduction in transmission losses. As per industry estimates, the demand for energy is expected to increase by 6.8% to 7% CAGR over the next five years, resulting in strong T&D spends.

We are witnessing a strong thrust on underground cabling to minimize transmission loss faced in case of overhead cables. Underground cabling is also preferred vis-à-vis overhead lines because of the serious right-of-way constraints and lack of space in the cities for the latter. The 100 Smart Cities Project coupled with rapid urbanization will also spur the demand for underground



cabling owing to its functional and aesthetical attributes. As EHV cables are used in underground cabling, its demand potential remains robust. Government investments in railways, urban infrastructure, roads and renewable energy are also expected to rise over the next few years, leading to higher demand for EHV cables.

The demand for EHV cables in the country has so far been met through imports. Our strong manufacturing competencies for EHV cables

makes us confident of capturing a significant share of the burgeoning opportunities. With a full year of capacity utilization, we expect higher revenue contribution from EHV segment, going forward.

## INSTITUTIONAL SEGMENT

# EPC DIVISION PROVING OUR PERFORMANCE ACROSS THE VALUE CHAIN

**We have remained committed to place strong levers of growth that map tomorrow's prospects. Our forward integration into the EPC space was an outcome of this very foresight. Today, our strong performance in EPC project execution has not only consolidated our leadership, reputation and credibility in the industry but also positions us well to scale growth.**

### OVERVIEW

Our progression into EPC services was driven by our keen intent to be present across the value chain - from manufacturing and supplying cables to executing EPC contracts. The main services we offer in the EPC segment include execution of power transmission & distribution projects of 11 kV to 400 kV sub-stations on turnkey basis; EPC of EHV and HV cables systems; electrical balance of plant system for power plant; and electrical industrial projects. Powered by our domain expertise, we are executing complex projects for some of the biggest names in the industry. Further, in-house production of EHV, HT & LT cables enables us to leverage considerable cost efficiencies in these projects 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.

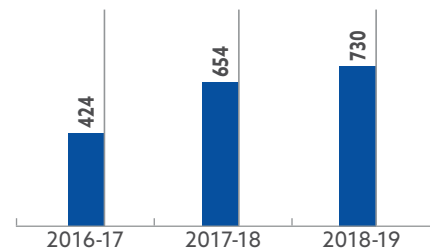
### BUSINESS HIGHLIGHTS FY 2018-19

- ⚡ Revenue from EPC (other than cables) stood at ₹ 730 Crores for FY 2018-19 as compared to ₹ 654 Crores in the previous year, a growth of 12%
- ⚡ 17% of the Net Sales in FY 2018-19 was driven by the EPC division
- ⚡ The EPC order book stands at ₹ 2,395 Crores as on May 2019



### NUMBERS THAT PROVE OUR PERFORMANCE (₹ in Crores)

EPC (Excluding Cables)



■ Net Sales

### OUR PERFORMANCE DRIVERS

The timely completion of EPC projects while ensuring the highest levels of quality has enabled us to earn the trust and respect of our customers. During the year, staying focused on excellent execution of our EPC order book, we steered a strong increase in our revenues.

Enhancement in backward integration with the completion of capacity expansion for HT & LT cables at Pathredi, Rajasthan has boosted our margins. Coupled with our 400 kV EHV capacities that pre-qualify us to participate in large utility tenders, our augmented capacity for HT & LT cables has further increased

the volume of EPC projects which we can undertake. We continue to engage with a leading consulting firm for systems and process / procedure updation and material flow management to drive greater operational efficiencies.

### COMMITTED TO FUTURE PERFORMANCE

Over the last five years, we have significantly ramped up our EPC business led by the Government thrust on driving power availability and accessibility. These include initiatives such as Deen Dayal Upadhyaya Gram

Jyoti Yojana (DDUGJY) for achieving rural electrification, Integrated Power Development Scheme (IPDS) for strengthening sub-transmission network and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya Scheme) for achieving universal household electrification.

Going forward, with power sector schemes expected to be pursued with greater intensity and vigor by the re-elected government, we are confident of significant market opportunities. Our proven track record, as endorsed by marquee

projects such as completion of sub-transmission and distribution network for the city of Banaras under the IPDS scheme, will work to our advantage. We aim to particularly focus on those projects that have significant cabling requirements. This strategic approach will enable us to extract greater value for our business. Additionally, along with driving order inflow for our EPC business, we will continue to ensure robust execution of our current order book. This two-pronged approach is expected lead to higher capacity utilization and stronger margins.



Project : Integrated Power Development Scheme (IPDS) - Varanasi

**EXPORTS SEGMENT**

# CONSISTENTLY GROWING IN GLOBAL MARKETS

**Capturing the opportunities in the global markets demands the capability to create customized solutions. We have been doing that year-after-year ever since we commenced our international journey. Today, our consistent growth in the Exports segment stands testament to our commitment to deliver the products the world demands.**

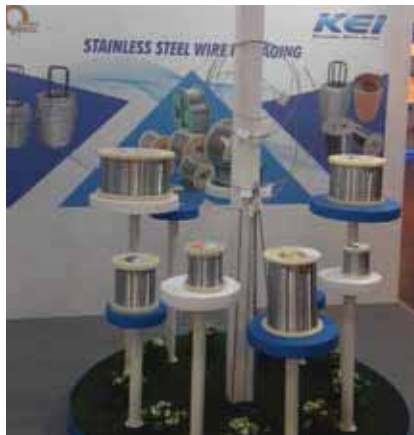
**OVERVIEW**

KEI products and solutions are exported to 45 countries across the world. We offer a wide range of cables, including EHV (66 kV to 400 kV), MV (11 kV to 33 kV) and LV (< 11 kV) cables. Our products are specially focused at meeting the requirements of the oil and gas utilities segments. We continue to strengthen our pre-qualification credentials to meet the most stringent parameters. Our competitive pricing policy coupled with our ability to offer customized solutions and specialty cables has enabled us to grow our presence in some of the world’s most reputed markets.

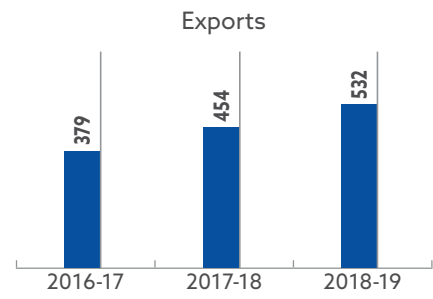
We have set up overseas marketing / project offices in Singapore, Australia, South Africa, Dubai/Abu Dhabi, Nepal and Gambia to strengthen marketing and customer outreach. We have opened a subsidiary company in Australia and are part of an Associate in Johannesburg, South Africa. We are also growing our export business through agents in different countries.

**BUSINESS HIGHLIGHTS  
FY 2018-19**

- ⚡ Net sales from Exports for FY 2018-19 stood at ₹ 532 Crores as against ₹ 454 Crores in the previous year, growing by 17%
- ⚡ Secured a major contract worth ₹ 450 Crores for the supply of LT and HT cables in Nigeria
- ⚡ Set up a new office in Africa for bolstering our marketing and distribution
- ⚡ The Export order book stands at ₹ 745 Crores as on May 2019 providing robust financial visibility



**NUMBERS THAT PROVE OUR PERFORMANCE** (₹ in Crores)



■ Net Sales

**OUR PERFORMANCE DRIVERS**

Our strengthened prequalification parameters and execution of large orders with local companies in Middle East, Australia, Sri Lanka and South Africa has driven our strong growth. Closer connect with our overseas customers, through our presence at strategic locations and tie-ups with agents, enabled us to build on our global relationships and drive agility in securing necessary approvals to push sales. To deepen our global connect and establish new linkages, we continued to participate at various international exhibitions. The improved share of exports in total net sales has led to improved overall profitability as the Exports segment is a high margin business.

## COMMITTED TO FUTURE PERFORMANCE

We will continue to focus on robust execution of our current export order book to boost revenues in FY 2019-20. Identification of geographical markets that provide opportunities to expand our global presence remains central to growing our overseas business. In this regard, the opening of the new overseas office in Africa will help us to intensify our customer connect efforts. Our wider reach coupled with our ability to offer customized products should enable us to grow our export market at a rapid pace. As margins are better in the Exports segment vis-à-vis domestic institutional sales, an increase in exports will also facilitate margin expansion.



Wire & Tube 2018, Dusseldorf, Germany Export



# COMMITTED TO OUR COMMUNITIES

**At KEI, growth goes far beyond financial success; it also includes a commitment to our communities. In our Corporate Social Responsibility (CSR) efforts, we are guided by our purpose of improving the quality of life and well-being of the people. Our CSR focus areas are education, hunger and poverty eradication, environmental sustainability, sports promotion, and health and sanitation. We undertake activities in these realms by partnering with welfare agencies.**

## SETTING UP OF SCHOOL INFRASTRUCTURE

Powered by the belief that education opens the doors for a better life and every child deserves this right, we have partnered with the International Society for Krishna Consciousness (ISKCON) to promote education among underprivileged children in rural India. This year, we contributed towards the setting up of educational infrastructure at the Bhaktivedanta Gurukula and International School (BGIS) in Ajhai, District, Mathura, Uttar Pradesh, an educational unit of ISKCON. We funded the procurement of furniture, computer and projector for classrooms to enable digital learning, setting up of solar water heating system, and a school bus. In the previous year, we had provided financial support for the construction of libraries, plantation of trees and construction of dining hall and kitchen at BGIS. World-class infrastructure for more than 1,000 students is being developed to provide holistic education in an eco-friendly campus. The school is affiliated to ICSE/ISC board and will provide education for the underprivileged youth of the region.



## SUPPORTING TRAINING OF SPORTS TALENT

The complete development of children requires giving them opportunities to both learn and play. It is also essential to set up sports infrastructure in rural areas, nurture promising talent from these regions and encourage them to participate at higher platforms. This year, aligned with our focus to promote sports, we facilitated the training of the youth participating at the 'KHELO INDIA' program, a Government initiative to groom sporting talent in various disciplines. The Company contributed funds to the Sports of India organization to support the training of participants at the Sardar Vallabh Bhai Patel Open Sports Festival Game. The training was provided to promote rural sports, nationally recognized sports and paralympic sports.



## PLANTATION DRIVE & KNOWLEDGE SHARING OF WASTE MANAGEMENT

Protecting and preserving our planet is a responsibility we must all embrace, especially in the light of the growing concern of climate change and pollution. At KEI, we are committed to improving the surroundings where we live and work. This year, we provided financial support to GVRKSH, an organization which has the necessary infrastructure, expertise and experience for promoting environmental sustainability. The funds were utilized for conducting plantation drives and sharing knowledge on waste management for a greener, cleaner and better tomorrow.



## CONSTRUCTION OF GANDHI MEMORIAL

October 2, 2019 will mark the 150<sup>th</sup> birth anniversary of Mahatma Gandhi. As a mark of respect to the Father of the Nation and commemorate this momentous occasion, we provided financial support for the setting up of a Gandhi Memorial. The Memorial is being built in Katohar Kalan, a village in the Una district of Himachal Pradesh, and will be undertaken by Shiwalik Khadi Ashram. The Memorial, with a much larger purpose that goes beyond the construction of just a building, will serve as a center for the promotion of Gandhian ideology and promote welfare activities. This includes setting up of a vision center to provide primary eye care services and offering vocational training to locals.

## OTHER INITIATIVES

During the year, we also contributed towards relief operations in the aftermath of the recent Kerala floods that caused considerable havoc to life and property. We also provided financial support to Shri Vidya Saraswathi Sri Sani Temple in Telangana for the alleviation of hunger and poverty. The funds were also utilized to promote education. We also partnered with Kalpatru Society and Rotary Ashoka Welfare Trust to promote education among underprivileged children living in Delhi.

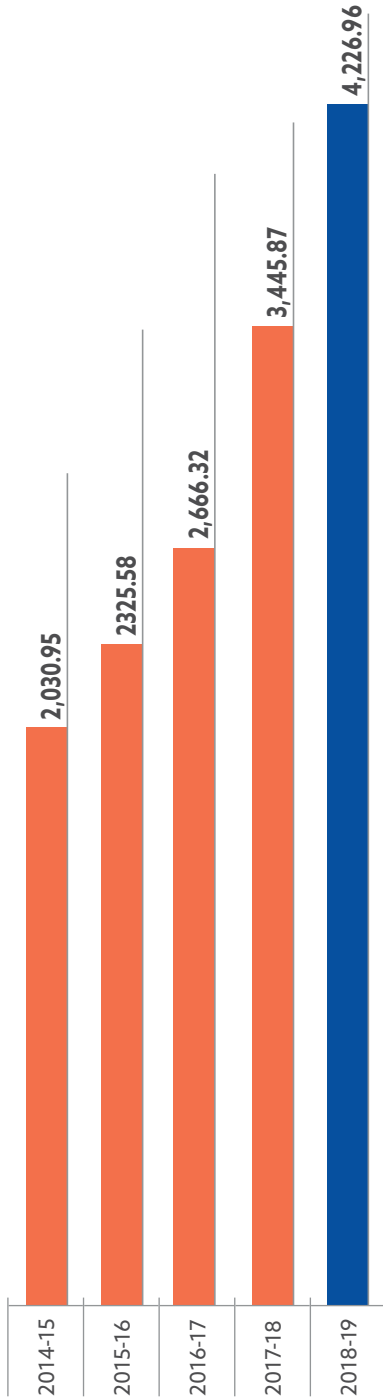


# FIVE-YEAR FINANCIAL PERFORMANCE

(₹ in Crores)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Paid-up Capital	15.45	15.45	15.56	15.67	15.79
Net Worth	303.85	366.62	460.91	604.53	778.89
Sales	2170.92	2498.02	2832.43	3496.42	4226.96
Less: Excise Duty	139.97	172.44	166.11	50.55	-
Net Sales	2030.95	2325.58	2666.32	3445.87	4226.96
PBDIT	197.87	247.60	279.08	347.69	449.40
PBIT	173.28	222.32	250.68	315.46	415.45
PBT	52.88	95.34	126.25	204.16	279.30
Net Profit	34.25	62.20	93.83	144.56	181.87
<b>Profitability Ratios (%)</b>					
PBDIT	9.74	10.65	10.47	10.09	10.63
PBIT	8.53	9.56	9.40	9.15	9.83
PBT	2.60	4.10	4.73	5.92	6.61
Net Profit	1.69	2.67	3.52	4.20	4.30
ROE (Net Profit/Net Worth)	11.27	16.97	20.36	23.91	23.35
<b>Growth Ratios (%)</b>					
Net Sales	25.45	14.51	14.65	29.24	22.67
PBDIT	28.22	25.13	12.71	24.58	29.25
PBIT	29.94	28.30	12.76	25.84	31.70
PBT	142.35	80.30	32.42	61.71	36.80
Net Profit	195.26	81.61	50.85	54.07	25.81

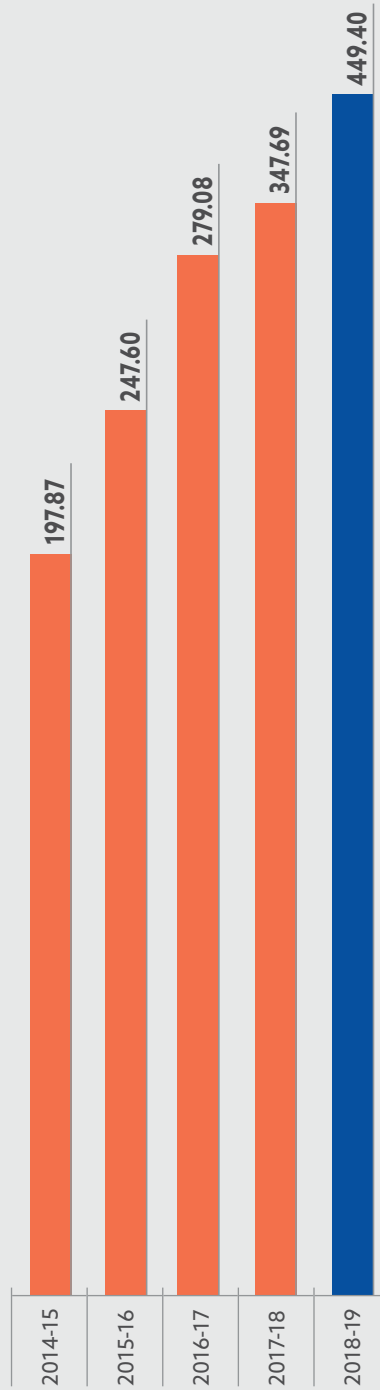
## NET SALES

(₹ in Crores)



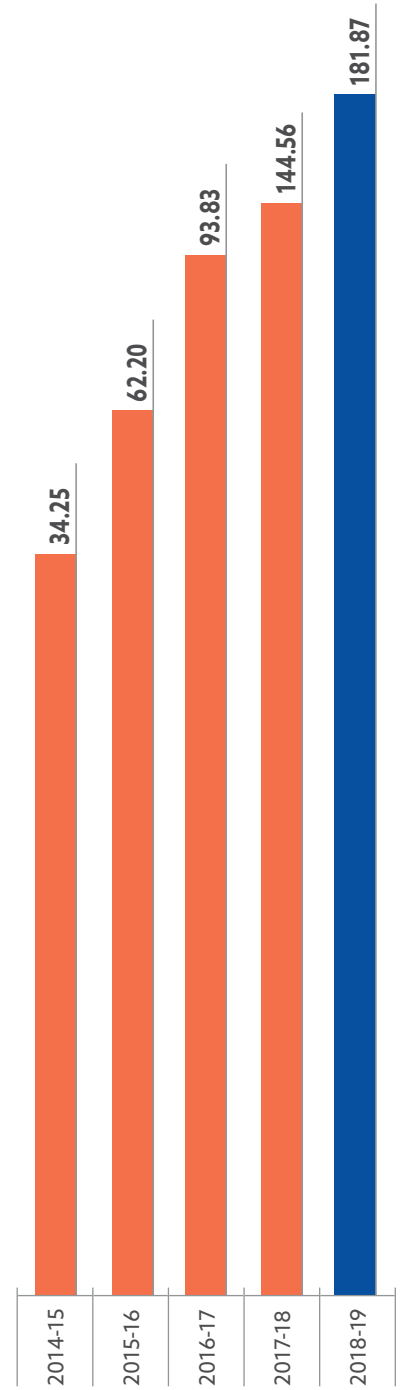
## PBDIT

(₹ in Crores)



## PAT

(₹ in Crores)



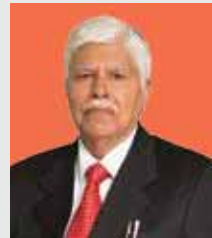
# BOARD OF DIRECTORS



## Mr. Anil Gupta

*Promoter, Chairman-cum-Managing Director*

Mr. Anil Gupta is a recognized and an accomplished expert in the Indian cables and wires industry. He has been a firm believer of modern technology. His customer-centric approach blended with a futuristic vision has persistently ensured in offering cable and wire products of the highest quality. The brain behind some pathbreaking innovations in the industry, Mr. Gupta is undoubtedly the inspiration as well as the guiding force behind KEI's vision to become the undisputed leader in its category and build a strong corporate identity. He became a part of KEI in 1979 as a partner in the erstwhile Krishna Electrical Industries. He soon rose to become its Chairman-cum-Managing Director. Mr. Gupta's dream of KEI scaling newer heights has seen the light of the day. With almost 38 years of experience at the helm, Mr. Gupta has always been successful in executing Company's policies and encouraging his team to deliver nothing but the best. As a dynamic leader, Mr. Gupta has initiated various policies on marketing, production, quality control and product development. His perseverance and pioneering ideas have played a crucial role in putting KEI on the path of success. His contribution to the Company is exceptional and unparalleled.



## Mr. K.G. Somani

*Non-Executive & Independent Director*

Mr. K.G. Somani is Fellow member of ICAI and was elected as a member of the Central Council of the ICAI of India in the year 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 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). He has participated in a large number of Seminars & Conferences all over India & Abroad. He is partner of M/s K.G. Somani & Co., Chartered Accountants, Delhi and he has vast experience in Finance, Companies Act, Tax Laws.



## Mr. Pawan Bholusaria

*Non-Executive & Independent Director*

Mr. Pawan Bholusaria is fellow Member of The Institute of Chartered Accountants of India. He is a practicing Chartered Accountant and qualified his chartered accountancy examination in 1978. He is partner of M/s P. Bholusaria & Co., Chartered Accountants and has been in Public Practice for over four decades. He has audited the accounts of various Nationalized Banks, Mutual Funds, Government and Public Companies. He is on Board of Directors of other private/ public companies. He has sound knowledge of Finance, tax laws and has handled a large number of audits.

**Mr. Vijay Bhushan**

*Non-Executive & Independent Director*

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

**Ms. Archana Gupta**

*Non-Executive Director*

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

**Mr. Akshit Diviaj Gupta**

*Executive Director*

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

**Mr. Vikram Bhartia**

*Non-Executive & Independent Director*

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

**Mr. Rajeev Gupta**

*Executive Director (Finance) & CFO*

Mr. Rajeev Gupta is a B.Com. and a Chartered Accountant. Mr. Gupta has about 26 years of experience in Corporate Finance and is presently heading the Finance & Accounts Department of KEI.

**Mr. Sadhu Ram Bansal**

*Non-Executive & Independent Director*

Mr. Sadhu Ram Bansal is an MA in English and a Certified Associate of Indian Institute of Bankers (CAIIB) and Associate of Indian Institute of Banking & Finance (AIIBF). Mr. Bansal has a rich experience of more than 35 years in finance, banking and administrative functional capacities. He is former Chairman & Managing Director of Corporation Bank.

**Ms. Shalini Gupta**

*Non-Executive & Independent Director (w.e.f. 18.02.2019)*

Ms. Shalini Gupta is a Business and Technology professional with over 20 years of experience and has held a variety of senior roles in strategy and technology with emphasis on planning, long range road mapping, budgeting, pre-sales and sales operations, project execution and account management. Her prior experience in rolling out and program managing large, complex transformational projects and managing multiple internal and external stakeholders. She has a multi-cultural experience and had lived and worked in 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  
Punjab National Bank  
State Bank of India  
Kotak Mahindra Bank Ltd.  
ICICI Bank Ltd.  
Indian Overseas Bank  
Corporation Bank  
IDBI Bank Ltd.  
Bank of India  
DCB Bank Ltd.  
The Lakshmi Vilas Bank Ltd.

United Bank of India  
Axis Bank Ltd.  
Bank of Bahrain & Kuwait BSC  
Union Bank of India  
IDFC Bank Ltd.  
IndusInd Bank Ltd.  
RBL 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

## SENIOR MANAGEMENT PERSONNEL

**Mr. Pawan Kumar Aggarwal**  
Executive Director (Projects)

**Mr. Manoj Kakkar**  
Executive Director  
(Sales & Marketing)

**Mr. Arvind Shrowty**  
Executive Director (EHV)

**Mr. Lalit Sharma**  
COO

**Mr. S.L. Kakkar**  
President

### Mr. K.C. Sharma

Sr. Vice President  
(Operation-Bhiwadi)

### Mr. Manish Mantri

Sr. Vice President (EPC)

### Mr. Nawal Singh Yadav

Vice President (Technical)

### Mr. Dilip Barnwal

Vice President  
(Operations-Silvassa)

### Mr. Daya Nand Sharma

Vice President  
(Operation-Chopanki)

### Mr. M.V. Gananath

Vice President (Sales & Marketing)

### Mr. Pawan Kumar Jain

Vice President (EPC)

### Mr. Deepak Manchanda

Assistant Vice President  
(Business Development)

### Mr. Adarsh Kumar Jain

Assistant Vice President  
(Finance)

### Mr. Gaurav Sahi

Assistant Vice President  
(Communication)

### Mr. Keshav K. Mitra

Sr. GM (Marketing)

### Mr. Anand Kishore

Sr. GM (HR & ADM.)

### Mr. Umesh B. Kank

Sr. GM (Sales & Marketing)

### Mr. Ashok Kumar Mittal

Sr. GM (QA)

### Mr. Kunal Gupta

Sr. GM (International Business)

### Mr. Prasada Rao Rayapati

Sr. GM (EPC)

### Mr. Shashikant Sharma

Sr. GM (EPC)

### Mr. S.D. Tamhankar

Sr. GM (International Business)

### Mr. Sandip Kumar Dandapat

Sr. GM (Production-Silvassa)

### Mr. S.K. Palit

Sr. GM (Design)

## 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 27<sup>th</sup> Annual Report, together with the Audited Annual Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2019.

## FINANCIAL SUMMARY

The Company's financial performance for the year ended March 31, 2019 along with previous year's figures are summarized below:

(₹ in Millions)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue from Operations (Gross) and Other Income</b>	<b>42,381.74</b>	<b>35,124.18</b>	<b>4,2341.54</b>	<b>35,057.18</b>
Profit before Finance Costs, Depreciation and Amortisation Expenses and Tax Expenses	4,477.43	3,485.77	4,494.06	3,476.94
Less: Finance Cost	1,356.08	1,118.69	1,361.54	1,113.04
Less: Depreciation and Amortisation Expenses	339.48	322.30	339.48	322.30
<b>Profit before Exceptional Items and Tax</b>	<b>2,781.87</b>	<b>2,044.78</b>	<b>2,793.04</b>	<b>2,041.60</b>
<b>Profit before Tax</b>	<b>2,781.87</b>	<b>2,044.78</b>	<b>2,793.04</b>	<b>2,041.60</b>
<b>Tax Expenses</b>				
-Current Tax (Net of MAT Credit Entitlement)	928.81	547.76	928.74	546.84
-Deferred tax	49.65	49.14	49.65	49.14
Short/(Excess) Provision-Earlier Years	(4.06)	0.06	(4.06)	0.06
<b>Profit for the Year</b>	<b>1,807.47</b>	<b>1,447.82</b>	<b>1,818.71</b>	<b>1,445.56</b>
Other Comprehensive Income	(19.01)	(8.27)	(19.05)	(5.97)
<b>Total Comprehensive income for the year, net of tax</b>	<b>1,788.46</b>	<b>1,439.55</b>	<b>1,799.66</b>	<b>1,439.59</b>
<b>Profit for the year attributable to:</b>				
<b>Equity holders of the parent Company</b>	<b>1,808.59</b>	<b>1,447.58</b>	<b>1,818.71</b>	<b>1,445.56</b>
<b>Non-controlling interest</b>	<b>(1.12)</b>	<b>0.24</b>	-	-
<b>Total comprehensive income for the year attributable to:</b>				
<b>Equity holder of the parent company</b>	<b>1,789.58</b>	<b>1,439.54</b>	<b>1,799.66</b>	<b>1,439.59</b>
<b>Non-controlling interest</b>	<b>(1.12)</b>	<b>0.01</b>	-	-

### # Note No. 1:

The Board of Directors of the Company has recommended a dividend of ₹ 1.20/- per Equity share on the Equity shares of face value of ₹ 2/- each. The dividend, if declared at the ensuing Annual General Meeting, will result in cash outflow of ₹ 114.18 Million (including Dividend Distribution Tax ₹ 19.47 Million).

As per the requirements of revised Ind AS 4, the Company is not required to provide for dividend proposed/declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2019.



## REVIEW OF BUSINESS OPERATIONS ON STANDALONE BASIS

During the year, your Company's turnover increased to ₹ 42,269.63 millions as against ₹ 34,964.19 millions in FY 2017-18, showing a strong growth of 20.89%. During the year under review, turnover from Cables stood at ₹ 22,722.98 millions as compared to ₹ 18,746.61 millions in FY 2017-18, showing a growth of 21.21% and Stainless Steel Wire Products contributed a turnover of ₹ 1,368.51 millions as compared to ₹ 1,167.85 millions in FY 2017-18. Winding Wires, Flexible & House Wires contributed a turnover of ₹ 7,968.43 millions as compared to ₹ 6,023.80 millions in FY 2017-18, showing a growth of 32.28% and Income from Turnkey Projects (including cables) contributed a turnover of ₹ 9,658.26 millions in FY 2018-19 as compared to ₹ 8,672.21 millions in FY 2017-18 showing a growth of 11.37 %. During the year under review, Profit before Tax stood at ₹ 2,793.04 millions as compared to ₹ 2,041.60 millions in the preceding year and Net Profit stood at ₹ 1,818.71 millions as compared to ₹ 1,445.56 millions in the preceding year.

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Company has one Subsidiary "KEI Cables Australia PTY Ltd" in Australia. 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. 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 and Joint Venture is included in the consolidated financial statements pursuant to Section 129 (3) of the Companies Act, 2013 in AOC-1 and is annexed to financial statements in the Annual Report.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110 - "Consolidated Financial

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

## RESERVES

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

## DIVIDEND & APPROPRIATIONS

Your Directors are pleased to recommend a dividend of ₹ 1.20/- per equity share (i.e. @ 60%) on the Equity shares of face value of ₹ 2/- each for the Financial Year ended March 31, 2019, subject to the approval of shareholders at the ensuing Annual General Meeting which would result in cash outflow of ₹ 114.18 Million (refer note no. 1 above). The dividend if approved by the members at the forthcoming Annual General Meeting will be paid to:

- Those equity shareholders whose names will appear in the register of members on September 17, 2019 and
- In respect of shares held in dematerialized form, to those shareholders whose names will be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners on cut-off date i.e. September 10, 2019.

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

## CHANGE IN NATURE OF BUSINESS

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

## RATING BY EXTERNAL RATING AGENCIES

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

CARE Rating Limited (CARE) has reaffirmed **"CGR3+" (Pronounced as CGR three plus)** rating assigned to the Corporate Governance practices of the Company on 11<sup>th</sup> February, 2019.

*"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 19<sup>th</sup> July, 2019. Instruments / Facilities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments / facilities carry low credit risk. 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 19<sup>th</sup> July, 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.

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

CARE Rating Limited (CARE) has upgraded the rating assigned to Long Term Bank Facilities availed by the Company from **CARE A-; Positive** (Pronounced as Single A Minus; Outlook: Positive) to **'CARE A Stable; Positive** (Pronounced as Single A Stable; Outlook: Positive) on 25<sup>th</sup> September, 2018. 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 from **'CARE A2+ (Pronounced as A Two Plus)** to **[CARE] A1 (pronounced CARE A One)** on 25<sup>th</sup> September, 2018. 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 reaffirmed the rating **MA+ (pronounced MA plus)** assigned to Medium Term Instrument i.e. Fixed Deposits Programme of the Company on 12<sup>th</sup> July, 2019. 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; Positive** [Pronounced as Single A (Fixed Deposits) Stable; Outlook: Positive]' rating to the Medium Term Instrument i.e. Fixed Deposits Scheme of the Company on 25<sup>th</sup> September, 2018.

## UNPAID / UNCLAIMED DIVIDEND

Pursuant to Rule 5(8) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time) your Company has uploaded on its website at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section as well as on the Ministry's website the information regarding Unpaid / Unclaimed Dividend amount lying with the Company as on September 19, 2018 (date of last Annual General Meeting).

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

During the year under review, your Company has transferred ₹ 1,35,155/- as unclaimed / unpaid dividend in respect of Financial Year 2010-11 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 17,787 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 2010-11.

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

### **a) Composition:**

- i) During the year under review, Ms. Shalini Gupta (holding DIN: 02361768) was appointed as an Additional Director (Non-executive, Independent Woman Director) for a period of 5 (Five) years w.e.f. February 18, 2019 to February 17, 2024 and her appointment has been approved by the shareholders by way of Postal Ballot on March 27, 2019.
- ii) Shareholders has approved appointment Mr. Kishan Gopal Somani (holding DIN: 00014648) and Mr. Vikram Bhartia (holding DIN: 00013654) as Independent Directors (Category: Non-Executive), who are above 75 years of age, for their remaining tenure i.e., till September 18, 2019, by way of Postal Ballot on March 27, 2019. Shareholders has also approved re-appointment of Mr. Kishan Gopal Somani (holding DIN: 00014648) and Mr. Vikram Bhartia (holding DIN: 00013654) as Independent Directors (Category:

Non-Executive) for the period from September 19, 2019 to September 18, 2024, by way of Postal Ballot on March 27, 2019.

- iii) 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 Woman Directors (including one Independent woman Director) and 5 Independent Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - iv) 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, 2019 have been disclosed by all the Directors of the Company.
  - v) None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.
  - vi) 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:**
- i) As per Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mr. Akshit Diviaj Gupta (holding DIN: 07814690), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
  - ii) Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meetings held on February 18, 2019, has appointed Ms. Shalini Gupta (holding DIN: 02361768) as an Additional

Director (Non-Executive, Independent Woman Director) for a period of 5 (Five) years w.e.f. February 18, 2019 to February 17, 2024. Her appointment has been approved by shareholders by way of Postal Ballot on March 27, 2019, in accordance with the provisions of Section 149, 152 and 161 of the Companies Act, 2013 read with Schedule IV and Rules made thereunder and other applicable provisions of the Companies Act, 2013, if any.

- iii) Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their Meeting held on February 18, 2019 has approved continuation of present tenure of Directorship of Mr. Kishan Gopal Somani (holding DIN: 00014648) and Mr. Vikram Bhartia (holding DIN: 00013654) as Independent Directors (Category: Non-Executive) for the remaining period i.e., till September 18, 2019, who are above 75 years of age and same has been approved by way of Postal Ballot on March 27, 2019. Shareholders has also approved re-appointment of Mr. Kishan Gopal Somani (holding DIN: 00014648) and Mr. Vikram Bhartia (holding DIN: 00013654) as Independent Directors (Category: Non-Executive) for the period from September 19, 2019 to September 18, 2024, by way of Postal Ballot on March 27, 2019.
- iv) Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their Meeting held on August 05, 2019 has re-appointed Mr. Vijay Bhushan (holding DIN: 00002421) as Director of the Company for a further term of 5 (Five) years w.e.f. 19<sup>th</sup> September, 2019 to 18<sup>th</sup> September, 2024 in accordance with the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder and other applicable provisions of the Companies Act, 2013, if any. His re-appointment requires the approval of the shareholders at the ensuing Annual General Meeting.
- v) Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their Meeting held on August 05, 2019 has re-appointed Mr. Pawan Bholusaria (holding

DIN: 00092492) as Director of the Company for a further term of 5 (Five) years w.e.f. 19<sup>th</sup> September, 2019 to 18<sup>th</sup> September, 2024 in accordance with the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder and other applicable provisions of the Companies Act, 2013, if any. His re-appointment requires the approval of the shareholders at the ensuing Annual General Meeting.

The details of Directors being recommended for appointment / re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is contained in the accompanying Notice convening ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking shareholders' approval are also included in the Notice.

**c) Declaration by Independent Directors:**

All the Independent Directors of the Company have given their declaration for the FY 2018-19 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.

**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 1, 2018 to March 31, 2019 on May 17, 2018, July 24, 2018, August 9, 2018, October 31, 2018, February 4, 2019 and February 18, 2019.

Further, during the year, a separate meeting of the Independent Directors of the Company was also held on March 27, 2019 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 has issued and allotted 5,64,000 Equity shares of face value of ₹ 2/- each to eligible employees under KEI Employees Stock Option Scheme-2015. Accordingly, the paid-up share capital of the Company has increased from 78,361,438 Equity shares of face value of ₹ 2/- each to 78,925,438 Equity shares of face value of ₹ 2/- each.

## FORMAL ANNUAL EVALUATION

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

The Companies Act, 2013 not only mandates Board and Directors evaluation, but also requires the evaluation to be formal, regularized and transparent. SEBI has also notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015') on 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 February 18, 2019 and May 21, 2019 undertook an annual evaluation of the performance of the Board, its Committees and all the individual Directors.

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

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## 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 website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

### **FIXED DEPOSITS**

During the year, an amount of ₹ 24.20 millions was received by the Company as fixed deposit. As on March 31, 2019 fixed deposit aggregating to ₹ 84.15 millions were 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, 2019.

### **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 2019-20 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 Policy 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 5,64,000 Equity Shares of

face value of ₹ 2/- each to eligible employees of the Company at an Exercise Price of ₹ 35/- per share pursuant to KEI Employee Stock Option Scheme-2015.

The Company has obtained a certificate dated July 29, 2019 from the Auditors of the Company that the Schemes have been implemented in accordance with the applicable SEBI Guidelines and the resolution passed by the Shareholders dated 16<sup>th</sup> September, 2015. The Certificates would be placed at the Annual General Meeting for inspection by Members. For details of Employee Stock Option, Refer **Note no. 43** of the Financial Statements.

### AUDITORS

#### a) Statutory Auditors:

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

#### b) Cost Auditor:

Your Board of Directors has re-appointed M/s. S. Chander & Associates, Cost Accountants (Membership No.: 9455) as Cost Auditor of the Company to conduct audit of Cost Records maintained by the Company for the Financial Year 2019-20 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 2018-19.

Further, the Cost Audit Report for the FY 2017-18 was filed on December 1, 2018.

### c) Secretarial Auditors

The Board of Directors has appointed Mr. Sumit Kumar (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 2019-20.

#### Secretarial Audit Report

The Secretarial Audit Report for the FY 2018-19 as submitted by Secretarial Auditors in Form MR-3 is annexed to this Report as **Annexure - C** and form part of this report.

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

### CORPORATE SOCIAL RESPONSIBILITY

The Company has framed a Policy on Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which is available on the website of the Company at [www.kei-ind.com](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 and no loan was granted by the Company under Section 186 of the Companies Act, 2013. The particulars of Corporate Guarantees provided and Investment made by the Company during the year are as follows:

Sl. No.	Particulars of Corporate Guarantees and Investment made u/s 186 of the Companies Act, 2013	Amount (₹ in Millions)
1.	Loan of AUD 192500 given to Subsidiary namely "KEI Cables Australia PTY Ltd".	9.73
2.	Investment of ZAR 490 in Share Capital of Joint Venture namely "KEI Cables SA PTY Ltd".	0.00*
3.	Loan of ZAR 510 given to Joint Venture namely "KEI Cables SA PTY Ltd".	0.00*
4.	First Loss Default Guarantee in favour of Yes Bank Limited against Channel Financing Facility provided to the Dealers of the Company.	500.00
<b>Total</b>		<b>509.73</b>

\* ₹ 2,349 and ₹ 2,443 respectively.

### 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 Annual Report.

## **APPRECIATIONS**

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

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

## **FOR AND ON BEHALF OF THE BOARD**

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

**Date: August 05, 2019**

**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:**

**l) 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/ ESOS 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.

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the Financial Year ended on 31<sup>st</sup> March, 2019**

[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, IInd 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	53.76
2	Winding Wires, Flexible & House Wires	27320	18.85
3	Turnkey Projects	42202	22.85

\* 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 01/04/2018)				No. of Shares held at the end of the year (as on 31/03/2019)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals/ HUF	19168466	0	19168466	24.46	19168466	0	19168466	24.29	-0.17
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	21.80	17080000	0	17080000	21.64	-0.16
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- Total (A)(1)</b>	<b>36248466</b>	<b>0</b>	<b>36248466</b>	<b>46.26</b>	<b>36248466</b>	<b>0</b>	<b>36248466</b>	<b>45.93</b>	<b>-0.33</b>
<b>(2) Foreign</b>									
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

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2018)				No. of Shares held at the end of the year (as on 31/03/2019)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub- Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>36248466</b>	<b>0</b>	<b>36248466</b>	<b>46.26</b>	<b>36248466</b>	<b>0</b>	<b>36248466</b>	<b>45.93</b>	<b>-0.33</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	9295630	0	9295630	11.86	12318347	0	12318347	15.61	3.75
b) Banks / Financial Institutions	150084	0	150084	0.19	45787	0	45787	0.06	-0.13
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	275000	0	275000	0.35	2704638	0	2704638	3.43	3.08
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h) FII	80462	0	80462	0.10	0	0	0	0.00	-0.10
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Others (Foreign Portfolio Investors)	6069386	0	6069386	7.75	8558969	0	8558969	10.84	3.10
<b>Sub-Total (B)(1)</b>	<b>15870562</b>	<b>0</b>	<b>15870562</b>	<b>20.25</b>	<b>23627741</b>	<b>0</b>	<b>23627741</b>	<b>29.94</b>	<b>9.68</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	2474985	1000	2475985	3.16	1989865	1000	1990865	<b>2.52</b>	-0.64
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	11596063	158477	11754540	15.00	10641311	105309	10746620	13.62	-1.38
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	9824548	0	9824548	12.54	4789289	0	4789289	6.07	-6.47
<b>c) Others</b>									
(i) NRIs / OCBs	617619	20000	637619	0.81	634399	17500	651899	0.83	0.01
(ii) Clearing Members	239653	0	239653	0.31	169489	0	169489	0.21	-0.09
(iii) Trust	15986	0	15986	0.02	16698	0	16698	0.02	0.00
(iv) Director's & their relatives	408210	0	408210	0.52	489210	0	489210	0.62	0.10
(v) Unclaimed Suspense A/c IEPF	169395	0	169395	0.22	187182	0	187182	0.24	0.02



Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2018)				No. of Shares held at the end of the year (as on 31/03/2019)*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) NBFCs registered with RBI	716474	0	716474	0.91	7979	0	7979	0.01	-0.90
<b>Sub-Total (B)(2)</b>	<b>26062933</b>	<b>179477</b>	<b>26242410</b>	<b>33.49</b>	<b>18925422</b>	<b>123809</b>	<b>19049231</b>	<b>24.14</b>	<b>-9.35</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>41933495</b>	<b>179477</b>	<b>42112972</b>	<b>53.74</b>	<b>42553163</b>	<b>123809</b>	<b>42676972</b>	<b>54.07</b>	<b>0.33</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>78181961</b>	<b>179477</b>	<b>78361438</b>	<b>100</b>	<b>78801629</b>	<b>123809</b>	<b>78925438</b>	<b>100.00</b>	<b>0.00</b>

\* One of the reason for change in % of shareholding is - increase in share capital due to allotment of Equity shares under "KEI-ESOS 2015" during the FY 2018-19.

**(ii) Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year (01/04/2018)			Shareholding at the end of the Year (31/03/2019)			% 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	17.46	0.00	13680776	17.33	0.00	-0.12
2	Anil Gupta (HUF)	4650375	5.93	0.00	4650375	5.89	0.00	-0.04
3	Ms. Archana Gupta	837315	1.07	0.00	837315	1.06	0.00	-0.01
4	Shubh Laxmi Motels & Inns Pvt. Ltd.	3480000	4.44	0.00	3480000	4.41	0.00	-0.03
5	Soubhagya Agency Pvt. Ltd.	3125000	3.99	0.00	3125000	3.96	0.00	-0.03
6	KEI Cables Pvt. Ltd.	1575000	2.01	0.00	1575000	2.00	0.00	-0.01
7	Projection Financial & Management Consultants Pvt. Ltd.	7900000	10.08	0.00	7900000	10.01	0.00	-0.07
8	Dhan Versha Agency Pvt. Ltd.	1000000	1.28	0.00	1000000	1.27	0.00	-0.01
	<b>Total</b>	<b>36248466</b>	<b>46.26</b>	<b>0.00</b>	<b>36248466</b>	<b>45.93</b>	<b>0.00</b>	<b>-0.33</b>

\* Reason for change in % of shareholding is - increase in share capital due to allotment of Equity shares under "KEI-ESOS 2015" during the FY 2018-19.

(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 (01/04/2018)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+) / Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019 / end of the year 31/03/2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company*
1	Mr. Anil Gupta	13680776	17.46	1-Apr-2018	-	NA		
				31-Mar-2019			13680776	17.33
2	Promoters (other than above)	22567690	28.80	1-Apr-2018	-	NA		
				31-Mar-2019			22567690	28.59

\* During the year, no change occurred in the total shareholding of the Promoters. Further, change in % of shareholding is on account of increase in share capital due to allotment of Equity Shares under "KEI-ESOS 2015" during the FY 2018-19.

(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 (01/04/2018)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019 / end of the year 31/03/2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Edelweiss Trusteeship Co. Limited AC-Edelweiss MF*	0	0.00	1-Apr-2018				
				15-Feb-2019	14866	Buy	14866	0.02
				22-Feb-2019	8411	Buy	23277	0.03
				1-Mar-2019	33901	Buy	57178	0.07
				8-Mar-2019	455192	Buy	512370	0.65
				15-Mar-2019	71418	Buy	583788	0.74
				22-Mar-2019	98556	Buy	682344	0.86
		31-Mar-2019				682344	0.86	
2	Vanderbilt University Elephant Asset Management*	381000	0.49	1-Apr-2018				
				25-May-2018	47671	Buy	428671	0.54
				3-Aug-2018	20000	Buy	448671	0.57
				5-Oct-2018	133610	Buy	582281	0.74
				14-Dec-2018	17000	Buy	599281	0.76
				21-Dec-2018	12309	Buy	611590	0.77
				11-Jan-2019	12747	Buy	624337	0.79
				18-Jan-2019	47253	Buy	671590	0.85
				22-Feb-2019	65000	Buy	736590	0.93
				1-Mar-2019	40000	Buy	776590	0.98
				15-Mar-2019	70000	Sell	706590	0.90
		22-Mar-2019	26035	Sell	680555	0.86		
		29-Mar-2019	48965	Sell	631590	0.80		
		31-Mar-2019				631590	0.80	

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2018)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019 / end of the year 31/03/2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
3	Ajay Upadhyaya	1000000	1.28	1-Apr-2018				
				31-Mar-2019			1000000	1.27
4	HDFC Small Cap Fund	799096	1.02	1-Apr-2018				
				25-May-2018	135000	Buy	934096	1.18
				1-Jun-2018	40000	Buy	974096	1.23
				8-Jun-2018	250000	Buy	1224096	1.55
				15-Jun-2018	42000	Buy	1266096	1.60
				10-Aug-2018	232000	Buy	1498096	1.90
				12-Oct-2018	520700	Buy	2018796	2.56
				19-Oct-2018	214000	Buy	2232796	2.83
				26-Oct-2018	24000	Buy	2256796	2.86
				2-Nov-2018	6700	Buy	2263496	2.87
				9-Nov-2018	72200	Buy	2335696	2.96
				16-Nov-2018	27000	Buy	2362696	2.99
				30-Nov-2018	44000	Buy	2406696	3.05
				21-Dec-2018	30000	Buy	2436696	3.09
				18-Jan-2019	200000	Buy	2636696	3.34
				8-Mar-2019	335000	Buy	2971696	3.77
				15-Mar-2019	129000	Buy	3100696	3.93
		22-Mar-2019	150000	Buy	3250696	4.12		
		29-Mar-2019	224000	Buy	3474696	4.40		
		31-Mar-2019				3474696	4.40	
5	Sundaram Mutual Fund A/c Sundaram Select MICR*	621921	0.79	1-Apr-2018				
				8-Jun-2018	197074	Buy	818995	1.04
				24-Aug-2018	52304	Sell	766691	0.97
				31-Aug-2018	52721	Buy	819412	1.04
				12-Oct-2018	14173	Buy	833585	1.06
				2-Nov-2018	21388	Sell	812197	1.03
				9-Nov-2018	40000	Sell	772197	0.98
				7-Dec-2018	1561	Buy	773758	0.98
				14-Dec-2018	1940	Buy	775698	0.98
				28-Dec-2018	1225	Buy	776923	0.98
				4-Jan-2019	35535	Sell	741388	0.94
				11-Jan-2019	35187	Buy	776575	0.98
				8-Feb-2019	86669	Buy	863244	1.09
		31-Mar-2019				863244	1.09	
6	BNP Paribas Mutual Fund Ac BNP Paribas Multi*	550000	0.70	1-Apr-2018				0.00
				6-Apr-2018	30000	Buy	580000	0.73
				25-May-2018	20000	Buy	600000	0.76
				8-Jun-2018	80000	Sell	520000	0.66
				21-Sep-2018	75000	Sell	445000	0.56
				28-Sep-2018	175000	Sell	270000	0.34
				31-Mar-2019				270000

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2018)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019 / end of the year 31/03/2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
7	Emerging Markets Core Equity Portfolio *	409822	0.52	1-Apr-2018				
				20-Apr-2018	4296	Buy	414118	0.52
				27-Apr-2018	16038	Buy	430156	0.55
				4-May-2018	24765	Buy	454921	0.58
				11-May-2018	14636	Buy	469557	0.59
				18-May-2018	18465	Buy	488022	0.62
				25-May-2018	20408	Buy	508430	0.64
				1-Jun-2018	3036	Buy	511466	0.65
				15-Jun-2018	11313	Buy	522779	0.66
				22-Jun-2018	10144	Buy	532923	0.68
				6-Jul-2018	7053	Buy	539976	0.68
				13-Jul-2018	11431	Buy	551407	0.70
				20-Jul-2018	43354	Buy	594761	0.75
				27-Jul-2018	16739	Buy	611500	0.77
				3-Aug-2018	15052	Buy	626552	0.79
				10-Aug-2018	5976	Buy	632528	0.80
		24-Aug-2018	6386	Buy	638914	0.81		
		31-Mar-2019			638914	0.81		
8	Vantage Equity Fund*	338062	0.43	1-Apr-2018				
				7-Sep-2018	169294	Buy	507356	0.64
				12-Sep-2018	107840	Buy	615196	0.78
				14-Sep-2018	24737	Buy	639933	0.81
				21-Sep-2018	135067	Buy	775000	0.98
				28-Sep-2018	165000	Buy	940000	1.19
				5-Oct-2018	53000	Buy	993000	1.26
				12-Oct-2018	312000	Buy	1305000	1.65
				18-Jan-2019	145000	Buy	1450000	1.84
				25-Jan-2019	50000	Buy	1500000	1.90
				1-Feb-2019	50000	Buy	1550000	1.96
		31-Mar-2019			1550000	1.96		
9	Massachusetts Institute of Technology*	0	0.00	1-Apr-2018				
				4-Jan-2019	500000	Buy	500000	0.63
				11-Jan-2019	500000	Buy	1000000	1.27
				8-Mar-2019	31322	Buy	1031322	1.31
				15-Mar-2019	10678	Buy	1042000	1.32
				22-Mar-2019	15138	Buy	1057138	1.34
				29-Mar-2019	25000	Buy	1082138	1.37
		31-Mar-2019			1082138	1.37		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2018)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019 / end of the year 31/03/2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
10	Ashish Kacholia*	2491608	3.18	1-Apr-2018				
				20-Jul-2018	200000	Sell	2291608	2.90
				3-Aug-2018	100000	Sell	2191608	2.78
				10-Aug-2018	20000	Sell	2171608	2.75
				21-Dec-2018	53608	Sell	2118000	2.68
				28-Dec-2018	73000	Sell	2045000	2.59
				31-Dec-2018	595000	Sell	1450000	1.84
				4-Jan-2019	200000	Sell	1250000	1.58
				11-Jan-2019	163000	Sell	1087000	1.38
				18-Jan-2019	102000	Sell	985000	1.25
				25-Jan-2019	86568	Sell	898432	1.14
				1-Feb-2019	411011	Sell	487421	0.62
				8-Feb-2019	141904	Sell	345517	0.44
				22-Feb-2019	44000	Sell	301517	0.38
		1-Mar-2019	104000	Sell	197517	0.25		
		31-Mar-2019			197517	0.25		
11	Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund	5220550	6.66	1-Apr-2018				
				13-Apr-2018	20550	Sell	5200000	6.59
				1-Jun-2018	100000	Sell	5100000	6.46
				8-Jun-2018	76000	Sell	5024000	6.37
				22-Jun-2018	24000	Sell	5000000	6.34
				28-Sep-2018	50000	Buy	5050000	6.40
				12-Oct-2018	326884	Buy	5376884	6.81
				26-Oct-2018	173576	Buy	5550460	7.03
				2-Nov-2018	82498	Sell	5467962	6.93
				8-Mar-2019	71481	Sell	5396481	6.84
				15-Mar-2019	96481	Sell	5300000	6.72
		31-Mar-2019			5300000	6.72		
12	IDFC Sterling Value Fund#	910000	1.16	1-Apr-2018				
				25-May-2018	130000	Sell	780000	0.99
				1-Jun-2018	80000	Sell	700000	0.89
				8-Jun-2018	46003	Sell	653997	0.83
				13-Jul-2018	2391	Sell	651606	0.83
				17-Aug-2018	51606	Sell	600000	0.76
				24-Aug-2018	200000	Sell	400000	0.51
				31-Aug-2018	300000	Sell	100000	0.13
		31-Mar-2019			100000	0.13		

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2018)		As on Benpos Date	Increase (+)/ Decrease (-) in No. of Shares	Reason [for Increase (+)/ Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019 / end of the year 31/03/2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
13	Alquity Sicav - Alquity Indian Subcontinent*	0	0.00	1-Apr-2018				
				6-Apr-2018	55268	Buy	55268	0.07
				13-Apr-2018	152859	Buy	208127	0.26
				20-Apr-2018	70500	Buy	278627	0.35
				25-May-2018	161508	Buy	440135	0.56
				8-Jun-2018	90471	Buy	530606	0.67
				22-Jun-2018	23111	Buy	553717	0.70
				29-Jun-2018	26090	Buy	579807	0.73
				24-Aug-2018	38859	Buy	618666	0.78
				12-Oct-2018	7430	Buy	626096	0.79
				16-Nov-2018	39500	Sell	586596	0.74
				15-Feb-2019	37536	Buy	624132	0.79
				31-Mar-2019			624132	0.79
14	Ashish Agarwal#	1327312	1.69	1-Apr-2018				
				4-Jan-2019	200000	Sell	1127312	1.43
				18-Jan-2019	76303	Sell	1051009	1.33
				25-Jan-2019	375000	Sell	676009	0.86
				8-Feb-2019	53793	Sell	622216	0.79
				15-Feb-2019	55062	Sell	567154	0.72
				1-Mar-2019	470000	Sell	97154	0.12
				31-Mar-2019			97154	0.12
15	Bengal Finance and Investment Private Limited#	500000	0.64	1-Apr-2018				
				20-Jul-2018	137000	Sell	363000	0.46
				31-Mar-2019			363000	0.46
16	Madhulika Agarwal#	1137484	1.45	1-Apr-2018				
				20-Apr-2018	339000	Sell	798484	1.01
				27-Apr-2018	41000	Sell	757484	0.96
				10-Aug-2018	200000	Sell	557484	0.71
				4-Jan-2019	105000	Sell	452484	0.57
				11-Jan-2019	100000	Sell	352484	0.45
				31-Mar-2019			352484	0.45

# Ceased to be in the Top 10 shareholders as on 31-03-2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2018.

\* Not in the list of Top 10 Shareholders as on 01-04-2018. The same has been reflected above since the shareholder was one of the Top 10 Shareholders as on 31-03-2019.

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01/04/2018)		As on Benpos Date	Increase (+) / Decrease (-) in No. of Shares	Reason for [Increase (+) / Decrease (-) in No. of Shares ]	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019 / end of the year 31/03/2019)*	
		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	17.46	1-Apr-2018		Nil Movement during the year		
					0.00			
				31-Mar-2019			13680776	17.33
2	Mr. Rajeev Gupta (Director and KMP)	318910	0.41	1-Apr-2018				
				12-Sep-2018	-53854	Sell		
				14-Sep-2018	-10146	Sell		
				25-Sep-2018	150000	Allotment of Equity shares under KEI ESOS-2015		
				31-Mar-2019			404910	0.51
3	Mr. Kishore Kunal (KMP)	84045	0.11	1-Apr-2018				
				12-Sep-2018	-10000	Sell		
				14-Sep-2018	-18000	Sell		
				25-Sep-2018	42000	Allotment of Equity shares under KEI ESOS-2015		
				31-Mar-2019			98045	0.12
4	Ms. Archana Gupta (Director)	837315	1.07	1-Apr-2018		Nil Movement during the year		
					0.00			
				31-Mar-2019			837315	1.06
5	Mr. Vijay Bhushan (Director)	0	0.00	1-Apr-2018		Nil Movement during the year		
					0.00			
				31-Mar-2019			0.00	0.00
6	Mr. Vikram Bhartia (Director)	10000	0.01	1-Apr-2018		Nil Movement during the year		
					0.00			
				31-Mar-2019			10000	0.01
7	Mr. Pawan Bholusaria (Director)	4500	0.01	1-Apr-2018		Nil Movement during the year		
				31-Mar-2019			4500	0.01
8	Mr. Kishan Gopal Somani (Director)	1000	0.00	1-Apr-2018		Nil Movement during the year		
					0.00			
				31-Mar-2019			1000	0.00

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01/04/2018)		As on Benpos Date	Increase (+) / Decrease (-) in No. of Shares	Reason for [Increase (+) / Decrease (-) in No. of Shares]	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019 / end of the year 31/03/2019)*	
		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-2018		Nil Movement during the year		
				31-Mar-2019	0.00		0.00	0.00
10	Mr. Sadhu Ram Bansal (Director)	0	0.00	1-Apr-2018		Nil Movement during the year		
				31-Mar-2019	0.00		0.00	0.00
11	Ms. Shalini Gupta (Director)	0	0.00	1-Apr-2018		Nil Movement during the year		
				31-Mar-2019	0.00		0.00	0.00

\* One of the reason for change in % of shareholding is - increase in share capital due to allotment of Equity shares under "KEI-ESOS 2015" during the FY 2018-19.

## 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	8,131.73	211.30	78.16	8,421.19
ii) Interest due but not paid	8.85	-	-	8.85
iii) Interest accrued but not due	8.13	-	-	8.13
<b>Total (i+ii+iii)</b>	<b>8,148.71</b>	<b>211.30</b>	<b>78.16</b>	<b>8,438.17</b>
<b>Change in Indebtedness during the Financial Year</b>				
• Addition	1,996.50	24.20	24.20	2,045.40
• Reduction	(4,446.92)	(17.00)	(18.21)	(4,482.63)
<b>Net Change</b>	<b>(2,450.42)</b>	<b>7.20</b>	<b>5.99</b>	<b>(2,437.23)</b>
<b>Indebtedness at the end 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>



## 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	34.50	9.70	6.01	50.21
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	5.53	-	-	5.53
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	44.81	-	44.81
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	107.18	-	-	107.18
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Contribution to PF	0.03	0.02	0.02	0.07
	Total (A)	147.24	54.53	6.03	207.80
	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 shareholder's 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)	Ms. 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)	1.05	1.27	1.72	0.60	N.A	0.53	-	5.17
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (1)	1.05	1.27	1.72	0.60	-	0.53	-	5.17
2	<b>Other Non-Executive Directors (NED)</b>								
	• Fee for attending board committee meetings (including board meetings)	-	-	-	-	1.13	-	-	1.13
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	1.13	-	-	1.13
	Total (B)=(1+2)	1.05	1.27	1.72	0.60	1.13	0.53	-	6.30
	Total Managerial Remuneration								214.10#
	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.

\*\* Appointed w.e.f. 18.02.2019.

**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		3.23			3.23
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0.06			0.06
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		0.00			0.00
2.	Stock Option		12.55			12.55
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>15.86</b>			<b>15.86</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>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

NIL

For KEI Industries Limited

Place: New Delhi  
Date: August 05, 2019

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019**

*[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, 2019 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, 2019 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 2018-2019**);
  - (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 2018-2019**);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the Financial Year 2018-2019**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**Not applicable to the Company during the Financial Year 2018-2019**); and
- (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vii) Employees State Insurance Act, 1948;
- (viii) Environment Protection Act, 1986 and other Environmental Laws;

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

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

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

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

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

We further report that: -

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the year under review, the Board of Directors of the Company at their meetings held on February 18, 2019, has appointed Ms. Shalini Gupta (holding DIN: 02361768) as an Additional Director (Non-Executive, Independent Director) for a period of 5 (Five) years w.e.f. February 18, 2019 to February 17, 2024. Her appointment has been approved by shareholders by way of Postal Ballot on March 27, 2019, in accordance with the provisions of Section 149, 152 and 161 of the Companies Act, 2013 read with Schedule IV and Rules made thereunder and other applicable provisions of the Companies Act, 2013.

Further, the Board of Directors of the Company at their Meeting held on February 18, 2019 has approved continuation of present tenure of Directorship of Mr. Kishan Gopal Somani (holding DIN: 00014648) and Mr. Vikram Bhartia (holding DIN: 00013654) as an Independent Directors (Category: Non-Executive) for the remaining period i.e., till September 18, 2019, who are above 75 years of age and same has been approved by way of Postal Ballot on March 27, 2019. Shareholders has also approved re-appointment of Mr. Kishan Gopal Somani (holding DIN: 00014648) and Mr. Vikram Bhartia (holding DIN: 00013654) as an Independent Directors (Category: Non-Executive) for the period from September 19, 2019 to September 18, 2024, by way of Postal Ballot on March 27, 2019.

- 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 5,64,000 equity shares under "KEI – Employees Stock Option Scheme – 2015" pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014.
- (ii) The Company has announced setting up of New Manufacturing Plant for House wires at Survey No.1/1/2/5, Village Chinchpada, Silvassa, Union Territory of Dadar and Nagar Haveli – 396230.

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.;

**Place: Delhi**  
**Dated: July 19, 2019**

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

**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.**

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**"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, 2019 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: Delhi**  
**Dated: July 19, 2019**

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

**Annexure - D**

**ANNUAL REPORT ON CSR ACTIVITIES (FY: 2018-19)**

**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)	Service

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>1,449.95</b> |
| 4. Prescribed CSR Expenditure (2 % of the amount as in item 3 above):               | <b>29.00</b>    |
| 5. Details of CSR spent during the Financial Year :                                 |                 |
| a) Total amount to be spent for the Financial Year:                                 | <b>29.00</b>    |
| b) Amount unspent, if any:  | <b>14.21</b>    |
| c) Manner in which the amount spent during the Financial Year is provided as below: |                 |

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (as per Schedule VII of the Companies Act, 2013)	Projects or programs i) Local area or other ii) The State and district where projects or programs was undertaken	Amount outlay (budget) project or programs Wise (₹ in millions)	Amount spent on the projects or programs Sub heads: i) Direct expenditure on projects or programs ii) Overheads (₹ in millions)	Cumulative expenditure upto the reporting period (₹ in millions)	Amount spent : Direct or through implementing agency
1 (i)	Promoting Education	Cl (ii)	Ajhai, District-Mathura, Uttar Pradesh	6.00	6.00	6.00	Through International Society for Krishna Consciousness (ISKCON)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered (as per Schedule VII of the Companies Act, 2013)	Projects or programs i) Local area or other ii) The State and district where projects or programs was undertaken	Amount outlay (budget) project or programs Wise (₹ in millions)	Amount spent on the projects or programs Sub heads: i) Direct expenditure on projects or programs ii) Overheads (₹ in millions)	Cumulative expenditure upto the reporting period (₹ in millions)	Amount spent : Direct or through implementing agency
(ii)	Promoting Education	CI (ii)	Ajhaj, District-Mathura, Uttar Pradesh	5.60	1.00	1.00	Through International Society for Krishna Consciousness (ISKCON)
(iii)	Eradicating Extreme Hunger and Poverty	CI (i)	Ajhaj, District-Mathura, Uttar Pradesh		2.50	2.50	Through International Society for Krishna Consciousness (ISKCON)
2	Promoting Education	CI (ii)	Delhi	0.20	0.20	0.20	Through Kalpatru Society
3	Environment Sustainability	CI (iii)	Kerala	0.14	0.14	0.14	Kerala Flood
4	Environmental Sustainability	CI (iv)	Delhi	1.00	1.00	1.00	Through GVIKSH
5	Promoting Preventive Health Care And Sanitation	CI (i)	Himachal Pradesh	0.20	0.20	0.20	Through Shiwalik Khadi Ashram
6	Promote Rural Sport	CI (vii)	Gujarat	0.30	0.30	0.30	Through Sports of India
7	Promoting Health Care	CI (i)	Delhi	1.10	1.10	1.10	Through Rotary Ashoka Welfare Trust
8	Promoting Education	CI (ii)	Village and Mandal, Vargal Dist. Siddipet Telangana	1.60	1.60	1.60	Through Sri Vidya Saraswathi Sri Sani Temple
9	Eradicating Extreme Hunger and Poverty	CI (i)	Village and Mandal, Vargal Dist. Siddipet Telangana	0.75	0.75	0.75	Through Sri Vidya Saraswathi Sri Sani Temple
	<b>Total</b>			<b>16.89</b>	<b>14.79</b>	<b>14.79#</b>	

# Includes, amount spent for earlier years.

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

The Company would be meeting its CSR obligations during Financial Year 2019-20, including the amount unspent in line with the progress of the relevant projects.

**7. Responsibility Statement :**

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

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

(PAWAN BHOLUSARIA)  
Chairman of CSR Committee  
DIN: 00092492

Date: August 05, 2019  
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 2018-19
Mr. Anil Gupta (Chairman-cum-Managing Director)	1:67	20%
Mr. Rajeev Gupta [(Executive Director (Finance) & CFO)]	1:17	16%
Mr. Akshit Diviaj Gupta (Whole Time Director)	1:11	26%
Mr. Kishore Kunal (Company Secretary & Compliance Officer)	1:5	20%

Clause under Rule 5(1)	Prescribed Requirement	Particulars
(iii)	Percentage increase in the median remuneration of employees in the Financial Year	4%
(iv)	Number of permanent employees on the rolls of Company	1675
(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 - 2% ii) Average percentage increase in the salaries of managerial personnel - 20%
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Nomination and Remuneration Policy of the Company.

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

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	147.24	Permanent	B. Com	38	31/12/1992	60	NA
2	Mr. Rajeev Gupta, ED (Finance) & CFO	54.53	Permanent	B.com (Hons.), CA	26	13/12/1993*	55	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
3	Mr. Pawan Kumar Aggarwal, Executive Director (Projects)	49.28	Permanent	B.Sc., Diploma (Electronics)	37	01/10/1982	60	NA
4	Mr. Manoj Kakkar, Executive Director (Sales & Marketing)	21.21	Permanent	B.Com, PGDM (Marketing)	30	18/12/1990	50	Premier Cable
5	Mr. Lalit Sharma, COO	21.70	Permanent	B.Tech. (E&C)	23	10/09/2007	44	Plaza Group
6	Mr. K C Sharma Sr. VP (Operations)	14.75	Permanent	Diploma (Electrical)	37	18/01/1994	59	Victor Cables
7	Mr. Manish Mantri, Sr. VP (EPC)	14.36	Permanent	B.E. (Chemical)	24	24/01/2012	49	RR Kabel Ltd.
8	Mr. Adarsh Kumar Jain, AVP (Finance)	18.11	Permanent	B.Sc., CA	22	16/09/2002	44	Jagdish Chand & Co.
9	Mr. Kishore Kunal, GM (Corporate) & Company Secretary	15.86	Permanent	B.Com, CS, LLB	16	15/12/2004	37	Shri Rathi Steel Limited
10	Mr. Dilip Kumar Barnwal, VP (Operations)	12.01	Permanent	B.E (Electrical)	26	24/08/2005	52	Ruchika Cables Pvt. Ltd.

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

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

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

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

## **ANNEXURE - F**

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

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

### **A. CONSERVATION OF ENERGY -**

**Steps taken for impact on 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 and is operating successfully.
- Big capacity machines are being converted from DC motors and drives to AC motors and drives which results in good energy saving.

- 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.
- On line energy ( electricity & diesel) monitoring system installed.
- Solenoid valves were attached with the capstans of the extruders to reduce the air wastage.
- CFL lights were replaced with LED lights.
- PU connectors were replaced with Aluminium connectors to minimize the leakage of air.
- DC motors were replaced with AC motors for 2 machines.

#### **CONSERVATION TOWARDS ENVIRONMENT-**

- 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.

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 (33 kv).
  - 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 66 kV (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 1200 sq. 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 17025:2005 certification along with upgradation of OHSAS 18001:2007 to ISO 45001:2018.
- New plant commissioned at Pathredi for manufacturing of HT, LT, Control & Instrumentation cables.
- 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 three 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.
- CO<sub>2</sub> 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 (1.60 mm) rather than in 8 mm Rod form for fine wire drawing.
- Replaced 1+3 Laying machine with Drum Twister (2600 mm) 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 in case of power failure.
- Inhouse developed the RoHS compound which got passed from outside Lab.

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

- **Special PVC Compound have been developed in house.**
  - Special FRLS : This compound can 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 fadeness 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).
  - 35 kV compound for 33 kV : 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:**

- To enhance productivity in Chopanki Plant following machine is planned for commissioning.
  - For producing smooth aluminum sheathed cables, on line triple layer extrusion facility developed in sync with aluminum seam welded machine, High Speed 61B stranding Machine, PD Lab up to 66 kV, Variable reactor for testing of longer lengths of 220 kV & above EHV cable, 2 new degassing chamber, which can accommodate 8 drums of 220 kV cable in one go, thus doubling the capacity.
- To enhance productivity in Patherdi Plant following machine is planned for commissioning.
  - Inclusion of 8-wire multi wire drawing machine, high speed single twist 1000 mm Laying machine, 1250/1600 single twist laying machine, PD lab.
- To enhance productivity in Conductor section following machine is planned for commissioning
  - High speed 61B stranding machine equipped with batch loading and automatic sensor is planned for replacement with existing 61B conventional stranding machine, One buncher with high speed Niehoff Buncher (630 mm).
- To enhance productivity in control & Instrumentation section following machine is planned for commissioning.
  - 1600 mm Drum Twister, 72B Armouring, Single twist 630 mm Shielding Machine, High Speed Niehoff Machine, Bi-Color 65 mm Extruder.
- To enhance productivity in Stainless Steel Plant following machine is planned for commissioning
  - 10 nos. of WET drawing machines, 48 line type 4.5 m long electric fired furnace with cooling tank for fine wire annealing, 12 block type straight wire drawing machine for spring quality wire, Length of the existing furnaces (4 nos.) has been planned to increase up to 4.5 m, 4 blocks in existing straight drawing machine to convert into 8 block straight wire drawing machine.
- To minimize the in transit time following development has been planned for material handling.
  - One 15 MT EOT Crane at Bhiwadi plant, Replacement and up gradation of Mobile Crane, Goods lift & Fork lift.
- The 400 kV Cable developed and manufactured is undergoing prequalification test by internationally accredited testing agency.
- Separate laboratories for Factory testing and Type testing.
- Enhancing capacity of PVC Compounding plant.
- Penetration into varied turnkey projects.
- Research and identify new products as per futuristic market demands.
- Ordered machines like Niehoff Multiwire drawing, niehoff Bunchers, Supermac Extruders and Simpact coiling machines to Increase the Housewires/ Flexibles Capacity.
- Expansion of LT Cables by adding new plant in Pathredi.
- New Depot will be added in Bhiwadi for storage of Stock cables to create more free space for smooth operation in Bhiwadi and Chopanki plants.
- Expansion of Poly-winding wire to add the capacity along with winding wire.
- Plasma ion machine will be installed to improve the productivity of XLPE printed core in control and instrumentation cables.
- Hot Water Steam Generator will be installed in Pathredi Plant for aid in energy conservation.

**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 2018-19, export sales of the Company increased to ₹ 5324.99 millions from ₹ 4542.07 millions in the financial year 2017-18. Your Company is continuing its sustained efforts to retain old customers and add new customers in various export markets. With management's focus, marketing strategies and dedicated efforts of Company's International Business Team, the Company is hopeful to make improvement in its export sales in the coming year.

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

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

Earnings	₹ 5,324.99 millions
Outgo	₹ 9787.43 millions

**FOR AND ON BEHALF OF THE BOARD**

**Place : New Delhi**  
**Date : August 05, 2019**

**(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 THE BOARD**

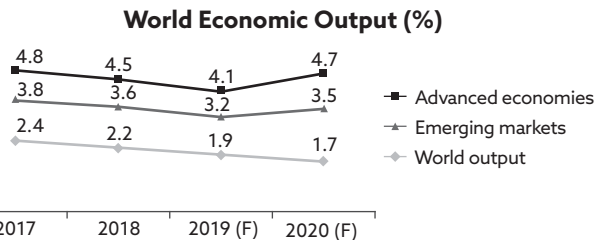
**Place : New Delhi**  
**Date : August 05, 2019**

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

# Management Discussion and Analysis

## GLOBAL ECONOMIC OVERVIEW

Global economy is expected to experience precarious recovery after a recent slowdown due to confluence of various factors that affected major economies. As per the International Monetary Fund (IMF), global economic growth is projected to be slower from 3.6% in 2018 to 3.2% in 2019 before returning to 3.5% in 2020. China's conflict with the US in terms of the heightened trade tensions and tariff rates affected the former's growth. The Euro area's economic growth lost more momentum than expected as consumer and business confidence weakened and external demand softened from emerging Asia. Global market conditions are expected to ease in 2019 as the US Federal Reserve has signaled a more accommodative monetary policy stance gradually leading to high optimism about US-China trade deal.



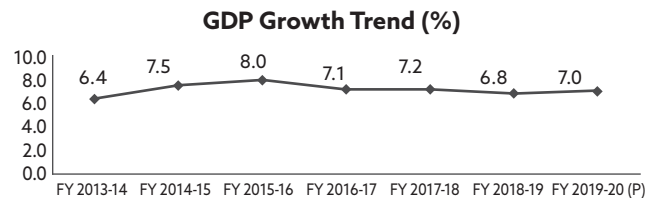
(Source: IMF's World Economic Outlook report - July, 2019)

The emerging markets backed by favorable macro-economic and financial policies are expected to sustain their growth levels at a considerable level. They are expected to record a growth of 4.7% in 2020 after registering a growth of 4.1% in 2019. The advanced economies are witnessing lower commodity prices, subdued inflation pressure and introduction of new fuel emission standards for diesel-powered vehicles. Consequently, growth in advanced economies is expected to decline by 1.9% in 2019 and further decline by 1.7% in 2020.

## INDIAN ECONOMIC OVERVIEW

India is one of the fastest growing economies in the world. The aftermath of slowdown in global economy has also reflected on the Indian economy. India's gross domestic product (GDP) grew by 6.8% in FY 2018-19, as compared to 7.2% in FY 2017-18. As per the IMF and Economic Survey report July, 2019, the Indian economy is projected to grow by 7.0% in FY 2019-20, backed by the anticipated pickup in investments and acceleration in consumption. The

apt structural reforms and prompt fiscal and monetary measures are expected to revive the growth process in India. Also recently, the Reserve Bank of India (RBI) has revised its repo rate downwards to combat the current slowdown in growth.



(Source: MOSPI report May, 2019, Economy Survey Report July, 2019)

The reform process commenced in India has made the country an easier place to do business than other BRICS peers such as Brazil and South Africa. As per the World Bank's latest 'Ease of Doing Business Report', India recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77<sup>th</sup> rank among 190 countries. In fact, the country has been one of the biggest improvers as per the study. Additionally, fiscal indices like Index of Industrial Production (IIP), as reported by Ministry of Statistics and Programme Implementation (MOSPI) is estimated to have grown by 3.6% in FY 2018-19 as compared to 4.4% in FY 2017-18. As per MOSPI (Ministry of Statistics and Programme Implementation), the retail inflation grew by 3.2% in July 2019. Also, as per the IHS (Information Handling Services) Markit, Purchasing Managers' Index (PMI) for Indian manufacturing increased to 52.5 in July 2019 from 52.1 as recorded in June 2019.

Many foreign institutions are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Make in India drive has been launched in order to boost India's manufacturing sector. Also, it would increase the purchasing power of the average Indian consumer and stimulate development. India is expected to be the third-largest consumer economy with consumption likely to triple to USD 4 trillion by 2025, due to shift in consumer behavior and expenditure pattern. The Government's focus on supporting the farmers, economically less-privileged workers in the un-organized sector and salaried employees, while continuing the push towards better physical and social infrastructure, would pave the way for higher sustainable growth and development in India.



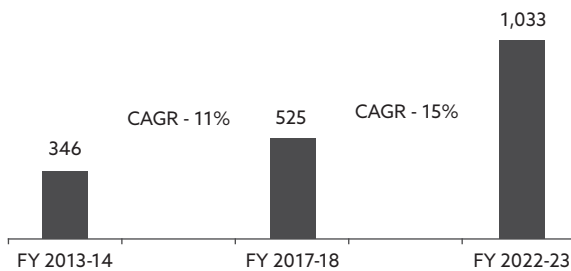
(Source: <https://www.ibef.org/economy/indian-economy-overview><https://www.markiteconomics.com/Public/Home/PressRelease/dd4e6f8edd094c4eb165fa2f67e70651>)

## INDUSTRY OVERVIEW

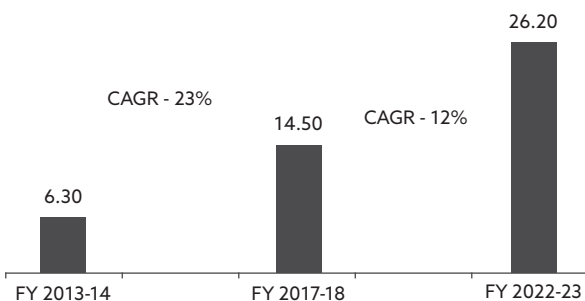
### Cables and Wires (C&W) Industry Overview

The Government's huge push to develop infrastructure will fuel the need for quality cables and wires, which will boost the development of C&W industry in India. As per the industry report by Yes Securities, the C&W industry grew by a whopping 23% CAGR in volume between FY 2013-14 and FY 2017-18 to touch 14.5 million kms. In terms of sales value, it recorded 11% CAGR over the same period. The market size of C&W industry is expected to grow by 15% CAGR from ₹ 525 billion in FY 2017-18 to ₹ 1,033 billion in FY 2022-23. This is primarily due to abundant growth in affordable housing segment and increasing electrical product-related distribution activities.

**C&W Market Revenue (₹ in Billion)**



**C&W Market Volume (Million Kms)**



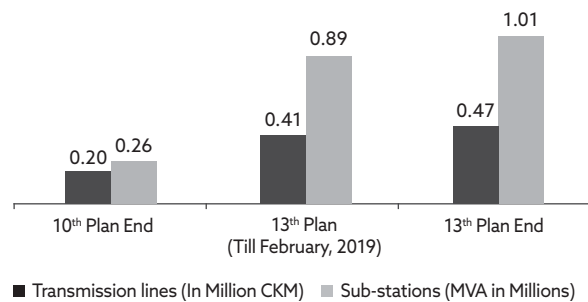
(Source: Yes Securities Industry Cables and Wires Industry Report, April, 2019)

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

Power and Infrastructure form the most critical end-user industry of C&W and are also crucial for the sustained growth of the C&W industry. As per the Economic Survey 2018-19, total installed capacity of power in India has increased to 356.1 GW (Gigawatt) in 2019 from 344 GW in 2018. The T&D sector continues to remain in focus with an impetus on high voltage transmission lines along with the Government's objective to provide 24x7 power. The Government is aiming to make higher investment targets for the T&D sector over the

13<sup>th</sup> Plan (2017-2022) at ₹ 3 to ₹ 3.2 trillion compared to ₹ 2.1 to ₹ 2.2 trillion over the 12<sup>th</sup> Plan. India's inter-regional power transmission capacity has increased from 17 GW in FY 2006-07 to 86 GW in FY 2017-18 and is further expected to touch 130 GW by FY 2022-23. DISCOMS (Electricity Distribution Companies) which have joined the Ujwal DISCOM Assurance Yojana, also known as the UDAY scheme, are expected to improve their T&D infrastructure through renewed investments. The Government's measures to improve railways, its increasing focus on renewables, and rising energy needs in the Power sector have augmented the demand for electrical cables and wires. The transmission lines as per the 13<sup>th</sup> plan stood at 0.41 million circuit km (CKM) in February, 2019 and are projected to grow to 0.47 CKM by 2022. Also, the sub-stations are expected to generate 1.01 million Mega Volt Ampere (MVA) by the end of 13<sup>th</sup> plan from 0.89 million MVA as in February, 2019. EHV (Extra High Voltage) cables market is expected to be ₹ 20 to ₹ 22.5 billion in FY 2018-19, which is seen growing by 10% to 15% annually.

**Transmissions and Sub-stations Projection**



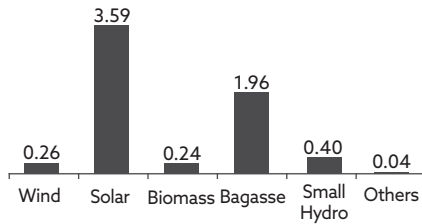
(Source: Yes Securities Industry Cables and Wires Industry Report, April, 2019)

### Renewable Energy Drive

The renewable energy source (RES) has lately been given high emphasis by the Government. Solar energy has been gaining prominence, contributing about 39% of the entire RES power generation in the month of February, 2019. Plans have been formulated to double wind power generation capacity to 60 GW by 2022. Also, the Energy deficit has been reduced considerably to 0.7% in FY 2017-18 from 4.2% in FY 2013-14 with aid from robust Government drives to develop various power sources, especially, the renewable energy power source. India's first inter-state transmission system (ISTS) auction with wind power capacity of 126 MW has been commissioned. To create potential for domestic manufacturers and developers, the Government is expected to auction 40 GW of renewable energy projects including 30 GW solar and 10 GW wind every year till 2028. Currently, the country has net installed capacity of 6.78 GW for nuclear energy in

2018, using nuclear fuels, across 20 reactors. It aims to quadruple India's nuclear power generation capacity to 20 GW by 2020.

### RES Generating Sources (GW) in February, 2019

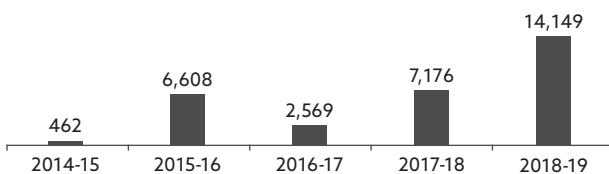


(Source: [http://cea.nic.in/reports/monthly/executivesummary/2019/exe\\_summary-03.pdf](http://cea.nic.in/reports/monthly/executivesummary/2019/exe_summary-03.pdf))

### Infrastructure industry focusing on growth in railways and metros

The Infrastructure sector has been instrumental for propelling India's overall development. The sector enjoys intense focus from the Government for initiating policies which would ensure time-bound creation of world-class infrastructure in the country. The Government has been fueling the FDI inflow in Indian infrastructure by making investor-friendly policies. The heightened Government spending in roads construction, urban infrastructure, irrigation and railways would lead to high growth of overall infrastructure. The increasing focus on railway network decongestion and expansion and developing high speed rail would gradually elevate the electrification needs. During FY 2018-19, railway electrification work for about 14,149 RKM was sanctioned, which was almost double from that in the previous year. Additionally, of the total rail network identified for electrification by 2021, 51% is yet to be electrified. This provides a huge demand potential for the C&W industry.

### Railway Electrification Work sanctioned (Route KM)



(Source: Yes Securities Industry Cables and Wires Industry Report, April, 2019)

### Housing Wire gaining prominence - Housing growth:

The housing-related electrical wires segment has transformed over the last five years because of robust growth of customer involvement in electrical purchases and preference for branded products. Increasing transparency, urbanization, affordable housing, impetus to Tier 2 Cities development have also increased the growth of housing sector in India. By initiating schemes like RERA Act, Housing for All and Smart Cities Mission,

the Government is working on infusing more liquidity and transparency in the sector. As per the industry report by Yes Securities, under the Pradhan Mantri Awas Yojana (PMAY) (Urban), 20 million houses are to be constructed by 2022, out of which 7.9 million houses have been sanctioned, 4.1 million houses have been grounded for construction and 1.6 million houses have been completed as on February, 2019. Favorable outcomes in these schemes will boost the demand for electrical products.

### GOVERNMENT INITIATIVES

The increasing demand trend for C&W industry is expected to continue in future as well, driven by various Government initiatives. The re-elected Government is likely to maintain the continuity on the major programs launched during its last tenure viz. railway station re-development program, inland waterways development, Namami Gange, Swachh Bharat Mission, UDAN (Airports), AMRUT and Smart Cities (Urban Infra).

### Infrastructural Upgradation

India's rank jumped to 24 in 2018 from 137 in 2014 on World Bank's Ease of Doing Business- "Getting Electricity" ranking. India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast. Various upgradation tasks have been taken up by the Government such as follows:

#### Railways

The Public-Private Partnership (PPP) model has been proposed to unleash faster development and completion of railway tracks, delivery of passenger freight services as well as for rolling stock manufacturing. The capital expenditure for FY 2019-20 has been pegged at ₹ 160,176 Crores, which is 20% higher than that in FY 2018-19. For FY 2019-20, electrification of 7,000 RKM (route kilometer) has been targeted. Moreover, the target of new railway lines, gauge conversion, doubling/tripling, etc. for FY 2019-20 has been assigned for about 3,750 km against 3,596 km in the previous year.

#### Metro Rail

Accelerated urbanization and growing concern over pollution have increased the investment in metro rails for urban mass transportation. Metro rail projects worth over ₹ 500 billion (USD 7.7 billion) are underway in India. Monorail Projects are being developed in several cities including Mumbai, Chennai, Pune, Thiruvananthapuram, Bengaluru, Thane, Delhi, Port Blair, Dehradun and Chandigarh.

#### R-APDRP

Restructured Accelerated Power Development and Reforms Programme was launched by Ministry of Power

with the purpose of reducing AT&C (Aggregate Technical & Commercial) losses up to 15% by upgradation of transmission and distribution network.

### **Saubhagya Scheme**

Under the Saubhagya Scheme, free electricity connections to all households (both APL and poor families) in rural areas and poor families in urban areas will be provided. As per the latest Government report, under this scheme, a total of 22.1 million households have been electrified during FY 2018-19.

### **EEP**

Energy Efficiency Program (EEP) has been implemented by Energy Efficiency Services Ltd (EESL). It would help in scaling up deployment of energy saving measures in residential and public sectors. As per the World Bank report, EESL would deploy 219 LED bulbs and tube lights, 5.8 million ceiling fans and 7.2 million streetlights, which would be provided by private sector manufacturers and suppliers.

### **UDAY Scheme**

The UDAY scheme was launched by the Government to encourage operational and financial turnaround of State owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses.

### **Others**

Other initiatives like Direct Benefit Transfer (DBT) Scheme, Vision '24x7' Power for All, No environment clearance required for solar projects, Green Energy Corridor Project to synchronize electricity produced from renewable sources, and Rent a Roof Policy to promote rooftop solar have paved the golden path for enhancing the spread and development of power and infrastructure in the country.

## **BUSINESS OVERVIEW**

KEI Industries Ltd (hereinafter referred to as "KEI" or "the Company") is a leading C&W specialist company based in New Delhi. KEI is engaged in the manufacture and supply of power cables and other industrial cables. KEI has presence across major sectors and footprints across the world led by its ability to provide end-to-end solutions to its reputed customer base. The Company has five manufacturing facilities / plants located at Bhiwadi, Chopanki and Pathredi in Rajasthan and Silvassa & Chinchpada in Dadra & Nagar Haveli.

KEI has three major product segments, namely Cables, Stainless Steel Wire and Turnkey projects. With its robust R&D capabilities, world-class manufacturing facilities and visionary promoters and management team, KEI has

emerged as the most trusted brand. The Company has earned remarkable reputation in nurturing relationships, strengthening consumers trust and timely execution of orders. KEI has a strong team comprising well qualified and experienced Engineers, Professional and Team Leaders. The team is completely geared up to take up any kind of challenges in the electrical and associated construction activities space. The quality KEI follows a proactive, strategy to pursue all new opportunities and is well-placed to become an industry leader.

## **BUSINESS OPPORTUNITIES**

### **Robust Growth in Power and Infrastructure Sector**

There is a growing need for standardization of specifications across the electric power and cable segment, which would lead to improved efficiencies in this segment and also reliability and replaceability of products. With increasing focus on renewable, the industry is now looking forward to supply cables for solar and wind power applications in addition to oil and gas, railways and other specialized segments. The Government of India has given a massive push to the infrastructure sector by allocating ₹ 4.56 Lakh Crores (USD 63.20 billion) to the sector in Union Budget FY 2019-20. The Budget also included allocation of ₹ 83,015.97 Crores (USD 11.51 billion) towards road transport and highways and ₹ 3,899.9 Crores (USD 540.53 billion) to increase capacity of Green Energy Corridor Project along with wind and solar power projects. India loses millions of rupees in AT&C losses every year and to combat the same, the Government is considering ₹ 37,000 Crores outlay for funding new overhead electricity distribution cabling infrastructure to prevent power pilferage, which is expected to boost power cable demand in future.

(Source: <https://www.ibef.org/download/infrastructure-feb-2019.pdf>)

### **Growing Need for Housing Cables**

Many overseas cable companies are looking at India as a potential market for HV & EHV cables and have entered into the market through joint ventures with Indian cable manufacturers for manufacturing EHV cables and special types of cables and accessories. The building wiring cables segment comprises the wires and cables required for wiring of residential and commercial buildings. This segment showed growth due to momentum in housing sector and in future, the residential segment is expected to contribute to major portion of the demand, followed by shops and offices.

### **Increasing Focus on Retail Sales**

Retail sales are gaining more traction owing to faster offtake and higher margins. Spot sales through distributors

and Stock-Keeping Units (SKUs) yield fast payments. Spot sales also result in a speedy clearance of inventories, thus improving business sentiment and overall profitability. Growing population, increasing urbanization, rural upliftment and higher income levels in future would propel robust growth in retail sales of cables.

## FINANCIAL PERFORMANCE

The Company's gross revenue stood at ₹ 4,226.96 Crores in FY 2018-19, registering a growth of 23% from ₹ 3,445.87 Crores recorded in FY 2017-18. It recorded an EBITDA of ₹ 449.40 Crores in FY 2018-19 against ₹ 347.69 Crores in FY 2017-18. The Company's net profit grew by 26% and reached ₹ 181.87 Crores during FY 2018-19. Capacity utilization under Cable division and Stainless Steel Wires stood at 82% and 92% respectively for the year.

Networth of the Company increased from ₹ 605 Crores in FY 2017-18 to ₹ 778 Crores in FY 2018-19.

### Key Standalone Financial Ratios during FY 2018-19

Particulars	2018-19	2017-18
Debtor Turnover Ratio	3.86	3.38
Inventory Turnover Ratio	6.13	6.20
Interest Coverage Ratio	3.05	2.83
Current Ratio	1.23	1.24
Debt Equity Ratio	0.77	1.39
Operating Profit Margin	10.46%	9.82%
Net Profit Margin	4.30%	4.20%
Return on Net Worth	23.35%	23.91%

- The Company's debt equity ratio improved by 45% from 1.39 in FY 2017-18 to 0.77 in FY 2018-19, due to debt repayment, increase in profitability and improvement in working capital cycle during the year. Total debt reduced from ₹ 842 Crores in FY 2017-18 to ₹ 600 Crores in FY 2018-19.

## FINANCIAL PERFORMANCE BY SEGMENT

The Company has wide product basket broadly classified into three categories as defined below:

### Cables

The Cable segment consists of Extra High Voltage (EHV), High Tension (HT) and Low Tension (LT) Power Cables, Control and Instrumentation Cables, Winding Wires, Flexible and House Wires. It also includes Specialty Cables, Rubber Cables, Submersible Cables and Polyvinyl Chloride (PVC)/Poly Wrapped Winding Wires. KEI started manufacturing of EHV cables in 2010 in collaboration with Switzerland-based Brugg Kabel at its Chopanki (Rajasthan) facility. The Company has well-equipped itself to serve mega power plants, transmission companies and metro cities through its EHV cables. During FY 2018-19, cable segment recorded revenue worth ₹ 3,360 Crores as

compared to ₹ 2,676 Crores as recorded in the previous year, registering a growth of 26% annually.

### Stainless Steel Wires

The Stainless Steel Wires segment comprises welding wires, hard stainless steel wires, cold heading wires, fine stainless steel wires and general purpose wires. The comprehensive suite of offerings serves a wide range of general as well as critical applications. Stainless Steel Wire product segment recorded revenues of ₹ 137 Crores in FY 2018-19 as against ₹ 117 Crores in FY 2017-18, exhibiting a growth of 17% year-on-year.

### Turnkey Projects

In 2008, the Company forayed into Engineering, Procurement and Construction (EPC) business segment, where it provides integrated turnkey solutions including design, engineering, material procurement, field services, construction and project management services. The services include execution of power transmission projects (of 66 kV to 400 kV sub-stations) on a turnkey basis, EPC Projects of EHV and HV cable systems and conversion of overhead into underground cabling systems to the Government and Private Utility, among others. EPC Projects other than cables fetched revenue worth ₹ 730 Crores in FY 2018-19 as compared to ₹ 654 Crores recorded in FY 2017-18, thereby representing a growth rate of 12%.

## FINANCIAL PERFORMANCE BY BUSINESS SEGMENT

The Company operates under Retail, Institutional and Exports businesses that contributed to about 33%, 54% and 13% of the total revenue respectively in FY 2018-19. The performance of each segment is discussed in detail below:

### Retail Division

The Company has a pan-India presence and widely extensive network covering all the retail markets in India. The Retail segment of the Company comprises household wires as well as LT & HT cables. The sales through dealer/distribution grew significantly by 43% from ₹ 978 Crores in FY 2017-18 to ₹ 1,400 Crores in FY 2018-19. Over the past five years, the Company has expanded its geographical presence in the retail division and has achieved unmatched progress in this segment. Aggressive promotion campaigns, outdoor marketing activities and high-profile sponsorships have enhanced the brand visibility of KEI. The Company is planning to focus more on significant cabling requiring projects and meeting those requirements with its wire manufacturing. The Company's Pathredi capital expansion for the LT and HT cables production has been completed in FY 2018-19.

The capacity expansion for house wires and flexible wires is under progress in Chinchpada (Silvassa). The first phase of Chinchpada plant has become operational in July, 2019 and second phase would be operational by the end of the current year. The Silvassa plant is expected to significantly add to the Company's topline in the coming years. During FY 2018-19, it added 166 dealers in its distribution base, taking the total count of active dealers to 1,450, as on March 31, 2019, a growth of 13%.

### **Institutional Business**

Higher spending by state transmission companies and railways fueled the segment's growth. During FY 2018-19, the Institutional Sales of Cables has grown by approximately 17% from ₹ 1,822 Crores to ₹ 2,139 Crores. KEI has gained valuable and extensive brand approvals from the utility sector clients. KEI has built its brand over the years with timely completion of EPC orders and providing best-in-class quality products, which has again helped in procuring more such EPC orders. Such a brand-building exercise is a long-term process and forms the best assets of the Company. KEI has emerged as a bigger brand in the EPC market, which has also augmented future business prospects.

The Company is building specialized offerings to tap niche segments such as shipping sector, oil and petroleum, solar plants and also tapping large realty brands even more aggressively. End-users of institutional business segment include transmission companies, mega power plants, metro cities, industries such as steel, cement, refineries, petrochemicals, large realty projects such as IT Parks, large residential complexes. The Company's institutional business comprises EHV and EPC segment:

- **EHV:** KEI is amongst the only three companies in India to manufacture EHV cables. The Company's first EHV sub-station project was received in Arunachal Pradesh in FY 2016-17. Presently, the Company's order book comprises ₹ 571 Crores orders of EHV Cable including Accessories and Erection & Commissioning and also L1 Orders of ₹ 113 Crores. Within the Cable division, the revenue of EHV segment increased from ₹ 168 Crores in FY 2017-18 to ₹ 189 Crores in FY 2018-19, registering a growth of 12.5%. The Company has completed the expansion at Chopanki unit for producing EHV cables up to 400 kV, which was earlier up to 220 kV. Spurred by Government initiatives like improved power availability, rural electrification and strengthening its all-India presence by embarking on opening new warehouses across the country, the EHV segment of the Company is poised for a robust revenue expansion in the near future.

- **EPC:** KEI's EPC segment includes execution of power transmission projects of 66 kV to 400 kV sub-stations on turnkey basis, EPC of cable systems, Electrical balance of plant system for power plant and electrical industrial projects. The Company has tapped different business opportunities to scale up and offer exclusivity through new products and solutions like EPC project for underground cabling in the city of Varanasi. The EPC segment (excluding cables) saw an increase in revenue from ₹ 654 Crores to ₹ 730 Crores in FY 2018-19, growing by 12%. This was led by an increased focus on execution of its strong order book. During the year under review, the Company included EPC activities in KEI's Integrated Management System (IMS) that covers the entire concept of Quality Management System, Employee Management System (EMS) and Occupational Health and Safety Management System (OHMS).

### **Exports**

The Company's revenue shares a significant portion in the form of Exports business. The Company has a presence in more than 45 countries with major focus on the Oil & Gas and utilities segment. It offers wide range of cables viz. EHV (66 kV to 400 kV), MV (11 kV to 33 kV) and LV (< 11 kV) cables to the overseas customers. With an aim to expand its global footprints, KEI has set up marketing/project offices at Abu Dhabi, Australia, Singapore, Johannesburg South Africa, Gambia and Nepal. The Company also operates through a subsidiary in Australia. The export market is expected to grow tremendously because of Company's efforts in offering competitive pricing and customized solutions. KEI's participation in various international exhibitions to establish new connections and demonstrate its commitment and exclusive brand quality has further strengthened its presence in the overseas market. During FY 2018-19, Exports grew by 17% to ₹ 532 Crores from ₹ 454 Crores in the previous year.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

KEI has self-regulating CSR model and has also formed a CSR Committee that helps to be socially accountable to the public. Its CSR policy includes activities such as improving healthcare, promoting education, gender equality and environmental sustainability, rural developmental projects, animal welfare, disaster management, including relief, rehabilitation and reconstruction activities etc.

### **HUMAN RESOURCES**

The Company's human resource policies are made with an objective of developing a professional, skilled and talented workforce. Strong emphasis is placed on maintaining a safe, conducive, stimulating and energetic work environment to boost employee morale and enhance their

productivity. Human resource management is therefore, focused on a number of major areas, including recruiting and staffing, compensation and benefit, training and learning for the workforce development.

The Company has developed programs for continuous upgradation of management and technical skills. During the year, behavioral training was provided to 422 employees in 21 sessions within 348 Man-days. The Company's behavioral training space involves skills like Leadership/ Team Building, Discipline at Workplace, Conflict Management, Communication, Negotiation, Personality Development, Problem Solving & Decision Making, and Stress Management. The Company also provided technical training in 22 sessions to 365 employees in around 208 Man-days. The technical training space involves skill training in the fields of Excel Training, 360 Degree Machine Guarding, Cables Manufacturing, Electrical Formulas of Cable Design, LV Switchgears, Machine SOPs, Material Handling / Truck Loading, Permit to Work, Power of Influence, Staad Pro, RMU (Ring Main Unit), VCB (Vacuum Circuit Breaker) and Trade Product.

The Company has a well-designed performance appraisal system in order to align individual's efforts with business goals. Such system allows the Company to encourage high performers with higher increments and promotions. The Company's HR practices provide a platform where seniors and juniors both can communicate better for the better exchange of credible ideas and thereby improving overall business performance. The Company recruited around 591 employees during FY 2018-19, out of which majority of the hiring took place in the EPC/EHV and Marketing department.

#### **Environment, Health and Safety (EHS)**

EHS is an important part of the business and strictly followed across all the Company processes. Comprehensive measures are implemented to address health and safety issues of the people and communities at all Company locations. For maintaining its growth and an efficient workspace, the Company is following all the required EHS audits. The key EHS-related initiatives undertaken during the year include:

- Revised EHS policy for EPC/EHV projects
- Project specific EHS plans prepared and submitted to client for implementation at project sites
- Imparted training of approximately 12,000 man-hours on various site jobs like construction safety, electrical safety, safety when working at heights, hazard identification, risk assessment, etc

- Formed safety committee at site level to resolve issues
- Site monitoring started through safety inspection by safety officer on daily, weekly and monthly basis
- Hazard identification and risk assessment undertaken at all site activities for elimination of risk and controlling hazards
- Safety induction training provided to new workmen before on-site deployment
- Promoted daily awareness through 'Tool Box Talk' among workmen
- Effective operational control with the help of Shutdown Permit System, Lock Out Tag Out System for all hazardous activities
- Identified the requirement for safety equipment and the same was procured and provided at all project sites
- EHS awareness promoted through National Safety Day/Week celebrations and quiz contests
- Tree plantation at office and warehouses to improve environmental conditions

#### **Quality**

The Company ensures that product quality is maintained or improved with either reduced or zero errors. In order to achieve this, the Company focuses on vigorous efforts and adopts high-end technological advancements. During FY 2018-19, the Company undertook ISO Certification training program to train 185 employees under 11 different sessions, involving around 189 man-days. The Head of Quality Assurance (QA) and Quality Control (QC) prepares, reviews and issues the IMS (Integrated Management System) documentation. Standard quality plans as well as project specific quality plans are prepared by the Company before the start of the project execution. Data analysis and continual improvement with respect to quality is regularly being observed by the QA Head. He is also in charge for monitoring and inspection of third-party inspections, raw material measurements and FAT (Factory Acceptance Tests) inspections.

#### **Internal Control System and their Adequacy**

Internal control mechanisms, rules, and procedures implemented by the Company ensure the integrity of financial and accounting information, promote accountability and prevent fraud. The Company has a well-planned internal control framework that covers various aspects of governance, compliance, audit, control and reporting. The accuracy and efficacy of internal control

systems is periodically audited by the Internal Auditor and further improvement actions are taken for strengthening policies in accordance with the changes in the business dynamics as and when required.

### **Business Outlook**

KEI has a strong presence on the Business-to-Business platform. The Company holds huge caliber to cater to the rising demand through its well-equipped and enhanced capacities. In addition, it is a key player in successful completion of turnkey EPC projects. The institutional segment along with EPC services has immense growth potential driven by major government focus on power and infrastructure development. The Company has also been concentrating on further improving its Business-to-Customer viz. retail sales performance, which is currently 33% of total sales. Increasing the share of exports will remain a key agenda to achieve higher and healthier financials. Driven by focused business initiatives across various segments, the Company expects to grow by 15% in FY 2019-20.

### **Risks and Concerns**

Every business is exposed to various risks that are supposed to be effectively dealt with and minimized to a considerable level. KEI operates in a stiff completion market, where it is affected by external risks such as currency volatility risk and fiscal policy changes risk. Internal risks include heightened debtor collection period risk in its turnkey projects. All identified risks are regularly reviewed, and necessary steps are taken to pro-actively mitigate and minimize the impact of such risks. Key risks and mitigation measures related to it are discussed as follows:

#### **Fiscal Policy Change Risk**

**Issues and Concerns:** The Company's EPC and EHV segments are majorly exposed to the government policy changes. These segments do well under a stable policy regime.

**Mitigation Strategy:** The Company has focused on developing its retail business so that it stays less affected from changes in Government policies.

#### **Cyclical Risk**

**Issues and Concerns:** The Company has major business involvement in power utilities, infrastructure, real estate and industrial sectors which are again cyclical in nature. Thus, the Company's product revenue and demand are exposed to interest rate fluctuations and capex cycles.

#### **Mitigation Strategy:**

- In order to minimize the risk, the Company has diversified its operations over different sectors

- The Company has started exploring overseas opportunities to get assistance in minimizing the local market cyclical risks

### **Peer Risk**

**Issues and Concerns:** The Company's product portfolio consists of highly competitive products that counter threat from other players in the market

#### **Mitigation Strategy:**

- The Company is strongly focused on brand building for its products by offering premium and high quality products
- It has an enlarged distribution base and pursues aggressive marketing initiatives to reach out to potential customers and enhance brand visibility
- It follows a pro-active strategy in responding to its competitors, which is absolutely necessary in such markets

### **Raw Material Price Volatility Risk**

#### **Issues and Concerns:**

- The most crucial raw materials for the Company include copper and aluminum and any major price fluctuations in such key inputs may have an adverse effect on profit levels
- Although the Company adopts hedging or passes on the raw material price fluctuations by raising the selling price of its products, such measures might not be sustainable in future

#### **Mitigation Strategy:**

- The Company continuously tracks the changes in raw material prices and adopts strict measures to address such fluctuations
- It has inculcated price escalation clauses for bulk orders and three-month policy validity clause for small scale projects in order to mitigate this risk
- It retains approximately 90 days of inventories of raw materials, Work-in-progress and finished goods and neutralizes it with obtaining orders, thereby creating a natural risk cover in buying and selling

### **Currency Fluctuations Risk**

#### **Issues and Concerns:**

- The Company has high level of imports for raw materials. Profitability might be adversely affected due to any adverse movement in exchange rate

- Exports form the key contributor to the Company's total revenue. Hence, any adverse currency fluctuations might also affect the export level and eventually hurt the Company's profit levels

**Mitigation Strategy:**

- The Company monitors the movement in currency exchange rates and modifies its order book correspondingly
- The Company has imports as well as exports and thereby creates a natural hedge partly. For open positions, Company monitors exchange rate movement and book forward whenever required.

**Human Resources Risk**

**Issues and Concerns:** Adequate and capable human resources are crucial to the operations of the Company. The ambitious growth plans of KEI may not be successfully

implemented in case of absence of such quality personnel within the Company.

**Mitigation Strategy**

The Company has competent and well-drafted HR policies and practices in order to expand, foster and preserve talented personnel.

**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 another related factor.



# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1.	<b>Corporate Identity Number (CIN) of the Company</b>	L74899DL1992PLC051527										
2.	<b>Name of the Company</b>	KEI INDUSTRIES LIMITED										
3.	<b>Registered Address</b>	D-90, OKHLA INDUSTRIAL AREA, PHASE I, NEW DELHI-110020										
4.	<b>Website</b>	<a href="http://www.kei-ind.com">www.kei-ind.com</a>										
5.	<b>E-mail Id</b>	<a href="mailto:cs@kei-ind.com">cs@kei-ind.com</a>										
6.	<b>Financial Year Reported</b>	01 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019										
7.	<b>Sector(s) that Company is engaged in (industrial activity code-wise)</b>	<table border="1"> <thead> <tr> <th>Product / Service Description</th> <th>NIC Code No.</th> </tr> </thead> <tbody> <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> </tbody> </table> <p>As per National Industrial Classification 2008 - Ministry of Statistics and Programmed Implementation, Government of India.</p>	Product / Service Description	NIC Code No.	Cables	27320	Stainless Steel Wires	24108	Winding Wires, Flexible Wires & House Wires	27320	Turnkey Projects	42202
Product / Service Description	NIC Code No.											
Cables	27320											
Stainless Steel Wires	24108											
Winding Wires, Flexible Wires & House Wires	27320											
Turnkey Projects	42202											
8.	<b>List three key products / services that the Company manufactures / provides (as in balance sheet)</b>	(i) Cables; (ii) Stainless Steel Wires; (iii) Turnkey Projects.										
9.	<b>Total number of locations where business activity is undertaken by the Company:</b>											
a)	<b>Number of International Locations (Provide details of major 5)</b>	The Company has its presence in more than 45+ countries; including Subsidiary in Australia and Associate in South Africa, overseas marketing offices in Abu Dhabi, Singapore, Nepal, Gambia, South Africa.										
b)	<b>Number of National Locations</b>	(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) 20+ Depots; (iv) 30+ Branch Offices;										

<b>10.</b>	<b>Markets served by the Company- Local/State/ National/International</b>	The Company has a global footprint that serves both National and International Markets. Local and National Markets are served by various branch office / depots of the Company and through Dealer Distribution Network. International markets are served through subsidiary and overseas marketing offices.
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**SECTION B: FINANCIAL DETAILS OF THE COMPANY:**

<b>1.</b>	<b>Paid-up Capital (INR)</b>	₹ 157.85 Millions
<b>2.</b>	<b>Total Turnover (Net) (INR)</b>	₹ 42,269.63 Millions
<b>3.</b>	<b>Total Profits after taxes (INR)</b>	₹ 1,818.71 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 / Director 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:**

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

## 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 conforms 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 2018-19. 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.**

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

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

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

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

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

Further, we have developed stock yard near the factory to maintain Just in time Deliveries.

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

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

We are, now, users of renewable sources of energy i.e. Solar Energy. Three of our plants at Rajasthan are set up of capacity 3.5 MW Solar roof top panels.

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

Yes.

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

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

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

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

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

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

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

Yes, all our major raw materials are recyclable except XLPE compound. Company recycle PVC compound in house to make PVC fillers which are then used in laying process of HT Cables. Rest of the raw materials are being sold to authorized recyclers. Also Sewage Treatment Plant (STP) is being used to treat the waste and the 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.**

5173

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

3498

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

85

**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.**

Sl. 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?**

Sl. No.	Category	Safety	Skill Upgradation
(a)	Permanent Employees	100 %	95 %
(b)	Permanent Women Employees	100 %	95 %
(c)	Casual / Temporary / Contractual Employees	100 %	95 %
(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).

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.

**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 and going for adding nearly 1.0 MW in Silvassa plant.

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

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

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) Engineering Export Promotion Council (EEPC).
- (e) India Electrical & Electronics Manufacturer's Association (IEEMA).
- (f) PHD Chamber of Commerce & Industry
- (g) Project Export Promotion Council of India.
- (h) Singapore Business Federation.
- (i) Okhla Factory Owners Association.
- (j) Okhla Industries Association.
- (k) Bhiwadi Chamber of Commerce & Industry.
- (l) 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 Directors' 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 Directors' 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 Directors' 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 02 is being sent with invoice.

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

No.

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

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



# Corporate Governance Report

**In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019 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 Woman 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, 2019 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) Regulation, 2015 read with Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder. In terms of Regulation 25(8) of SEBI (LODR) 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 (LODR) 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.

**Note1: Shareholders has approved appointment of Ms. Shalini Gupta (holding DIN: 02361768) as an Additional Director (Non-executive, Independent Woman Director) for a period of 5 (Five) years w.e.f. February 18, 2019 to February 17, 2024 by way of Postal Ballot on March 27, 2019.**

**Note2: Shareholders has approved appointment of Mr. Kishan Gopal Somani (holding DIN: 00014648) and Mr. Vikram Bhartia (holding DIN: 00013654) as Independent Directors (Category: Non-Executive), who are above 75 years of age, for their remaining tenure i.e., till September 18, 2019, by way of Postal Ballot on March 27, 2019. Shareholders has also approved re-appointment of Mr. Kishan Gopal Somani (holding DIN: 00014648) and Mr. Vikram Bhartia (holding DIN: 00013654) as Independent Directors (Category: Non-Executive) for the period from September 19, 2019 to September 18, 2024, by way of Postal Ballot on March 27, 2019.**

**(B) Details of Directors as on March 31, 2019, their attendance at the Board Meetings and Annual General Meeting during the Financial Year ended March 31, 2019 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 2018-19	No. of the Board Meetings attended during the Financial Year 2018-19	Attendance at last AGM (September 19, 2018)	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	4	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	5	No	None	None	None
Mr. Vijay Bhushan (DIN: 00002421)	Independent, Non-Executive Director	4	6	6	No	1	3	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

Name of the Director	Category	No. of Directorships in other Public Limited Companies	No. of the Board Meetings held during the Financial Year 2018-19	No. of the Board Meetings attended during the Financial Year 2018-19	Attendance at last AGM (September 19, 2018)	No. of Committee positions held in other Public Limited Companies		Directorships In Other Listed Entity (Category of Directorships)
						Chairman	Member	
Mr. Sadhu Ram Bansal (DIN: 06471984)	Independent, Non-Executive Director	2	6	6	Yes	1	6	Hindusthan 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)*	Non - Executive, Independent Woman Director	None	6	None	N.A	None	None	None

\* **w.e.f. 18.02.2019, please refer Note 1 & Note 2 as mentioned above.**

**(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 Judgement, Integrity and High Ethical Standard, Interpersonal Relations, Listening & Verbal Communication Skills and Understanding of effective decision - making processes

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

During the Financial Year 2018-19, 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 2018-19.

During the year ended March 31, 2019, 6 (Six) meetings were held on May 17, 2018, July 24, 2018, August 9, 2018, October 31, 2018, February 4, 2019, and February 18, 2019. Further, during the year under review, Board of Directors passed resolutions by circulation on January 17, 2019.

The Last Annual General Meeting (AGM) of the Company was held on 19<sup>th</sup> September, 2018.

**(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 31 <sup>st</sup> March, 2019
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, 2019 one meeting of Independent Directors was held on March 27, 2019.

**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	-
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, re-appointment, removal and remuneration of Cost Auditors and Internal Auditors of the Company.
- Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- Reviewing, with the management the annual financial statements before submission to the Board for approval, for focusing primarily on:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board Report in terms of clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013;
  - Changes, if any in accounting policies and practices and reasons for the same;
  - Major accounting entries based on the exercise of judgment by management;
  - Qualification in draft audit report;
  - Significant adjustments made in the financial statements arising out of audit finding;
  - Compliance with accounting standards;
  - Compliance with listing and other legal requirements concerning financial statements;
  - Any related party transactions;
- Reviewing the Company's financial and risk management policies;
- Disclosure of contingent liabilities;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems;

- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspect of fraud or irregularity or a failure of internal control systems of a material nature and reposting the matters to the Board;
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in Listing Agreement and the Companies Act, as and when amended;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Internal audit reports relating to internal control weaknesses;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing the functioning of Vigil Mechanism/ Whistle Blower Policy;
- Lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company (if required);
- Monitoring of end use of funds raised through public offers and related matters;
- Mandatory review of following information:
  - ❑ Management discussion and analysis of financial condition and results of operation;
  - ❑ Statement of significant related party transactions submitted by management;
  - ❑ Management letters / letters of internal control weaknesses issued by Statutory Auditors;
  - ❑ Internal Audit Reports relating to internal control weakness;
  - ❑ Cost Auditor is free from disqualification as specified under Section 148 of the Companies Act, 2013.

**(B) Composition, Name of members and Chairperson and meeting and attendance during the financial year 2018-19:**

During the year ended March 31, 2019, 4 (Four) Audit Committee Meetings were held on May 17, 2018, August 09, 2018, October 31, 2018, February 04, 2019.

Mr. Pawan Bholusaria, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 19, 2018.

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	4	4
Mr. Kishan Gopal Somani	Independent Director (Member)	Chartered Accountant	4	3
Mr. Vikram Bhartia	Independent Director (Member)	Business	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 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 SEBI (LODR) Regulations 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 2018-19:**

During the year ended March 31, 2019, 3 (Three) meetings were held on April 30, 2018, September 25, 2018 and February 18, 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 2018-19, 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 2018-19, the Company has not paid any remuneration to Non-Executive and Independent Directors except sitting fees of ₹ 75,000/- per Board / Committee Meeting.

(₹ in Millions)

Name of the Director	Amount
Mr. Pawan Bholusaria	₹ 1.72
Mr. Kishan Gopal Somani	₹ 0.60
Mr. Vikram Bhartia	₹ 1.27
Mr. Vijay Bhushan	₹ 1.05
Ms. Archana Gupta	₹ 1.13
Mr. Sadhu Ram Bansal	₹ 0.53
Ms. Shalini Gupta*	N.A.

\* appointed w.e.f. 18.02.2019

**(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 the 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, 2019:**

The aggregate value of salary, perquisites and commission paid for the year ended March 31, 2019 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)	34.50	107.18	0.03	5.53	NIL	NIL	147.24
Mr. Rajeev Gupta (ED (Finance) & CFO)	9.70	NIL	0.02	44.81*	NIL	NIL	54.53
Mr. Akshit Diviaj Gupta (Whole Time Director)	6.01	NIL	0.02	NIL	NIL	NIL	6.03
<b>Total</b>							<b>207.80</b>

\*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 2018-19, Share Allotment Committee at its meeting held on September 25, 2018 has allotted 1,50,000 Equity Shares of face value of ₹ 2/- each at an Exercise Price of ₹ 35/- per Equity Shares to Mr. Rajeev Gupta, Executive Director (Finance) & CFO (Previous year 1,50,000 Equity Shares of face value of ₹ 2/- each was allotted at an Exercise Price of ₹ 35/- per Equity Shares in Share Allotment Committee meeting held on September 25, 2017).

**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, 2019, 4 (Four) meetings of the Committee were held on May 17, 2018, August 09, 2018, October 31, 2018 and February 04, 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. 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, 2019 are as follows:

Sl. 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, 2019 was Nil.

Beside the above, the Board of Directors has Share Allotment Committee, Finance Committee, CSR Committee and Risk Management 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, 2019, 1(One) meeting of the Committee was held on September 25, 2018.

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

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

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

## 8. FINANCE COMMITTEE:

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

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

- opening / operation of Bank Accounts including any matter relating to working capital limits of the Company;
- borrowing from Banks / Financial Institutions / Body Corporate or from any other person up to an amount not exceeding ₹ 800 crores at any time. The same shall be reported in the subsequent Board Meeting. However the borrowing made by the Committee and reported in the subsequent Board Meeting, shall not be considered for computing the said limit of ₹ 800 crores;
- creation of security by way of hypothecation / mortgage on the assets of the Company for the borrowing;
- to provide any loan / deposits / guarantee / investment for an amount not exceeding ₹ 20 crores at any time. As per provisions of Section 186 of the Companies Act, 2013, the Board can make investment up to 60% of the paid-up 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, 2019, 9(Nine) meetings of the Committee were held on April 30, 2018, June 29, 2018, September 10, 2018, September 28, 2018, October 11, 2018, December 04, 2018, January 08, 2019, March 14, 2019 and March 28, 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. Anil Gupta	Non-Independent, Executive (Chairman)	Business	9	9
Ms. Archana Gupta	Non-Independent, Non-Executive (Member)	Business	9	9
Mr. Rajeev Gupta	Non-Independent, Executive (Member)	Service	9	9

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 Director and other two are Executive Directors.

During the year ended March 31, 2019, 5(Five) meetings of the Committee were held on May 17, 2018, August 09, 2018, October 31, 2018, December 17, 2018 and February 04, 2019.

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	5	5
Mr. Anil Gupta	Non-Independent, Executive (Member)	Business	5	5
Mr. Rajeev Gupta	Non-Independent, Executive (Member)	Service	5	5

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 (LODR) Regulations to frame, implement and monitor the risk management plan for the Company.

During the year ended March 31, 2019, 1(One) meeting was held on March 28, 2019.

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 (Member)	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. GENERAL BODY MEETINGS:

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

Year	Day	Date	Time	No. of Special Resolutions passed at AGM	Venue
2018	Wednesday	September 19, 2018	10:00 A.M.	4	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003
2017	Wednesday	July 19, 2017	10:00 A.M.	2	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003
2016	Tuesday	September 06, 2016	10:00 A.M.	1	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003

### (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:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated February 18, 2019. Details of special resolution passed during the year through Postal Ballot and voting pattern are as under:

S. No.	Particulars of Business	Total No. of Votes cast	Votes in favour of the resolution	Votes against the resolution
1	Continuation of present tenure of Directorship of Mr. Kishan Gopal Somani (holding DIN: 00014648) as an Independent Director (Category: Non-Executive) for the remaining period i.e., till September 18, 2019, who is above 75 years of age	5,35,54,362	5,23,30,100	12,24,262
2	Re-appointment of Mr. Kishan Gopal Somani (holding DIN: 00014648) as an Independent Director (Category: Non-Executive) of the Company for the second term of Five (5) consecutive years	5,35,54,494	5,23,29,342	12,25,152
3	Continuation of present tenure of Directorship of Mr. Vikram Bhartia (holding DIN: 00013654) as an Independent Director (Category: Non-Executive) for the remaining period i.e., till September 18, 2019, who is above 75 years of age	5,35,45,469	5,23,20,998	12,24,471
4	Re-appointment of Mr. Vikram Bhartia (holding DIN: 00013654) as an Independent Director (Category: Non-Executive) of the Company for the second term of Five (5) consecutive years	5,35,45,473	5,23,20,338	12,25,135
5	Appointment of Ms. Shalini Gupta (holding DIN: 02361768) as an Independent Woman Director (Category: Non-Executive) of the Company for a term of Five (5) consecutive years	5,35,55,424	5,35,53,513	1911

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.

**Procedure for postal ballot:**

The postal ballot was carried out as per the provisions of Section 108 and 110 and other applicable provisions of the Act, read with Rules framed thereunder.

**(C) Details of special resolution proposed to be conducted through Postal Ballot and procedure for Postal Ballot:**

At the ensuing Annual General Meeting, there is no Special Resolution proposed to be conducted through Postal Ballot.

**12. MEANS OF COMMUNICATION:**

**(A) 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.

**(B) 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).

**(C) Website, where displayed:**

The financial results are displayed on the Company's website at [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.

**(D) 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".

**13. General Shareholders Information:**

**(A) 27<sup>th</sup> Annual General Meeting – Date, Day, Time and Venue:**

Day	Date	Time	Venue
Tuesday	September 17, 2019	10:00 A.M	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003

**(B) Financial year:**

**Financial Year** **1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020**

**Adoption of quarterly results for the quarter ending (tentative and subject to change):**

June, 2019	5 <sup>th</sup> day of August, 2019
September, 2019	1 <sup>st</sup> / 2 <sup>nd</sup> week of November, 2019
December, 2019	1 <sup>st</sup> / 2 <sup>nd</sup> week of February, 2020
March, 2020	3 <sup>rd</sup> / 4 <sup>th</sup> week of May, 2020

**(C) Dividend Payment:**

Dividend payment on or after September 22, 2019 but within the statutory time limit of 30 days, subject to Shareholders' approval.

**(D) 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:

Sl. 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 2019 - 20 has been paid in time by the Company to Stock Exchanges viz. BSE, NSE & CSE.

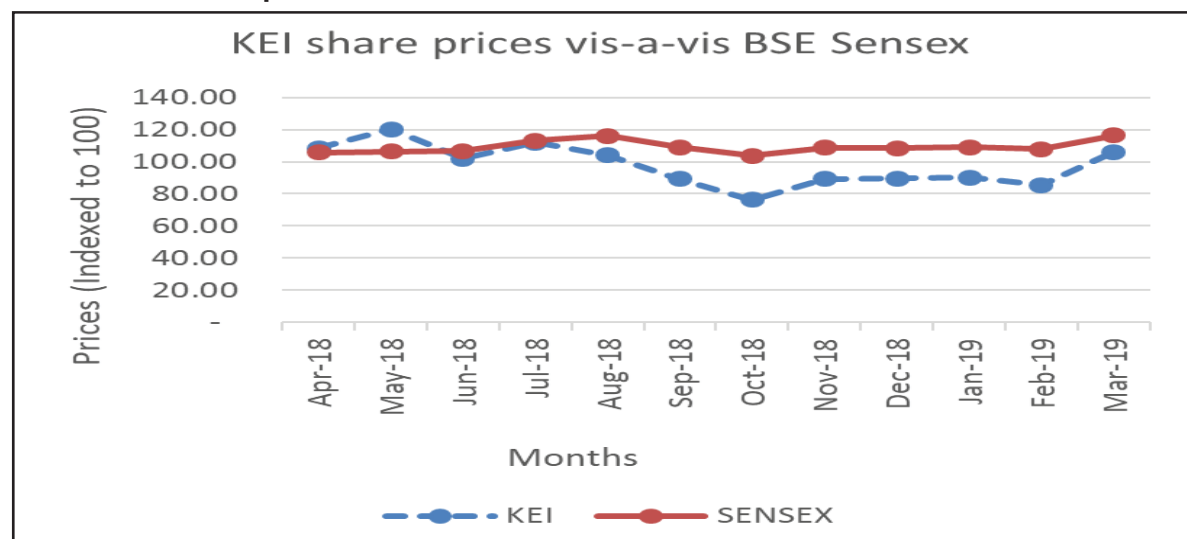
**(E) Stock Code:**

National Stock Exchange of India Ltd. : KEI  
 BSE Ltd. : 517569  
 The Calcutta Stock Exchange Ltd. : 21180  
 Trading Symbol of BSE & NSE : KEI

**(F) 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, 2018	458.85	388.50	471.90	387.85
May, 2018	494.80	420.10	496.00	415.50
June, 2018	490.00	370.15	489.30	371.15
July, 2018	457.30	387.20	456.45	387.20
August, 2018	453.30	375.00	454.00	376.10
September, 2018	426.40	295.95	428.00	292.00
October, 2018	381.00	248.40	376.90	248.00
November, 2018	392.80	320.20	397.30	322.50
December, 2018	393.60	347.10	393.00	345.35
January, 2019	372.80	334.95	366.55	333.36
February, 2019	375.00	306.00	379.95	305.10
March, 2019	440.00	342.20	444.00	347.10

**(G) 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 2<sup>nd</sup> April.



**(H) In case the securities are suspended from trading, the Director's Report shall explain the reason thereof:**

Not Applicable

**(I) Registrar to an Issue and Share Transfer Agent:**

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)

**(J) 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.

**(K) Distribution Schedule of Shareholding as on March 31, 2019:**

No. of Shareholders	% to Total	Shareholding of Nominal Value of (₹)	No. of Shares	Amount in (₹)	% of Total
41650	97.818	0001 TO 5000	6788308	13576616	8.601
451	1.059	5001 TO 10000	1651367	3302734	2.092
202	0.474	10001 TO 20000	1460456	2920912	1.850
75	0.176	20001 TO 30000	924347	1848694	1.171
42	0.099	30001 TO 40000	727104	1454208	0.921
22	0.052	40001 TO 50000	491298	982596	0.622
45	0.106	50001 TO 100000	1585443	3170886	2.009
92	0.216	100001 AND ABOVE	65297115	130594230	82.733
<b>42579</b>	<b>100.00</b>	<b>TOTAL</b>	<b>78925438</b>	<b>157850876</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2019:**

Category	No. of Shareholders	No. of Shares (face value of ₹ 2/- each)	No. of Shares in demat form	% of Shareholding
Promoters	8	36248466	36248466	45.93
Bodies Corporate	417	1990865	1989865	2.52
NRI/OCBs/Clearing Members/Trust	1066	838086	820586	1.06
Mutual Funds / Alternate Investment Funds / Bank / Financial Institutions/ FII's/ Foreign Portfolio Investors	97	23627741	23627741	29.94
Non-institutions / Indian Public etc.	40991	16220280	16114971	20.55
<b>Total</b>	<b>42579</b>	<b>78925438</b>	<b>78801629</b>	<b>100.00</b>

**(L) Dematerialization of shares and liquidity: -**

The shares of the Company are permitted for trading in dematerialized form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. 78,801,629 equity shares of ₹ 2/- each forming 99.84 % of the share capital of the Company stands dematerialized as on March 31, 2019. 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 March 31, 2019, 7,89,25,438 equity shares of face value of ₹ 2/- each are listed at The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). However, 5,64,000 Equity shares allotted under KEI Employees Stock Option Scheme 2015 on September 25, 2018 are pending for listing with The Calcutta Stock Exchange Limited (CSE). Company has provided requisite documents in this regard for listing with CSE.

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

There are no GDRs/ADRs/Warrants outstanding as on 31<sup>st</sup> March, 2019.

**(N) 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.

**(O) Plant locations:**

- 1) SP-919, 920 & 922, RIICO Industrial Area, Phase-III, Bhiwadi, Distt. Alwar (Raj.) - 301 019.
- 2) 99/2/7, Madhuban Industrial Estate, Village Rakholi, 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 (Raj.)-301 019.
- 5) Survey No.1/1/2/5, Village Chinchpada, Silvassa, Union Territory of Dadra and Nagar Haveli - 396 230.

**(P) 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, 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)

**(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)

**(Q) 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.

#### 14. OTHER DISCLOSURES:

**(A) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company:**

During the period, there have been no materially significant related party transactions with the Company's promoters, Directors, management or their relatives which may have a potential conflict with the interests of the Company. During the Financial Year, all the transactions entered into by the Company with Related party(ies) are in conformity with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Members may refer to Disclosure of transactions with related parties i.e. Promoters, Directors, Relatives, Associate or Management made in the Balance Sheet in Note No. 46.

Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company framed the Policy on materiality of Related Party Transactions and is available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**(B) 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.

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 has made provision of ₹ 17.85 millions for settlement amount. Pursuant to the settlement order passed by SEBI, amount has been paid in full. Possible proceedings against the Company stand settled and closed.

**(C) Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has established a Vigil Mechanism / Whistle Blower Policy pursuant to the provisions of Section 177 of the Companies Act, 2013 and rules made thereunder as amended from time to time and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Directors and Employees to report the genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

During the year under review, no Director or Employee has been denied access to the Audit Committee.

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

**(D) 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.

**(E) 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.

**(F) 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.

**(G) 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.

**(H) 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.

**(I) 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)	3.60
Tax Audit	0.60
Other Services	0.23
<b>Total</b>	<b>4.43</b>

**(J) 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.

**15. 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.**

**16. DISCLOSURE OF THE EXTEND TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED:**

**(A) The Board:**

The Company does not have Non-Executive Chairman and no expenses are being incurred & reimbursed in this regard.

**(B) 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).

**(C) Modified opinion(s) in Audit Report:**

The Financial Statements of the Company are Un-modified.

**(D) Separate posts of Chairperson and Chief Executive Officer:**

Presently, Mr. Anil Gupta is the Chairman-cum-Managing Director and also CEO of the Company.

**(E) Reporting of Internal Auditor:**

The Internal Auditor of the Company directly reports to the Audit Committee.

**17. 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, 2019.

**Place: New Delhi**  
**Date: August 05, 2019**

**(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).

**(II) Status of Unpaid / Unclaimed Dividend:**

Dividend for the Financial Year	Dividend Declaration Date (AGM)	Due Date of Transfer to Investor Education & Protection Fund (IEPF)	Unclaimed Dividend as on 31.03.2019
2011-12	13.09.2012	20.10.2019	1,63,396.20
2012-13	21.06.2013	28.07.2020	1,61,453.20
2013-14	19.09.2014	26.10.2021	1,22,098.20
2014-15	16.09.2015	23.10.2022	2,75,852.80
2015-16	06.09.2016	13.10.2023	2,37,417.50
2016-17	19.07.2017	25.08.2024	3,35,614.40
2017-18	19.09.2018	26.10.2025	3,95,282.00

**(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 at [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 2018-19. 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.

## 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, 2019 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, 2019 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 21, 2019**

**(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**  
**KEI Industries Limited**

1. The Corporate Governance Report prepared by **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, 2019. 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 includes 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, 2019, 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: 19092345AAAABH1335**

**Date: August 05, 2019**  
**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 Industrial 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 Industrial 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 31<sup>st</sup> March, 2019, 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**  
**Dated: July 19, 2019**

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

# Independent Auditor's Report

## TO THE MEMBERS OF KEI INDUSTRIES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **KEI Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("**the Act**") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p>The Company applied Ind AS 115 for the first time by using the Cumulative effect method of adoption with date of initial application from 1<sup>st</sup> April, 2018.</p> <p>The Company is in the business of manufacturing of various types of Cables, SS Wires and sells to customers both through institutional and dealer network globally. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. As a consequence, the Company has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the Company's sales transactions should be recognized as revenue.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.</li> <li>● Evaluated the company's work to implement Ind AS 115 and assessed whether Company's accounting principles comply with the new accounting standard.</li> <li>● Tested a sample of sales transactions for compliance with the company's accounting principles.</li> <li>● Traced disclosure information to accounting records and other supporting documentation.</li> </ul>
2	<p>Revenue is recognized in accordance with Ind AS 115, net of discounts, incentives and rebates accrued by the Company's customers based on sales.</p> <p>The company uses sales agreement terms &amp; conditions and historical trends to estimate discounts. At the reporting date, the company estimates and accrues for discounts and rebates they consider as having been incurred but not yet paid.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● Understanding the policies and procedures applied to revenue recognition including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.</li> <li>● Carrying out substantive analytical procedures, analysing the actual performance of revenue and cost of sales related to discounts, incentives and rebates etc.</li> <li>● Analysing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates used in the related estimates.</li> <li>● Reviewing disclosures included in the notes to the accompanying financial statements.</li> </ul>
3	<p>The Company is engaged in execution of Engineering, Procurement and Construction projects (EPC) for survey, supply of materials, design, erection, testing &amp; commissioning on a turnkey basis.</p> <p>Revenue is recognized in accordance with Ind AS 115 and performance obligations in such cases are satisfied over time and accordingly revenue is recognised over the time in such cases. Methods used to recognise revenue is also a Key Audit Matter along with measuring progress towards complete satisfaction of a performance obligation.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised including controls over the degree of completion of EPC projects.</li> <li>● We evaluated and analysed the significant judgements and estimates made by the management and also reviewed sample contracts with customers to assess whether the method of recognition of revenue is relevant and is consistent with the accounting policies of the company.</li> </ul>

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report but does not include the standalone financial statements and our Auditor's Report thereon.

The letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report are expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above, when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report, if we conclude, that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern, basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those

matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting, and

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements –Refer Note No- 45.
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31<sup>st</sup> March, 2019.
  - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2019.
2. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

**CA Pawan Kumar Agarwal**  
**Partner**  
**Place of Signature: New Delhi**  
**Date: 21<sup>st</sup> May, 2019**      **Membership Number: 092345**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1(f) of the Independent Auditors' Report of even date to the members of **KEI Industries Limited** on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2019.

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

We have audited the internal financial controls over financial reporting of KEI Industries Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA Pawan Kumar Agarwal**  
**Partner**  
**Place of Signature: New Delhi**  
**Date: 21<sup>st</sup> May, 2019**      **Membership Number: 092345**

### Annexure B to Independent Auditor's Report

Referred to in paragraph 2 of the Independent Auditor's Report of even date to the members of **KEI Industries Limited** on the Standalone Ind AS financial statements as of and for the year ended 31<sup>st</sup> March, 2019.

- I. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.



- b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- c) The title deeds of immovable properties, as disclosed in Note-3 on fixed assets to the financial statements, are held in the name of the Company.
- II. The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- III. The Company has granted unsecured loans to one subsidiary company and one associate company covered in the register maintained under Section 189 of the Act. There are two parties covered in the register maintained under Section 189 of the Act, to which Company has given security deposits as per contractual obligations. (Refer Note- 7 & 14).
- a) In respect of the aforesaid loans and deposits, the terms and conditions under which such deposits were granted are not prejudicial to the Company's interest.
- b) Loans to subsidiary company and associate company are repayable on demand and interest free. For security deposit no schedule for repayment of deposit is applicable and no interest was charged.
- c) In respect of the aforesaid loans and deposits, there is no amount which is overdue for more than ninety days.
- IV. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- V. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- VI. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- VII.a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, goods and service tax, customs duty and other material statutory dues applicable to it with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, goods and service tax, service tax, value added tax/ sales tax, entry tax, customs duty and excise duty as at 31<sup>st</sup> March, 2019 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of the Due	Amount (₹ In millions)	Period to which the amount relates	Forum where dispute is pending
Sales/ Entry Tax Act	Central Sales Tax	0.67	1999-2000	Tax Board
	West Bengal Tax on Entry of Goods into Local Areas Act, 2012	7.14	2013-14 to 2017-18	Hon'ble High Court
Central Excise Duty	Excise Duty	0.63	2010-11	Commissioner
Finance Act	Service Tax	34.30	2011-12 to 2015-16	Commissioner (Appeals)
	Service Tax	1.84	2010-2011 to 2016-2017	Commissioner (Appeals)
	Service Tax	9.14	2016-2017	CESTAT
Income Tax Act	Income Tax	8.91	2015-2016	Commissioner (Appeals)

- VIII.** According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- IX.** The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). Term loans have been applied for the purposes for which they were obtained.
- X.** During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- XI.** The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII.** As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- XIII.** The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- XIV.** The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- XV.** The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- XVI.** The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**CA Pawan Kumar Agarwal**  
Place of Signature: New Delhi Partner  
Date: 21<sup>st</sup> May, 2019 Membership Number: 092345

## Standalone Balance Sheet As At 31<sup>st</sup> March, 2019

(₹ in Millions)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	4,856.77	4,039.50
(b) Capital Work-in-Progress	4	316.06	229.81
(c) Other Intangible Assets	5	29.78	30.31
(d) Financial Assets			
(i) Investments	6	15.66	28.30
(ii) Loans	7	68.58	40.67
(iii) Others	8	6.27	2.60
(e) Other Non-Current Assets	9	92.14	118.79
		<b>5,385.26</b>	<b>4,489.98</b>
<b>Current Assets</b>			
(a) Inventories	10	6,896.37	5,555.88
(b) Financial Assets			
(i) Trade Receivables	11	10,946.22	10,205.86
(ii) Cash and Cash Equivalents	12	220.68	594.50
(iii) Bank Balances Other Than (ii) Above	13	1,732.67	168.78
(iv) Loans	14	46.14	13.89
(v) Others	15	1,040.47	521.02
(c) Other Current Assets	16	1,375.31	616.22
		<b>22,257.86</b>	<b>17,676.15</b>
		<b>27,643.12</b>	<b>22,166.13</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	157.85	156.72
(b) Other Equity	18	7,631.08	5,888.60
		<b>7,788.93</b>	<b>6,045.32</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,193.37	1,456.62
(b) Provisions	20	86.26	67.21
(c) Deferred Tax Liability (Net)	21	441.77	398.44
		<b>1,721.40</b>	<b>1,922.27</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	3,865.25	6,041.69
(ii) Trade Payables	23		
(A) total outstanding dues of micro, small and medium enterprises		914.41	-
(B) total outstanding dues of creditors other than micro, small and medium enterprises		9,288.59	6,272.00
(iii) Other Financial Liabilities	24	3,378.93	1,333.47
(b) Other Current Liabilities	25	457.49	406.58
(c) Provisions	26	134.98	111.29
(d) Current Tax Liability (Net)	27	93.14	33.51
		<b>18,132.79</b>	<b>14,198.54</b>
		<b>27,643.12</b>	<b>22,166.13</b>
<b>TOTAL</b>			
Significant Accounting Policies And Notes on Financial Statements	1 to 55		

As per our Separate Report of even date attached

### For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

M.No. 092345

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

## Standalone Statement Of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2019

(₹ in Millions)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Revenue</b>					
Revenue from Operations	28		<b>42,269.63</b>		34,964.19
Other Income	29		<b>71.91</b>		92.99
<b>Total Income</b>			<b>42,341.54</b>		35,057.18
<b>Expenses</b>					
Cost of Materials Consumed	30		<b>30,366.89</b>		24,422.77
Purchases of Stock in Trade	31		<b>25.96</b>		14.34
Changes in inventory of Finished goods, Work-in-progress and Stock-in-trade	32		<b>(1,046.05)</b>		(326.19)
Employee Benefits Expense	33		<b>1,733.94</b>		1,471.67
Finance Costs	34		<b>1,361.54</b>		1,113.04
Depreciation and Amortisation Expense	35		<b>339.48</b>		322.30
Sub Contractor Expense for EPC Projects	36		<b>1,121.17</b>		1,085.54
Excise Duty	37		-		376.20
Other Expenses	38		<b>5,645.57</b>		4,535.91
<b>Total Expenses</b>			<b>39,548.50</b>		33,015.58
<b>Profit Before Tax</b>			<b>2,793.04</b>		2,041.60
Tax Expense	39				
---Current tax		<b>928.74</b>		668.35	
---MAT Credit Entitlement		-		(121.51)	
---Deferred tax		<b>49.65</b>		49.14	
---Short/(Excess) Provision-Earlier Years		<b>(4.06)</b>	<b>974.33</b>	0.06	596.04
<b>Profit for the Year</b>			<b>1,818.71</b>		1,445.56
<b>Other Comprehensive Income</b>	40				
--- Item not to be reclassified to Profit & Loss		<b>(25.37)</b>		(9.85)	
--- Income Tax on above		<b>6.32</b>		3.88	
--- Items to be reclassified to Profit & Loss		-		-	
--- Income Tax on above		-		-	
<b>Other Comprehensive Income for the year net of Tax</b>			<b>(19.05)</b>		(5.97)
<b>Total Comprehensive Income for the year net of Tax</b>			<b>1,799.66</b>		1,439.59
Earnings per Equity Share:	41				
Equity shares of face value ₹ 2/- each					
--- Basic (₹)			<b>23.12</b>		18.51
---Diluted (₹)			<b>22.88</b>		18.19
Significant Accounting Policies And Notes on Financial Statements	1 to 55				

As per our Separate Report of even date attached

### For PAWAN SHUBHAM & CO.

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

## Standalone Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2019

(₹ in Millions)

Particulars		Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax and Extraordinary items	<b>2,793.04</b>	2,041.60
	<b>Adjustments for :</b>		
	Depreciation and Amortisation Expense	<b>339.48</b>	322.30
	Dividend received	<b>(0.22)</b>	(0.04)
	Interest Income	<b>(36.83)</b>	(6.48)
	Interest / Finance Charges	<b>1,361.54</b>	1,113.04
	Share based payment expenses	<b>18.68</b>	33.04
	Provision for compensated absence/ Gratuity	<b>25.92</b>	28.85
	Provision for Expected Credit Loss (ECL)	<b>5.26</b>	4.09
	Provision for warranty	<b>4.07</b>	1.05
	Fair Value adjustment due to security deposit/Loan to staff	<b>0.51</b>	0.18
	Fixed Assets written off	<b>2.83</b>	3.58
	Loss on sale of Fixed Assets	<b>1.21</b>	1.36
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4,515.49</b>	3,542.57
	<b>Working capital adjustments :</b>		
	(Increase)/Decrease in Trade & Other Receivables	<b>(2,084.66)</b>	(1,930.23)
	(Increase)/Decrease in Inventories	<b>(1,340.49)</b>	(566.64)
	Increase/(Decrease) in Trade and other Payables	<b>6,014.46</b>	1,375.43
	<b>Cash Generated from operations</b>	<b>7,104.80</b>	2,421.13
	Direct Taxes paid	<b>(865.04)</b>	(527.52)
	<b>Net Cash from Operating Activities</b>	<b>6,239.76</b>	1,893.61
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets and other capital expenditure	<b>(1,223.11)</b>	(655.82)
	Sale of Fixed Assets	<b>2.87</b>	8.15
	Sale of Investments	-	0.25
	Investment in subsidiary ( ₹ Nil, Previous Year ₹ 3,988/-)	-	(0.00)
	Investment in Associate Company ( ₹ 2,349/-, Previous Year ₹ Nil)	<b>(0.00)</b>	-
	Interest Income	<b>36.83</b>	6.48
	Dividend Received	<b>0.22</b>	0.04
	Investments/proceed from deposits with banks	<b>(1,567.34)</b>	(122.49)
	<b>Net Cash from Investing Activities</b>	<b>(2,750.53)</b>	(763.39)

## Standalone Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2019 (Contd...)

(₹ in Millions)

Particulars		Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>(C)</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Proceeds from long term borrowings (Banks)	<b>515.30</b>	1,729.51
	Proceeds from long term borrowings (others)	<b>200.00</b>	-
	Repayment of long term borrowings (Banks)	<b>(904.27)</b>	(437.12)
	Repayment of long term borrowings (Others)	<b>(75.00)</b>	(888.75)
	Proceeds from finance lease	<b>20.76</b>	6.10
	Repayment of finance lease	<b>(13.11)</b>	(13.54)
	Interest Expenses / Finance Charges	<b>(1,361.54)</b>	(1,113.04)
	Inter corporate & other deposits (Net of repayments)	<b>13.19</b>	(31.85)
	Working capital demand Loan from banks	<b>(400.00)</b>	(1,050.00)
	Working capital Loan from banks- Buyer's Credit	<b>(1,377.63)</b>	(23.57)
	Working capital Loan from banks- Factoring Arrangements	<b>(930.19)</b>	1,174.76
	Issue of Equity Share Capital ( including premium) upon exercise of ESOS	<b>19.74</b>	19.74
	Dividend paid to equity share holders	<b>(78.36)</b>	(46.68)
	Dividend Distribution Tax	<b>(16.11)</b>	(9.50)
	<b>Net Cash from Financing Activities</b>	<b>(4,387.22)</b>	(683.94)
	<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(897.99)</b>	446.28
	Cash & Cash Equivalents as at 1 <sup>st</sup> April (Opening Balance)	<b>177.71</b>	(268.57)
	Cash & Cash Equivalents as at 31 <sup>st</sup> March (Closing Balance)	<b>(720.28)</b>	177.71
	<b>Cash &amp; Cash Equivalents for the purpose of Cash Flow</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
	Cash and Cash Equivalents (Refer Note no. 12)	<b>220.68</b>	594.50
	Less: Bank Overdraft	<b>(940.96)</b>	(416.79)
	<b>Total</b>	<b>(720.28)</b>	177.71

### CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	Borrowings (Current & Non- Current)	Finance Lease Obligations on Hire Purchase of Vehicles Current Maturities
<b>As at 1<sup>st</sup> April, 2017</b>	<b>8,090.87</b>	<b>37.59</b>
Proceeds	1,809.49	6.10
Repayment	1,507.50	13.54
Fair Value Changes	(1.82)	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>8,391.04</b>	<b>30.15</b>
Proceeds	764.20	20.76
Repayment	3,206.54	13.11
Fair Value Changes	6.60	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5,955.30</b>	<b>37.80</b>

**Note :** i The Cash flow statement has been prepared under the 'Indirect Method' as set out in IND AS 7-"Statement of Cash Flows".

ii Amounts in brackets, represent Cash Outflow.

iii Previous Year's figures have been regrouped and rearranged wherever necessary.

As per our Separate Report of even date attached

**For PAWAN SHUBHAM & CO.**

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

## STANDALONE STATEMENT OF CHANGES IN EQUITY

### A. Equity Share Capital

Particulars	Balance as at 1 <sup>st</sup> April, 2017	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2018	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2019
Nos. of Equity Shares	7,77,97,438	5,64,000	7,83,61,438	5,64,000	7,89,25,438
₹ in Millions	155.59	1.13	156.72	1.13	157.85

### B. Other Equity

(₹ in Millions)

Particulars	Reserve and Surplus			Other Comprehensive Income			Total	
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	Employee Stock Option Outstanding	Re-Measurement of the Net defined benefit Plans		Equity Instruments through other Comprehensive Income
<b>Balance as at 1<sup>st</sup> April, 2017</b>	<b>28.00</b>	<b>784.37</b>	<b>21.09</b>	<b>3,572.12</b>	<b>66.00</b>	<b>(14.18)</b>	<b>(3.86)</b>	<b>4,453.54</b>
Addition during the year	-	-	-	1,445.56	-	-	-	1,445.56
Other Comprehensive Income for the Year	-	-	-	-	-	(7.23)	1.26	(5.97)
<b>Total comprehensive income for the year 2017-18</b>	-	-	-	<b>1,445.56</b>	-	<b>(7.23)</b>	<b>1.26</b>	<b>1,439.59</b>
Employee Stock Compensation cost for the year	-	-	-	-	33.04	-	-	33.04
Dividend Paid ( including Dividend Distribution Tax ) for 2016-17 approved by Shareholders in Annual General Meeting held on 19 <sup>th</sup> July, 2017	-	-	-	(56.18)	-	-	-	(56.18)
Securities Premium on allotment of Equity Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>28.00</b>	<b>843.09</b>	<b>21.09</b>	<b>4,961.50</b>	<b>58.93</b>	<b>(21.41)</b>	<b>(2.60)</b>	<b>5,888.60</b>
Addition during the year	-	-	-	1,818.71	-	-	-	1,818.71
Other Comprehensive Income for the Year	-	-	-	-	-	(8.29)	(10.76)	(19.05)
<b>Total comprehensive income for the year 2018-19</b>	-	-	-	<b>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 Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>28.00</b>	<b>901.81</b>	<b>21.09</b>	<b>6,685.74</b>	<b>37.50</b>	<b>(29.70)</b>	<b>(13.36)</b>	<b>7,631.08</b>

As per our Separate Report of even date attached

**For PAWAN SHUBHAM & CO.**

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director

DIN: 00006422

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

## Summary of Significant Accounting Policies and Other Explanatory Statements for the year ended 31<sup>st</sup> March, 2019

### Note: 1

#### 1.1 COMPANY OVERVIEW:

KEI Industries Ltd (hereinafter referred to as "KEI" or "the Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 having registered office at D-90, Okhla Industrial Area, Phase I, New Delhi-110020, India. It was established as a partnership firm "Krishna Electrical Industries" in the year 1968. The firm was later converted into Limited Company on 31<sup>st</sup> December 1992.

Equity Shares of the Company are listed at National Stock Exchange of India Ltd (NSE), BSE Ltd (BSE) and The Calcutta Stock Exchange Ltd. Company has four manufacturing facilities/plants located at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa in Dadara & Nagar Haveli.

KEI is engaged in the business of manufacturing, sale and marketing of all range of power cables up to 400kV - Low Tension (LT), High Tension (HT) and Extra High Voltage (EHV), Control and Instrumentation Cables, Specialty Cables, Elastomeric/Rubber Cables, Submersible Cables, Flexible and House Wires, Winding Wires which address the cabling requirements of a wide spectrum of sectors such as Power, Oil Refineries, Railways, Automobiles, Cement, Steel, Fertilizers, Textile and Real Estate amongst others. KEI also manufacture Stainless Steel Wires.

KEI is also engaged in execution of Engineering, Procurement and Construction projects (EPC) for survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.

KEI has three major segments Cables, EPC and Stainless Steel Wire.

#### 1.2 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS

The Standalone Financial Statements (hereinafter referred as Standalone Financial Statements or the Financial Statements) of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015.

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

- 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, 2019 were authorized and approved for issue by Board of Directors of the Company on 21<sup>st</sup> May, 2019.



**Note: 2**

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**2.2 PROPERTY, PLANT AND EQUIPMENT**

**2.2.1 RECOGNITION**

Freehold land is carried at historical cost.

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

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

**2.2.2 SUBSEQUENT MEASUREMENT**

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

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

**2.2.3 DEPRECIATION**

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

The following useful lives are applied:

<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 Machinery</b>	10 - 20 Years
<b>Project Tools</b>	05 Years
<b>Furniture and Fittings</b>	05 - 10 Years
<b>Motor Vehicles</b>	
- Hire Purchase & Owned	08 - 10 Years
<b>Office Equipment</b>	05 Years
<b>Computers</b>	
- Servers and networks	06 Years
- End user devices viz. desktops, laptops, etc.	03 Years

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

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

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

#### 2.2.4 DE-RECOGNITION

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

### 2.3 CAPITAL WORK IN PROGRESS

Assets in the course of construction are capitalized in capital work in progress account. Capital work-in-progress represents expenditure incurred in respect of assets under development and is carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure.

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

### 2.4 INTANGIBLE ASSETS

#### 2.4.1 INTANGIBLE ASSETS WITH FINITE USEFUL LIFE

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

#### 2.4.2 AMORTISATION

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

Asset category	Estimated useful life (in years)
<b>Computer Software</b>	05 Years

#### 2.4.3 DE-RECOGNITION

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

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

### 2.5 IMPAIRMENT OF NON FINANCIAL ASSETS

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

### 2.6 FINANCIAL INSTRUMENTS

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

## 2.6.1 FINANCIAL ASSETS

### 2.6.1.1 INITIAL RECOGNITION & MEASUREMENT

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

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

### 2.6.1.2 SUBSEQUENT MEASUREMENT

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

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

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

### 2.6.1.3 IMPAIRMENT OF FINANCIAL ASSETS

In accordance with IND AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits and Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within scope of IND AS 115.

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

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

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

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

#### 2.6.1.4 DE-RECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's Balance Sheet) when:

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

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

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

### 2.6.2 FINANCIAL LIABILITIES

#### 2.6.2.1 INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified at initial recognition as

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

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

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

Financial Liabilities are classified as at amortised cost.

### 2.6.2.2 SUBSEQUENT MEASUREMENT

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

- i. Financial liabilities at Fair Value Through Profit or Loss (FVTPL):** Financial liabilities at Fair Value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for purpose of repurchasing in near term.
- ii.** Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.
- iii. Loans and Borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (hereinafter referred as EIR) method. Gains and Losses are recognised in statement of profit and loss when liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.
- iv. Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### 2.6.2.3 DE-RECOGNITION OF FINANCIAL LIABILITIES

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

### 2.6.3 DERIVATIVE FINANCIAL INSTRUMENTS

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

### 2.6.4 OFF-SETTING OF FINANCIAL INSTRUMENTS

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

## 2.7 INVESTMENTS IN SUBSIDIARIES

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

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

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

## 2.8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

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

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

## 2.9 INVENTORIES

### 2.9.1 BASIS OF VALUATION

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

### 2.9.2 METHOD OF VALUATION

- **Cost of Finished Goods** is determined by taking derived material costs, duties and taxes as applicable (other than those recoverable from tax authorities) and other overheads.
- **Cost of Packing Materials, Stores & Spares** are determined on weighted average basis.

- **Work in Process** includes raw material costs and allocated production overheads.
- **Cost of raw materials** is determined on First in First out (FIFO) basis.
- **Net realisable value** is estimated selling price in ordinary course of business less estimated costs of completion and estimated costs necessary to make sale.

## 2.10 CASH AND CASH EQUIVALENTS

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

## 2.11 TAXES

### 2.11.1 CURRENT INCOME TAX

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

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

### 2.11.2 DEFERRED TAX

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

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

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

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

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

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

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

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

### 2.11.3 INDIRECT TAXES

Expenses and Assets are recognised net of the amount of Indirect Taxes viz. GST/VAT, except:

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

### 2.12 EQUITY AND RESERVES

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

### 2.13 DIVIDEND PAYMENTS

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

### 2.14 REVENUE RECOGNITION

IND AS 115 was made effective from 1<sup>st</sup> April, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced IND AS 18 & IND AS 11 and interpretations on revenue recognition related to sale of goods and services. The Company has adopted the new standard for annual periods beginning on or after 1<sup>st</sup> April, 2018 using cumulative effect method.

#### 2.14.1 MEASUREMENT OF REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Taxes collected from customers on behalf of Government are not treated as Revenue.

#### 2.14.2 ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) PROJECTS

In respect of EPC Projects, revenue is recognised over the period of time using input method of accounting with contract cost incurred determining the degree of completion of performance obligation. In case of value of uninstalled materials incurred that is not proportionate to the Company's progress in satisfying the performance obligation, revenue is to be recognised at an amount equal to the cost of a good used to satisfy a performance obligation.

#### 2.14.3 SALE OF GOODS

Revenue from sale of goods is recognised at the point of time when control of the asset is transferred to the customer, generally on delivery of the equipment. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated



(e.g., Freight and Incentive schemes). In determining the transaction price for the sale of cable, the Company considers the effects of variable consideration and consideration payable to the customer (if any).

For contracts that are CIF (Cost Insurance Freight) contracts, the revenue is recognised when the goods reached at final destination. For contracts that are FOB (Free on Board) contracts, revenue is recognised when company delivers the goods to an independent carrier.

#### 2.14.4 VARIABLE CONSIDERATION

If consideration in a contract includes a variable amount, the Company estimates amount of consideration to which it will be entitled in exchange for transferring the goods to customer. Variable Consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in amount of cumulative revenue recognised will not occur when associated uncertainty with variable consideration is subsequently resolved. Some contracts for sale of manufactured goods provide customers with a right of Incentives & Discounts. The Incentives and Volume Rebates give rise to variable consideration.

- i. **Cash Discount** which are determinable on the date of transaction, are recognised as reduction of revenue by the company.
- ii. **Volume Discounts, Timely Payment Incentives & Other Incentive Schemes**, the Company provides retrospective volume discounts to certain customers once the quantity of products purchased during the period exceed a threshold specified in the contract. Other Incentives promised by the company on achieving certain sales thresholds also a form of identifiable benefit that are identified as a separate component of the sales transaction.

In such cases, the Company estimates fair value of Incentives promised to its customers. To estimate the variable consideration for the expected future rebates and discounts, the Company applies the expected value method. The Company estimates variable consideration and recognises a refund liability for the expected future rebates. Accordingly, the company recognises lesser revenue if such discounts are probable and the amount is determinable. Any subsequent changes in the amount of such estimates are transferred to statement of profit and loss.

- iii. **Other Variable Considerations** if the consideration promised in the contract includes a variable amount, the company estimates the amount of consideration to which the in exchange for transferring the promised goods or services to the customer. This estimate is updated at each reporting date.

### 2.15 CONTRACT BALANCES

#### 2.15.1 CONTRACT ASSETS & CONTRACT LIABILITIES

Contract Assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned/deferred revenue ("contract liability") is recognised when there is billing in excess of revenue.

#### 2.15.2 TRADE RECEIVABLES

Trade receivables represent Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade Receivables are generally non-interest bearing and are recognised initially at fair value and subsequently measured at cost less provision for impairment.

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

## **2.16 INCOME RECOGNITION**

### **2.16.1 DIVIDEND INCOME**

Dividends are recognised in profit and loss only when the right to receive payment is established.

### **2.16.2 INTEREST INCOME**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through expected life of the financial asset to gross carrying amount of a financial asset. When calculating effective interest rate, the Company estimates expected cash flows by considering all contractual terms of financial instrument but does not consider expected credit losses.

### **2.16.3 OTHER INCOME**

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

## **2.17 BORROWING COSTS**

Borrowing Costs directly attributable to acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of asset. Financing Cost incurred on general borrowing used for projects is capitalized at weighted average cost. Amount of such borrowing is determined after setting off amount of internal accruals. All other borrowing costs are expensed in the period in which they occur.

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

## **2.18 EXPENDITURE**

Expenses are accounted on accrual basis.

## **2.19 EMPLOYEE BENEFIT SCHEMES**

### **2.19.1 SHORT-TERM EMPLOYEE BENEFITS**

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

### **2.19.2 COMPENSATED ABSENCES**

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

### **2.19.3 GRATUITY**

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

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

### **2.19.4 PROVIDENT FUND**

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

## **2.20 SHARE-BASED PAYMENTS**

Fair Value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in IND AS 102-Share Based Payments.

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

## **2.21 FOREIGN CURRENCY**

### **2.21.1 FUNCTIONAL AND PRESENTATION CURRENCY**

The Standalone Financial Statements are presented in Indian Rupee ('₹'), which is the Company's functional Currency and presentation Currency.

### **2.21.2 FOREIGN CURRENCY TRANSACTIONS AND BALANCES**

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

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

Effective 1<sup>st</sup> April, 2018 the Company has adopted Appendix B to IND AS 21- Foreign Currency Transactions and Advance Consideration which clarifies date of transaction for purpose of determining exchange rate to use on initial recognition of the related asset, expense or income when the Company has received or paid advance consideration in Foreign Currency.

## **2.22 LEASES**

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

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

### 2.22.1 COMPANY AS A LESSEE – FINANCE LEASES

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a Finance Lease. Finance Leases are capitalised at commencement of the lease at the inception date.

Interest element of lease payments is charged to Statement of Profit and Loss, as Finance costs over period of lease. Leased Asset is depreciated over useful life of asset or lease term, whichever is lower.

### 2.22.2 COMPANY AS A LESSEE – OPERATING LEASES

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

## 2.23 EARNINGS PER SHARE

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

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

## 2.24 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

### 2.24.1 PROVISIONS

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

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

### 2.24.2 WARRANTY PROVISIONS

The Company provides product warranties and does not sell the warranty separately to its customers. Provision for warranty-related costs is recognised when the product is sold or service is provided to customers. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

### **2.24.3 ONEROUS CONTRACTS**

An Onerous Contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If the company identifies a contract as an Onerous Contract, the present obligation under the contract is measured and recognised as provision.

### **2.24.4 CONTINGENT LIABILITIES**

In normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees including Guarantees given on behalf of Subsidiary & Joint Venture Companies are also provided in the normal course of business.

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

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

### **2.24.5 CONTINGENT ASSETS**

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

## **2.25 CASH FLOW STATEMENT**

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

## **2.26 SEGMENT REPORTING**

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

## **2.27 MISCELLANEOUS EXPENDITURE**

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

## **2.28 CURRENT VERSUS NON-CURRENT CLASSIFICATION**

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

- i. An asset is classified as current when it is:
  - a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

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

## 2.29 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

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

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

**Level 3-** Valuation techniques for which lowest level input that is significant to fair value measurement is un-observable.

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

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

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

### **2.30 EXCEPTIONAL ITEMS**

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

### **2.31 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

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

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

Any revision to accounting estimates is recognized prospectively from the period in which results are known / materialise in accordance with applicable Indian Accounting Standards (IND AS).

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

### **2.32 SIGNIFICANT MANAGEMENT JUDGEMENTS**

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

#### **2.32.1 EVALUATION OF LEASE OF LAND AS FINANCE LEASE OR OPERATING LEASE**

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

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

### **2.32.2 EVALUATION OF INDICATORS FOR IMPAIRMENT OF ASSETS**

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

### **2.32.3 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Certain contracts of the Company for sale of goods include discounts, rebates & Incentives that give rise to variable consideration. The Company determined that estimates of variable consideration are based on its historical experience, business forecast and current economic conditions. The Company determined that expected value method is appropriate method to use in estimating the variable consideration as the large number of customer contracts that have similar characteristics.

## **2.33 ESTIMATION UNCERTAINTY**

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

### **2.33.1 REVENUE RECOGNITION**

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

### **2.33.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT**

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

### **2.33.3 IMPAIRMENT OF FINANCIAL ASSETS**

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

### **2.33.4 INVENTORIES**

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

### **2.33.5 RECOVERABILITY OF ADVANCES / RECEIVABLES**

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

### **2.33.6 PROVISIONS FOR WARRANTIES**

Warranty provisions are determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is very unlikely that actual



warranty claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

### **2.33.7 INCOME TAXES**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between actual results and assumptions made or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by taxable entity and responsible tax authority.

### **2.33.8 PROVISIONS AND CONTINGENCIES**

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

### **2.33.9 DEFINED BENEFIT OBLIGATION (DBO)**

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

## **2.34 NEW AND AMENDED STANDARDS DURING THE YEAR**

The Company applied IND AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other standards and amendments apply for the first time in 2018-19, but do not have an impact on the Standalone Financial Statements of the Company.

### **2.34.1 IND AS-115 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Company applied IND AS-115 for the first time by using the cumulative effect method of adoption with date of initial application from 1<sup>st</sup> April, 2018. Under this method Comparative prior period is not adjusted and the cumulative effect of initially applying IND AS 115 is recognised as an adjustment to the opening balance of retained earnings as at 1<sup>st</sup> April, 2018.

There was no impact on retained earnings as on 1<sup>st</sup> April, 2018 on adoption of IND AS-115.

#### **CHANGES IN PRESENTATION**

As a result of the application of IND AS-115, the Company has changed its presentation in the income statement as follows: -

Variable considerations related to Discounts & Incentives payable to customers were presented as an expense in the Profit and Loss account before 1<sup>st</sup> April, 2018 but they are presented as a deduction from revenue at initial recognition. Any changes in estimation of variable consideration is recognised in Profit & Loss account as Revenue or Expenditure as the case may be.

### **2.34.2 FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATIONS APPENDIX-B TO IND AS-21**

The Appendix B clarifies that, in determining spot exchange rate to use on initial recognition of related asset, expense or income (or part of it) on de-recognition of a non-monetary asset

or non-monetary liability relating to advance consideration, date of the transaction is the date on which an entity initially recognizes non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Company has applied Appendix B from 1<sup>st</sup> April, 2018 and there is no material impact on Standalone financial statements.

## **2.35 STANDARDS ISSUED BUT NOT EFFECTIVE**

### **2.35.1 IND AS-116 'LEASES'**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs has notified IND AS-116, Leases. IND AS 116 will replace the existing leases Standard, IND AS-17 Leases, and related interpretations.

New standard permits two possible methods of transition i.e. Full Retrospective or Modified Retrospective.

The Company will adopt the standard on 1<sup>st</sup> April, 2019 by using Modified retrospective effect method and accordingly comparatives for year ended 31<sup>st</sup> March, 2019 will not be retrospectively adjusted.

The Company is evaluating requirements of IND AS-116, and has not yet determined the impact on the financial statements.

### **2.35.2 AMENDMENT TO IND AS 19- PLAN AMENDMENT, CURTAILMENT OR SETTLEMENT**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs issued amendments to IND AS-19- 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

Effective date for application of this amendment is annual period beginning on or after 1<sup>st</sup> April, 2019. The Company expects that there will be no impact on account of this amendment.

### **2.35.3 AMENDMENT TO IND AS 12-'INCOME TAXES'**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in IND AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

Effective date for application of this amendment is annual period beginning on or after 1<sup>st</sup> April, 2019. The Company expects that there will be no impact on account of this amendment.

### **2.35.4 IND AS-12 APPENDIX-C, UNCERTAINTY OVER INCOME TAX TREATMENTS**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs has notified IND AS-12 Appendix-C, Uncertainty over Income Tax Treatments.

The standard permits two possible methods of transition i.e. Full retrospective or Retrospectively with Cumulative Effect.

The Company will adopt the standard on 1<sup>st</sup> April, 2019 by using the Retrospectively with Cumulative Effect method and accordingly comparatives for the year ending or ended 31<sup>st</sup> March, 2019 will not be retrospectively adjusted.

The Company expects that there will be no impact on account of this amendment.

### 3. Property, Plant and Equipment:

(₹ in Millions)

Particulars	Freehold Land	Lease hold Land	Freehold Buildings	Lease hold Buildings Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Asset Taken on Finance Lease - Hire Purchase Vehicles	Total
<b>Gross Carrying Amount</b>											
<b>As at 1<sup>st</sup> April, 2017</b>	<b>3.66</b>	<b>317.45</b>	<b>1,048.89</b>	<b>55.15</b>	<b>2,685.65</b>	<b>63.98</b>	<b>27.61</b>	<b>15.46</b>	<b>39.82</b>	<b>44.66</b>	<b>4,302.33</b>
Additions	-	-	22.90	27.53	242.66	10.55	2.04	12.72	15.17	7.28	340.85
Disposals/Adjustments	-	-	-	4.16	8.76	-	1.13	-	1.20	-	15.25
<b>As at 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>317.45</b>	<b>1,071.79</b>	<b>78.52</b>	<b>2,919.55</b>	<b>74.53</b>	<b>28.52</b>	<b>28.18</b>	<b>53.79</b>	<b>51.94</b>	<b>4,627.93</b>
Additions	93.32	-	280.05	15.56	680.54	15.24	17.10	8.60	16.54	25.69	1,152.64
Disposals/Adjustments	-	-	-	-	4.68	1.74	2.61	2.22	0.38	-	11.63
<b>As at 31<sup>st</sup> March, 2019</b>	<b>96.98</b>	<b>317.45</b>	<b>1,351.84</b>	<b>94.08</b>	<b>3,595.41</b>	<b>88.03</b>	<b>43.01</b>	<b>34.56</b>	<b>69.95</b>	<b>77.63</b>	<b>5,768.94</b>
<b>Depreciation and Impairment</b>											
<b>As at 1<sup>st</sup> April, 2017</b>	-	<b>3.57</b>	<b>34.75</b>	<b>20.41</b>	<b>182.92</b>	<b>12.08</b>	<b>5.55</b>	<b>2.72</b>	<b>10.95</b>	<b>4.63</b>	<b>277.58</b>
Depreciation charge for the year	-	3.57	38.47	19.13	210.07	12.94	4.95	4.48	13.57	5.83	313.01
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	1.28	0.54	-	0.27	-	0.07	-	2.16
<b>As at 31<sup>st</sup> March, 2018</b>	-	<b>7.14</b>	<b>73.22</b>	<b>38.26</b>	<b>392.45</b>	<b>25.02</b>	<b>10.23</b>	<b>7.20</b>	<b>24.45</b>	<b>10.46</b>	<b>588.43</b>
Depreciation charge for the year	-	3.54	44.71	9.97	224.66	12.19	4.34	6.44	16.13	6.48	328.46
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	1.10	1.17	0.72	1.39	0.34	-	4.72
<b>As at 31<sup>st</sup> March, 2019</b>	-	<b>10.68</b>	<b>117.93</b>	<b>48.23</b>	<b>616.01</b>	<b>36.04</b>	<b>13.85</b>	<b>12.25</b>	<b>40.24</b>	<b>16.94</b>	<b>912.17</b>
<b>Net book value</b>											
<b>As at 31<sup>st</sup> March, 2019</b>	<b>96.98</b>	<b>306.77</b>	<b>1,233.91</b>	<b>45.85</b>	<b>2,979.40</b>	<b>51.99</b>	<b>29.16</b>	<b>22.31</b>	<b>29.71</b>	<b>60.69</b>	<b>4,856.77</b>
<b>As at 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>310.31</b>	<b>998.57</b>	<b>40.26</b>	<b>2,527.10</b>	<b>49.51</b>	<b>18.29</b>	<b>20.98</b>	<b>29.34</b>	<b>41.48</b>	<b>4,039.50</b>

- 3.1 (a)** Carrying value of Assets acquired under hire purchase as on 31.03.2018 exclude the amount related to hire purchase agreement settled during the current year.
- (b)** Property, Plant & Equipment pledged as security. Refer note no. 19 & 22.
- (c)** Lease hold Land represents land obtain on long term lease from Government Authorities and are considered as Finance Lease.

## 4. Capital Work in Progress:

(₹ in Millions)

Particulars	Building	Plant & Equipment	Furniture & Fixtures	Construction Period Expenses Pending allocation	Total
<b>As at 1<sup>st</sup> April , 2017</b>	-	<b>31.54</b>	-	-	<b>31.54</b>
Additions	171.01	212.41	31.52	10.09	<b>425.03</b>
Adjustments	23.19	172.11	31.46	-	<b>226.76</b>
<b>As at 31<sup>st</sup> March, 2018</b>	<b>147.82</b>	<b>71.84</b>	<b>0.06</b>	<b>10.09</b>	<b>229.81</b>
Additions	254.46	628.93	13.85	29.77	<b>927.01</b>
Adjustments	241.49	566.22	10.56	22.49	<b>840.76</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>160.79</b>	<b>134.55</b>	<b>3.35</b>	<b>17.37</b>	<b>316.06</b>
<b>Net Book Value</b>					
<b>As at 31<sup>st</sup> March, 2019</b>	<b>160.79</b>	<b>134.55</b>	<b>3.35</b>	<b>17.37</b>	<b>316.06</b>
<b>As at 31<sup>st</sup> March , 2018</b>	<b>147.82</b>	<b>71.84</b>	<b>0.06</b>	<b>10.09</b>	<b>229.81</b>

4.1 (a) Contractual commitments for the acquisition of Property, Plant & Equipment ₹ 302.45 Millions (Previous Year: ₹ 132.92 Millions)

(b) Amount of Borrowing Costs Capitalised during the year in accordance with IND AS-23 "Borrowing Cost". Asset wise break up of borrowing cost capitalized is given as below:

(₹ in Millions)

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Building	<b>8.37</b>	-
Plant & Equipment	<b>6.64</b>	-
Furniture & Fixtures	<b>0.05</b>	-
<b>Total Borrowing Cost Allocated to Assets during the year</b>	<b>15.06</b>	-
<b>Borrowing Cost Pending allocation for future years</b>	<b>8.41</b>	6.76

(c) Capitalization rate 9.09% (Previous Year 10.71%) has been used to determine amount of borrowing cost eligible for capitalization

## 5. Other Intangible Assets:

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>As at 1<sup>st</sup> April , 2017</b>	<b>33.17</b>	<b>33.17</b>
Addition during the year	12.34	<b>12.34</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>45.51</b>	<b>45.51</b>
Addition during the year	10.49	10.49
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>56.00</b>	<b>56.00</b>

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>Amortization and Impairment</b>		
<b>As at 1<sup>st</sup> April , 2017</b>	<b>5.91</b>	<b>5.91</b>
Addition during the year	9.29	9.29
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>15.20</b>	<b>15.20</b>
Amortization	11.02	11.02
Impairment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>26.22</b>	<b>26.22</b>
<b>Net book value</b>		
<b>As at 31<sup>st</sup> March, 2019</b>	<b>29.78</b>	<b>29.78</b>
<b>As at 31<sup>st</sup> March , 2018</b>	<b>30.31</b>	<b>30.31</b>

6. Non-Current Investments:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>1 Investments Equity Instruments (Quoted and Unquoted)</b>		
<i>a) In Subsidiary* (Investments at cost)</i>	<b>0.01</b>	0.01
<i>b) In Associates** (Investments at cost) (₹ 2,349/-, Previous Year: Nil)</i>	<b>0.00</b>	-
<i>c) Others *** (Investments at fair value through OCI)</i>	<b>12.68</b>	25.26
<b>Total Investments in Equity Instruments</b>	<b>12.69</b>	25.27
<b>2 Investments Mutual Funds (Unquoted) (Investments at fair value through OCI)</b>		
<i>a) Investments in Mutual Funds****</i>	<b>2.97</b>	3.03
<b>Total Investments in Mutual Funds</b>	<b>2.97</b>	3.03
<b>3 Investment in AOP (Unquoted) (Investments at Cost)</b>		
<i>a) Investments in Joint Venture of KEI Industries Ltd New Delhi &amp; Brugg Kabel AG Switzerland (Refer note 52(d))</i>	-	-
<b>Total Investments</b>	<b>15.66</b>	28.30
<b>* Investments in Equity Shares Unquoted ( at cost)</b>		
--- KEI Cables Australia PTY LTD ( principal place of business - Australia) 180 (Previous Year: 180) Equity Shares of 1 AUD each fully paid	<b>0.01</b>	0.01
<b>** Investments in Equity Shares Unquoted ( at cost)</b>		
-- KEI Cables SA (PTY) Limited (principal place of business - South Africa) 490 (Previous Year: NIL) Equity Shares of 1 ZAR each fully paid (Refer note 52 (e))	<b>0.00</b>	-
<b>Total Equity investments at cost</b>	<b>0.01</b>	0.01

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>*** Equity Shares Quoted</b>		
--- State Bank of India 670 (Previous Year: 670) Equity Shares of ₹ 1 each fully paid	0.21	0.17
--- PNB Gilts Limited 8000 (Previous Year: 8000) Equity Shares of ₹ 10 each fully paid	0.25	0.28
--- Punjab National Bank 11000 (Previous Year: 11000) Equity Shares of ₹ 2 each fully paid	1.05	1.05
---Dena Bank 2595 (Previous Year: 2595) Equity Shares of ₹ 10 each fully paid	0.03	0.05
---ICICI Bank Limited 4950 (Previous Year: 4950) Equity Shares of ₹ 2 each fully paid	1.98	1.38
---YES Bank Limited 1270 (Previous Year: 1270) Equity Shares of ₹ 2 each fully paid	0.35	0.39
---Jaypee Infratech Limited 5000 (Previous Year: 5000) Equity Shares of ₹ 10 each fully paid	0.01	0.04
---Technofab Engineering Limited 104228 (Previous Year: 104228) Equity Shares of ₹ 10 each fully paid	8.80	21.90
<b>Total Equity Investments (FVOCI)</b>	<b>12.68</b>	<b>25.26</b>
<b>**** Mutual Funds Unquoted</b>		
---UTI-Opportunities Fund-Growth 11770.711 (Previous Year: 11770.711) Units of ₹ 10 each	0.73	0.67
---L192D SBI PSU Fund-Regular Plan-Dividend 212944.872 (Previous Year: 212944.872) Units of ₹ 10 each	2.24	2.36
<b>Total investments in Mutual Funds (FVOCI)</b>	<b>2.97</b>	<b>3.03</b>
<b>Aggregate value of quoted investments</b>	<b>28.62</b>	<b>28.62</b>
<b>Aggregate Market value of quoted investments</b>	<b>12.68</b>	<b>25.26</b>
<b>Aggregate value of unquoted investments</b>	<b>2.98</b>	<b>3.04</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-

7. Non-Current Loans:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Secured</b>	-	-
<b>Loans considered good, Unsecured</b>		
Security Deposits to Related Parties	2.00	1.80
Security Deposits to Others	61.55	35.51
Loans to Related Parties	0.14	0.46
Loans to Workers & Staff- Others	4.89	2.90
<b>Loans having Significant increase in Credit Risk</b>	-	-
<b>Loans Credit Impaired</b>	-	-
<b>Total</b>	<b>68.58</b>	<b>40.67</b>

**Break-up for Related Parties:**

**7.1 Non-Current Security Deposit to Related Parties: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Unsecured</b>		
Projection Financial & Management Consultants Private Limited *	1.85	1.65
Anil Gupta (HUF) *	0.15	0.15
<b>Total</b>	<b>2.00</b>	1.80

\* Security Deposit (Interest Free) for premises taken on lease by company

**7.2 Non-Current Loans to Related Party: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Unsecured</b>		
Kishore Kunal*	0.14	0.46
<b>Total</b>	<b>0.14</b>	0.46

\* Against Salary and other benefits

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

**(i) Maximum Outstanding Balance during the year (At Fair Value): (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited *	4.22	1.65
Anil Gupta (HUF)	0.15	0.15
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year: ₹ Nil )	(0.00)	-
Subsidiary Company " KEI Cables Australia PTY LTD"	9.28	-

\* (includes Current Loans as per Note No. 14.1)

**(ii) Maximum Outstanding Balance during the year (At Cost): (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited*	4.77	2.40
Anil Gupta (HUF)	0.15	0.15
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year: ₹ Nil )	(0.00)	-
Subsidiary Company " KEI Cables Australia PTY LTD"	9.28	-

\*(includes Current Loans as per Note No. 14.1)

**7.4 Investments by Loanee in Equity shares of Company:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited	114.20	114.20
Anil Gupta (HUF)	13.62	13.62
	<b>127.82</b>	127.82

**8. Other Non-Current Financial Assets:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with banks having more than 12 month Maturity (Fixed Deposits under lien/custody with Banks / Others)	4.97	1.46
Unpaid Dividend Bank Account *	1.30	1.14
<b>Total</b>	<b>6.27</b>	2.60

\* Balance in unpaid dividend bank account can only be used towards settlement of dividend unclaimed by shareholders of the company.

**9. Other Non-Current Assets:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Advances	90.07	116.34
Others:		
--- Prepaid Expenses	2.07	2.45
<b>Total</b>	<b>92.14</b>	118.79

**10. Inventories:** (₹ in Millions)

Particulars	Method of Valuation	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials Including In Transit	At Cost	1,235.36	1,518.96
Work -in- Progress	At Cost	1,951.67	1,623.35
Finished Goods Including in Transit	At lower of cost or net realizable value	2,942.38	2,228.38
Stock in Trade Including In Transit	At Cost	6.64	10.62
Stores & Spares Including In Transit	At Cost	71.55	70.42
Project Materials	At Cost	543.31	4.71
Packing Materials	At Cost	116.32	78.03
Scrap	At net realizable value	29.14	21.41
<b>Total</b>		<b>6,896.37</b>	5,555.88



**10.1 Break-up for Goods-in-Transit:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
--- Finished Goods	742.76	723.53
--- Raw Materials	146.21	410.44
--- Stores & Spares	2.54	0.89
<b>Total</b>	<b>891.51</b>	<b>1,134.86</b>

**10.2 Finished Goods held at Net Realisable Value:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
--- Finished goods	572.32	85.22

Refer Note no. 22.1 for Inventories hypothecated as security against bank borrowings.

**11. Current Trade Receivables:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Trade receivables</b>		
Secured, Considered Good	-	-
Unsecured, Considered Good	11,113.37	10,367.76
Receivables having Significant Increase in Credit Risk	-	-
Receivables Credit Impaired	-	-
Less: Expected Credit Loss (ECL)	167.15	161.90
<b>Total</b>	<b>10,946.22</b>	<b>10,205.86</b>
<b>Break-up for Related Parties:</b>		
<b>Particulars</b>		
Receivables from "KEI Cables Australia PTY Limited", Subsidiary	36.94	141.74
<b>Total</b>	<b>36.94</b>	<b>141.74</b>

**11.1** No trade or other receivable are due from Directors or Officers of company either severally or jointly with other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a Partner, a Director or a Member.

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

**11.3** Trade Receivables are usually non interest bearing and are on trade terms of 90 days

**11.4 Relevant carrying amounts are as follows:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total Transferred Receivables	1,255.79	2,185.97
Associated Secured Borrowing ( Refer Note No. 22)	1,255.79	2,185.97

**11.5** For credit risk and movement in impairment allowances refer note no. 50.2.

## 12. Cash and Cash Equivalents:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Cash in Hand	3.83	3.65
Balances with Banks		
--- Current Accounts	70.75	448.34
--- Fixed Deposits with less than 3 month maturity	146.10	142.51
<b>Total</b>	<b>220.68</b>	<b>594.50</b>

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(₹ in Millions)

12.1 Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits under lien/custody with Banks /Others	143.44	-

## 13. Bank Balances other than Cash and Cash Equivalents:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with original maturity of more than 3 months but less than 12 months*	1,728.65	165.03
Unpaid Dividend Accounts	0.40	0.35
Fixed Deposits with Banks as Deposits Repayment Reserve Account**	3.62	3.40
<b>Total</b>	<b>1,732.67</b>	<b>168.78</b>

(₹ in Millions)

13.1 Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
* Fixed Deposits under lien/custody with Banks / Others	1,728.65	85.03

\*\* Deposits Repayment Reserve account is created as per requirement of Section 73 of Companies Act, 2013

## 14. Current Loans:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured, Considered Good</b>		
Security Deposits to Related Party	2.37	-
Security Deposits to Others	21.26	4.16
Loans to Related Parties	9.61	0.29
Loans to Workers & Staff- Others	12.90	9.44
<b>Total</b>	<b>46.14</b>	<b>13.89</b>

**14.1 Current Loans to Related Party:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans</b>		
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year ₹ Nil)	(0.00)	-
Subsidiary Company " KEI Cables Australia PTY LTD"	9.28	-
Kishore Kunal**	0.33	0.29
<b>Total</b>	<b>9.61</b>	<b>0.29</b>
** Against salary and other benefits		
<b>Security Deposits to Related Party</b>		
Projection Financial & Management Consultants Private Limited *	2.37	-
	<b>2.37</b>	-

\*For disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 refer Note no. 7.3

**15. Other Financial Assets**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Contract Assets (Refer Note 42.2)	1,040.47	521.02
<b>Total</b>	<b>1,040.47</b>	<b>521.02</b>

**16. Other Current Assets:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Advances other than capital advances</b>		
--- Advances to Related Parties	<b>0.33</b>	2.20
--- Advances to Suppliers	<b>528.49</b>	228.80
--- Advances Recoverable	<b>29.19</b>	29.38
<b>Others</b>		
--- Interest Accrued	<b>29.92</b>	6.92
--- Prepaid Expenses	<b>31.26</b>	63.04
--- Earnest Money	<b>62.64</b>	59.69
--- Claims Recoverable from Government	<b>693.48</b>	226.19
<b>Total</b>	<b>1,375.31</b>	<b>616.22</b>

**16.1 Break-up of Advance to Related Parties:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Recoverable from Joint Venture " Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland "	<b>0.33</b>	0.91
Recoverable from Subsidiary Company " KEI Cables Australia PTY LTD"	-	1.29
<b>Total</b>	<b>0.33</b>	<b>2.20</b>

**17. Equity Share Capital:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorized</b>		
110,000,000 (Previous Year: 110,000,000) Equity Shares of ₹ 2/- each	<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>Issued, Subscribed &amp; paid-up</b>		
78,925,438 (Previous Year: 78,361,438) Equity shares of ₹ 2/- each fully paid	<b>157.85</b>	156.72
<b>Total</b>	<b>157.85</b>	156.72

**17.1 Rights, preferences and restrictions attached to shares:**

Equity Shares: The company has issued one class of equity shares having face value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

**17.2 Reconciliation of Number of Equity Shares:**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Nos.	₹ in Millions	Nos.	₹ in Millions
Balance as at the beginning of the year	<b>7,83,61,438</b>	<b>156.72</b>	7,77,97,438	155.59
Add: Issued during the Year *	<b>5,64,000</b>	<b>1.13</b>	5,64,000	1.13
Balance as at the end of the year	<b>7,89,25,438</b>	<b>157.85</b>	7,83,61,438	156.72

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

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

Name of shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	<b>1,36,80,776</b>	<b>17.33%</b>	1,36,80,776	17.46%
M/s Projection Financial and Management Consultants Private Limited	<b>79,00,000</b>	<b>10.01%</b>	79,00,000	10.08%
M/s Anil Gupta (HUF) beneficiary Mr. Anil Gupta	<b>46,50,375</b>	<b>5.89%</b>	46,50,375	5.93%
Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund	<b>53,00,000</b>	<b>6.72%</b>	52,20,550	6.66%

**17.4** During the year 2016-17, 5,60,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2017-18, 5,64,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2018-19, 5,64,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

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

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
	Nos. of shares	Nos. of shares
<b>Options available under ESOS, 2015</b>		
-- Options available at the beginning of the year	11,28,000	16,92,000
-- Options granted during the year	15,000	-
-- Equity Shares issued during the year		
Under KEI ESOS-2015 option Plan: equity shares of ₹ 2 each.	5,64,000	5,64,000
<b>-- Options available at the close of the year</b>	<b>5,79,000</b>	11,28,000

For terms and other details of KEI ESOS, 2015 refer Note no. 43.

### 18. Other Equity:

Refer Statement of Changes in Equity for detailed movement in other Equity balances:

#### A. Summary of Other Equity balance:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Reserve	28.00	28.00
Securities Premium	901.81	843.09
General Reserve	21.09	21.09
Retained Earnings	6,685.74	4,961.50
Employee Stock Options Outstanding	37.50	58.93
Other Comprehensive Income	(43.06)	(24.01)
<b>Total</b>	<b>7,631.08</b>	5,888.60

#### 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.
- (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.

**19. Non Current Borrowings:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Secured</b>		
<b>Term Loan</b>		
-- Term Loans from Banks	<b>294.04</b>	467.39
-- Foreign Currency Term Loans from Banks	<b>97.37</b>	274.12
-- External Commercial Borrowings	<b>385.70</b>	412.92
--Term Loans from Non-Banking Financial Company	<b>310.00</b>	205.77
<b>Total Term Loan</b>	<b>1,087.11</b>	1,360.20
Finance Lease Obligations on Hire Purchase of Vehicles	<b>22.11</b>	18.26
<b>(ii) Unsecured</b>		
<b>Deposits</b>		
-- Public Deposits	<b>49.75</b>	48.81
-- Deposits from Related Parties	<b>34.40</b>	29.35
<b>Total</b>	<b>1,193.37</b>	1,456.62

**19.1 Nature of Security and Repayment Terms of Term Loan:**

(₹ in Millions)

Sl. No.	Nate of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1	Secured Term Loan from Scheduled Bank	INR	Oct, 2020	Floating 1year-MCLR+ 1.85% p.a	<b>64.79</b>	101.42
2	Secured Term Loan from Scheduled Bank	USD	Feb, 2019	Floating 6 month LIBOR + 90 bps	-	233.97
3	Secured Term Loan from Scheduled Bank	INR	Nov, 2019	Floating 1 year MCLR+ 1.35% p.a	<b>46.14</b>	107.21
4	Secured Term Loan from NBFC	INR	Dec, 2021	Fixed 9.75% p.a.	<b>205.77</b>	280.37
5	Secured Term Loan from Scheduled Bank	INR	May, 2020	Floating 12 month MCLR + 0.50% p.a	<b>194.06</b>	365.46
6	Secured Term Loan from Scheduled Bank	INR	June, 2022	Floating 1 year MCLR + 0.50% p.a	<b>162.50</b>	212.32
7	Secured Term Loan from Scheduled Bank	USD	Sep, 2020	Fixed all inclusive cost of maximum of 4.85% p.a	<b>291.39</b>	455.72
8	External Commercial Borrowing	USD	Dec, 2022	Floating 3 month LIBOR + 190 BPS	<b>494.91</b>	514.72
9	Secured Term Loan from NBFC	INR	Oct, 2023	Fixed 9.75% p.a.	<b>199.69</b>	-
10	Secured Term Loan from Scheduled Bank	INR	May, 2020	Floating 3 month MCLR + 0.35% p.a	<b>233.14</b>	-
11	Secured Term Loan from Scheduled Bank	INR	Jan, 2023	Floating 1 year MCLR + 0.05% p.a	<b>114.81</b>	-
<b>Total</b>					<b>2,007.20</b>	2,271.19
Less: Current Borrowings (Note no. 24)					<b>920.09</b>	910.99
Non-Current Borrowings (Note no. 19)					<b>1087.11</b>	1,360.20

- 19.2** Term Loans from Banks and Non-Banking Financial Company (NBFC) are Secured by a first pari passu charge over Land & Building, Plant & Machinery and other movable fixed assets located at the Company's Plants at Plot No. A-280-284 RIICO Industrial area Chopanki, SP-919 RIICO Industrial area Phase- III Bhiwadi, SP 2/874 RIICO Industrial Area Pathredi, 99/2/7 Madhuban Industrial Estate village Rakholi Silvassa and Survey no.1/1/2/5, Village Chinchpada, Silvassa. Further they are secured by personal guarantee of Shri Anil Gupta, Chairman-cum-Managing Director of the Company.
- 19.3** Finance Lease Obligations are taken from scheduled banks and are secured against hypothecation of vehicles. The Rate of interest on such loans varying between 8.50% to 11.00%.
- 19.4** Unsecured Deposits are repayable within 3 years from the date of acceptance. The Company has not defaulted in repayment of deposits.
- 19.5** For Loans & Deposits from Related Parties refer Note no. 46 " Related Party disclosures"
- 19.6** The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed by lenders.

**20. Non Current Provisions:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Employee benefits		
---Provision for Compensated Absences	<b>86.26</b>	67.21
	<b>86.26</b>	67.21

For movement in provision refer note no. 26.1

**21. Deferred Tax Liability (Net):**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Deferred Tax Liability :</b>		
Additional depreciation/amortization on PPE and Other Intangible Assets	<b>587.73</b>	515.89
Other timing differences	<b>7.59</b>	9.32
<b>Total Deferred Tax Liabilities</b>	<b>595.32</b>	525.21
<b>Deferred Tax Asset :</b>		
Liabilities / provisions that are deducted for tax purposes when paid	<b>66.81</b>	51.45
Provision for doubtful debts/impairment allowance	<b>58.41</b>	56.57
Defined benefit obligations	<b>15.85</b>	11.39
Long term capital loss on shares	<b>1.86</b>	-
Other timing differences	<b>10.62</b>	7.36
<b>Total Deferred Tax Assets</b>	<b>153.55</b>	126.77
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(441.77)</b>	(398.44)

**21.1 Movement in Deferred Tax Assets:**

(₹ in Millions)

Particulars	Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	Defined benefit obligations	Liabilities / provisions that are deducted for tax purposes when paid	Other items	Total deferred tax assets
<b>As at 1<sup>st</sup> April, 2017</b>	<b>54.61</b>	<b>7.51</b>	<b>46.83</b>	<b>7.23</b>	<b>116.18</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.96	-	4.62	0.13	6.71
-- Other Comprehensive Income	-	3.88	-	-	3.88
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>56.57</b>	<b>11.39</b>	<b>51.45</b>	<b>7.36</b>	<b>126.77</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.84	-	15.36	3.26	20.46
-- Other Comprehensive Income	-	4.46	-	1.86	6.32
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>58.41</b>	<b>15.85</b>	<b>66.81</b>	<b>12.48</b>	<b>153.55</b>

**21.2 Movement in Deferred Tax Liabilities:**

(₹ in Millions)

Particulars	Additional depreciation/ amortization on PPE and Other Intangible Assets	Other items	Total deferred tax liabilities
<b>As at 1<sup>st</sup> April, 2017</b>	<b>460.67</b>	<b>8.69</b>	<b>469.36</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	55.22	0.63	55.85
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>515.89</b>	<b>9.32</b>	<b>525.21</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	71.84	(1.73)	70.11
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>587.73</b>	<b>7.59</b>	<b>595.32</b>



## 22. Current Borrowings:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Secured:</b>		
<b>Loan repayable on demand</b>		
--- Working Capital Loans from Banks	<b>2,390.96</b>	2,266.79
--- Buyer's Credit	-	1,377.63
--- Factoring Arrangements	<b>1,255.79</b>	2,185.97
<b>(ii) Unsecured:</b>		
<b>Loans from Related Parties</b>		
--- Loan from Related Party *	<b>208.00</b>	205.00
<b>Deposits</b>		
Deposits from Related Parties*		
--- Inter Corporate Deposits	<b>5.00</b>	0.80
Deposits from Others		
--- Inter Corporate Deposits	<b>5.50</b>	5.50
<b>Total</b>	<b>3,865.25</b>	6,041.69

\* For Loans/Deposits From Related Party Refer Note No. 46 " Related Party Disclosure"

**22.1** Working Capital facilities from banks are secured by 1<sup>st</sup> Pari passu charge by way of hypothecation on the entire current assets including raw material stock in process, finished goods, consumable stores & spares and receivables of the Company, 1<sup>st</sup> pari passu charge on present and future fixed assets at SP 920-922, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar (Rajasthan) and movable fixed assets at D-90, Okhla Industrial Area, Phase-I, New Delhi, 2nd pari- passu charge by equitable mortgage of property of the Land and Building at 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa, (D & N H), Plot No. A 280-284, Chopanki, SP 2/874, RIICO Industrial Area, Pathredi, SP 919, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar, (Rajasthan) Industrial Plot/ Survey No.- 1/1/2/5, Situated at Village Chinchpada, Silvassa both present and future. Further they are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum- Managing Director of the Company.

**22.2** Working Capital Loans from Banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated. The lender banks have a right to cancel the credit limits (either fully or partially) and, inter-alia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the sanctioned loan accounts in any manner.

**22.3** Loan from Related Party is payable on demand and carries a fixed rate of interest @ 9% p.a. w.e.f 1<sup>st</sup> April, 2018.

**22.4** The Company has not defaulted on any loans/deposits payable during the year and has satisfied all debt covenants prescribed by lenders.

**22.5** The Company has arranged Channel Finance facility for its customers from various banks against which a sum of ₹ 1,378.76 Millions (Previous Year ₹ 1030.30 Millions) has been utilized as on the date of Balance Sheet. The Company is liable to pay in case of default by its customers along with interest thereon. The default made by customers as on 31<sup>st</sup> March, 2019 is ₹ 2.53 Millions (Previous Year: ₹ 1.80 Millions).

## 23. Trade Payables:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Micro, Small and Medium Enterprises	<b>914.41</b>	-
<b>Total outstanding dues of micro, small and medium enterprises</b>	<b>914.41</b>	-
Acceptances	<b>5,930.45</b>	2,329.05
Others	<b>3,358.14</b>	3,942.95
<b>Total outstanding dues of creditors other than micro, small and medium enterprises</b>	<b>9,288.59</b>	6,272.00
<b>Total</b>	<b>10,203.00</b>	6,272.00

**23.1** Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Amount remaining unpaid to Micro, Small and Medium Enterprises at the end of the year</b>		
Principal	914.41	-
Interest	-	-
<b>Total</b>	<b>914.41</b>	<b>-</b>

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The total dues of Micro, Small and Midium Enterprises which were outstanding for more than stipulated period are ₹ Nil (Preivous Year: ₹ Nil)

#### 24. Other Current Financial Liabilities:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Current Maturities of Long Term Debts</b>		
---From Banks	521.40	319.03
---Foreign Currency Loans from Banks	194.20	415.57
-- External Commercial Borrowings	109.21	101.80
---From Others (Non-Banking Financial Company)	95.46	74.59
<b>Total Current Maturities of Long Term Debts</b>	<b>920.09</b>	<b>910.99</b>
(Refer Note 19.1)		
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles (Refer Note 19.1 & 19.3)	15.69	11.89

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest on Borrowings		
---Accrued but not due	3.19	8.13
---Accrued and due	3.35	8.85
Contract Liabilities (Refer Note 42.2)	2,434.92	392.12
Unpaid Dividend (Refer Note 24.1)	1.69	1.49
<b>Total</b>	<b>3,378.93</b>	<b>1,333.47</b>

**24.1** Amount due & outstanding to be credited to Investor Education and Protection Fund ₹ Nil (Previous Year: ₹ Nil).

**25. Other Current Liabilities:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits Received	14.66	14.77
Employee Benefits Payable	161.90	98.85
Sundry Creditors-Capital Goods	105.67	77.42
Statutory Dues Payable	175.26	215.54
<b>Total</b>	<b>457.49</b>	<b>406.58</b>

**26. Current Provisions:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Employee Benefits</b>		
---Provision for Compensated Absences	12.69	9.54
---Provision for Gratuity	99.36	82.89
Other Provisions	22.93	18.86
<b>Total</b>	<b>134.98</b>	<b>111.29</b>

**26.1. Movement of Provisions (Current and Non-Current):**

(₹ in Millions)

Particulars	Compensated Absences	Gratuity	Warranty Provision
<b>As at 1<sup>st</sup> April, 2018</b>	<b>76.75</b>	<b>82.89</b>	<b>18.86</b>
Credited during the year	28.05	16.47	20.88
Utilized during the year	5.85	-	-
Unused amount reversal	-	-	16.81
<b>As at 31<sup>st</sup> March, 2019</b>	<b>98.95</b>	<b>99.36</b>	<b>22.93</b>

**Provision for Compensated Absences:**

Compensated Absences is a terminal employee benefit, which covers Company's liability towards earned leaves of employees of the Company.

**Provision for Gratuity:**

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

**Provision for Warranty:**

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

**26.2. Disclosures under Ind AS 19 "Employee Benefits":****Defined Contribution Plan:**

Amount recognized as an expense in defined contribution plans: (₹ in Millions)

Particulars	Expense recognised during	
	FY 2018-19	FY 2017-18
Contribution to Employee Provident Fund & Employees Pension Scheme.	45.01	40.58

**a) The amounts recognised in the Balance Sheet is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Present value of obligations as at the end of year	2018-19	217.02	98.95
	2017-18	171.11	76.75
Fair value of plan assets as at the end of the year	2018-19	117.66	-
	2017-18	88.22	-
Funded status	2018-19	(99.36)	-
	2017-18	(82.89)	(76.75)
<b>Net Assets/(Liability) recognized in balance sheet</b>	2018-19	99.36	98.95
	2017-18	82.89	76.75

**b) Expense recognized in Statement of Profit and Loss is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Current Service Cost	2018-19	22.96	17.42
	2017-18	18.19	14.96
Interest Cost on Defined Benefit Obligation	2018-19	13.18	5.91
	2017-18	9.89	4.14
Interest Income on Plan Assets	2018-19	6.79	-
	2017-18	5.42	-
Net Actuarial (Gain) / Loss recognized in the period	2018-19	6.38	4.72
	2017-18	4.48	4.73
Expenses recognized in Statement of Profit and Loss	2018-19	29.35	28.05
	2017-18	22.66	23.84

**c) Expenses recognized in Other Comprehensive Income is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Actuarial (Gains)/Loss on Defined Benefit Obligation	2018-19	13.02	-
	2017-18	11.65	-
Actuarial (Gains)/Loss on Asset	2018-19	(0.27)	-
	2017-18	(0.54)	-
Actuarial Gain/(Loss) recognized in Other Comprehensive Income	2018-19	12.75	-
	2017-18	11.11	-

**d) Movements in the present value of the Defined Benefit Obligations:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Present Value of Obligations as at beginning of year	2018-19	171.11	76.75
	2017-18	137.39	57.51
Acquisition Adjustment	2018-19	-	-
	2017-18	-	-
Interest Cost	2018-19	13.18	5.91
	2017-18	9.89	4.14
Current Service Cost	2018-19	22.96	17.42
	2017-18	18.19	14.96
<b>Actuarial (Gains)/Losses arising from:</b>			
Changes in Demographic Assumptions	2018-19	NIL	NIL
	2017-18	NIL	NIL
Changes in Financial Assumptions	2018-19	1.72	0.66
	2017-18	6.74	2.53
Experience Adjustments	2018-19	11.29	4.06
	2017-18	4.90	2.21
Past Service Cost	2018-19	-	-
	2017-18	-	-
Benefits Paid	2018-19	(3.24)	(5.85)
	2017-18	(6.01)	(4.60)
Present value of obligations as at end of year	2018-19	217.02	98.95
	2017-18	171.11	76.75

**e) Movements in the fair value of the Plan Assets:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Fair Value of plan assets as on beginning of year	2018-19	88.22	-
	2017-18	75.22	-
Interest Income	2018-19	6.79	-
	2017-18	5.42	-
Re-measurement Gain/(Loss) – Return on plan assets (excluding amounts included in net interest expense)	2018-19	0.27	-
	2017-18	0.54	-
Contributions from the employer	2018-19	25.62	-
	2017-18	13.05	-
Benefits paid	2018-19	(3.24)	-
	2017-18	(6.01)	-
Fair value of Plan Assets at the end of year	2018-19	117.66	-
	2017-18	88.22	-

f) Actuarial Assumptions are as under:

Particulars	Year	Gratuity	Compensated Absences
Discount Rate	2018-19	7.60%	7.60%
	2017-18	7.70%	7.70%
Expected rate of Future Salary Increase	2018-19	7.00%	7.00%
	2017-18	7.00%	7.00%
Retirement Age	2018-19	58 yrs	58 yrs
	2017-18	58 yrs	58 yrs
Mortality rates	2018-19	As per Indian Assured Lives Mortality (2006-08) Table	
	2017-18		
Age		Withdrawal Rate	Withdrawal Rate
Up to 30 Years	2018-19	3.00%	3.00%
	2017-18	3.00%	3.00%
From 31 to 44 Years	2018-19	2.00%	2.00%
	2017-18	2.00%	2.00%
Above 44 Years	2018-19	1.00%	1.00%
	2017-18	1.00%	1.00%

**Risks Associated with Plan Provisions**

Valuations are based on certain assumptions which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

<b>Salary Increases</b>	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
<b>Investment Risk</b>	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If the plan liability is funded and return on plan assets is below this rate it will create a plan deficit.
<b>Discount Rate Risk</b>	A decrease in the bond interest rate (discount rate) will increase the plan liability.
<b>Mortality &amp; Disability</b>	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability.

**g) Maturity Profile of Defined Benefit Obligation is as under:**

Duration of defined benefit obligation (₹ in Millions)

Duration (years)	Year	Gratuity	Compensated Absences
1	2018-19	62.46	12.69
	2017-18	48.47	9.54
2	2018-19	6.27	9.44
	2017-18	5.43	7.40
3	2018-19	10.77	9.10
	2017-18	5.01	6.65
4	2018-19	7.97	7.89
	2017-18	8.74	6.52
5	2018-19	6.32	6.61
	2017-18	5.98	5.44
Above 5	2018-19	123.23	53.22
	2017-18	97.48	41.21

**h) Summary of Membership Data:**

Particulars	As at 31 <sup>st</sup> March, 2019	
	Gratuity	Compensated Absences
Number of Employees	1,793	1,793
Total Monthly Salary for Gratuity (₹ in Millions)	48.00	-
Total Monthly Salary for leave Availment (₹ in Millions)	-	48.00
Average Past Service ( Years )	5.72 yrs	5.72 yrs
Average Age ( Years )	36.50 yrs	36.50 yrs
Average Remaining Working Life ( Years )	21.50 yrs	21.50 yrs

**i) Major Category of Plan Assets (as percentage of total plan assets) is as under:**

Particulars	Year	Gratuity	Compensated Absences
Fund Managed by Insurer	2018-19	99.36	Nil
	2017-18	82.89	Nil

**j) Sensitivity analysis is as under:**

Impact of the change in Discount Rate: (₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Impact due to Increase of 1%	2018-19	200.98	92.74
	2017-18	158.41	71.94
Impact due to Decrease of 1%	2018-19	235.88	105.99
	2017-18	186.03	82.20

**Impact of the Change in Salary Increase:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Impact due to Increase of 1%	2018-19	235.81	105.96
	2017-18	185.99	82.18
Impact due to Decrease of 1%	2018-19	200.76	92.65
	2017-18	158.22	71.87

**27. Current Tax Liability ( Net):**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Tax expense comprises of:		
Opening balance (Receivables / Payables)	33.51	14.13
Current tax payable for the year	924.68	668.41
Less : Taxes paid during the year	865.05	527.52
Less : MAT Credit Entitlement	-	121.51
<b>Closing balance Liabilities (Net)</b>	<b>93.14</b>	<b>33.51</b>

**27.1** Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ NIL (Previous Year ₹ 121.51 Millions)

**28. Revenue From Operations (Gross):**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Revenue from Contract with Customers</b>				
<b>Sale of Products</b>				
---Manufactured Goods	32,059.92		25,938.26	
---Traded Goods	46.13		10.83	
<b>Sale of Services</b>				
---Income from EPC Projects	9,658.26		8,672.21	
---Job Work	0.43		3.91	
<b>Other Revenue</b>				
---Scrap	317.92	42,082.66	268.06	34,893.27
<b>Other Operating Revenues</b>				
--- Export Benefits	143.91		42.23	
--- Unadjusted Credit balances written back	43.06	186.97	28.69	70.92
<b>Total</b>		<b>42,269.63</b>		<b>34,964.19</b>

**28.1** For Disclosures related to IND AS 115 " Revenue from Contract with Customers" refer Note no. 42.

**29. Other Income:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Dividend from long term investments		0.22		0.04
Interest Income from Bank Deposits/Others		36.83		6.48
Interest Income from financial assets at amortized cost		2.06		1.57
Miscellaneous Income		11.52		0.00
Insurance Claims		21.28		10.00
Exchange Fluctuation (Net)		-		74.90
<b>Total</b>		<b>71.91</b>		<b>92.99</b>



**30. Cost of Materials Consumed:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	<b>Raw Materials Consumed</b>			
Opening Stock	<b>1,108.52</b>		1,188.75	
Add : Purchases	<b>27,792.75</b>		21,072.75	
Less : Closing Stock	<b>1,089.15</b>		1,108.52	
Less : Captive use	<b>40.30</b>	<b>27,771.82</b>	13.84	21,139.14
<b>EPC Project Materials</b>				
Opening Stock	<b>4.71</b>		20.02	
Add : Purchases	<b>3,133.67</b>		3,268.32	
Less: Closing Stock	<b>543.31</b>	<b>2,595.07</b>	4.71	3,283.63
<b>Total</b>		<b>30,366.89</b>		24,422.77

**31. Purchases of Stock in Trade:**

(₹ in Millions)

Class of Goods	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Miscellaneous		<b>25.96</b>	
<b>Total</b>		<b>25.96</b>		14.34

**32. Changes in Inventory of Finished Goods, Work in Progress and Stock in trade:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	<b>Opening Stock</b>			
--- Finished Goods	<b>2,228.38</b>		1,778.30	
--- Stock in Trade	<b>10.62</b>		6.64	
--- Work in Progress	<b>1,623.35</b>		1,766.88	
--- Scrap	<b>21.41</b>	<b>3,883.76</b>	5.75	3,557.57
<b>Less : Closing Stock</b>				
--- Finished Goods	<b>2,942.36</b>		2,228.38	
--- Stock in Trade	<b>6.64</b>		10.62	
--- Work in Progress	<b>1,951.67</b>		1,623.35	
--- Scrap	<b>29.14</b>	<b>4,929.81</b>	21.41	3,883.76
<b>Total</b>		<b>(1,046.05)</b>		(326.19)

**33. Employee Benefits Expense:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Salaries, Wages & Other Benefits	<b>1,585.52</b>		1,318.10
Contribution to Provident & Other Funds	<b>74.35</b>		64.19	
Expense on Share Based Payments to Employees	<b>18.68</b>		33.04	
Staff Welfare Expenses	<b>55.39</b>	<b>1,733.94</b>	56.34	1,471.67
<b>Total</b>		<b>1,733.94</b>		1,471.67

**33.1 Compensation Paid To Key Managerial Personnel included in above:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Salaries, Wages & Other Benefits		166.15		122.94
Contribution to Provident & Other Funds		0.09		0.08
Director's Meeting Fee		6.30		3.75
Expense on Share Based Payments to Employees		5.60		11.25
<b>Total</b>		<b>178.14</b>		<b>138.02</b>

**34. Finance Costs:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Interest expenses		949.83		884.47
Other borrowing costs		411.44		228.57
Fair value changes on interest rate swap		0.27		-
<b>Total</b>		<b>1,361.54</b>		<b>1,113.04</b>

**35. Depreciation and Amortisation Expense:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Depreciation on Property, Plant & Equipment		328.46		313.01
Amortization on Other Intangible Assets		11.02		9.29
<b>Total</b>		<b>339.48</b>		<b>322.30</b>

**36. Sub Contractor Expenses for EPC Projects:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Sub Contractor's Expenses		1,121.17		1,085.54
<b>Total</b>		<b>1,121.17</b>		<b>1,085.54</b>

**37. Excise Duty:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Excise Duty on Sales		-		505.50
Excise Duty on Stock/Transfers*		-		(129.30)
<b>Total</b>		<b>-</b>		<b>376.20</b>

\*Represents excise duty borne by company and difference between excise duty on opening stock and closing stock of finished goods and stock transfers.

**38. Other Expenses:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Stores, Spares & Consumables		123.98	
Packing Expenses		1,012.78		813.04
Job Work Charges		678.70		565.88
Power, Fuel & Lighting		542.33		440.02
Repairs & Maintenance				
--- Plant & Machinery	187.80		154.49	
--- Building	7.85		9.07	
--- Others	24.10	219.75	23.08	186.64
Freight, Handling and Octroi		962.10		784.34
Rebate, Discount, Commission on Sales		167.38		186.71
Bad Debts Written off		25.21		124.96
ECL on Debtors		5.26		4.09
Rates & Taxes		96.30		116.51
Rent		95.00		75.30
Insurance		74.06		57.54
Travelling & Conveyance		227.42		177.06
Advertisement & Publicity		194.44		148.51
Auditor's Remuneration (Refer Note 38.1)		4.43		4.40
Loss on sales of Fixed Assets (Net)		1.21		1.36
Fixed Assets Written off		2.83		3.58
Communication Expenses		35.56		33.18
Donations		5.67		4.00
Professional & Consultancy Charges		284.15		145.09
Miscellaneous Expenses		576.01		503.63
Exchange Fluctuation (Net)		296.21		-
Corporate Social Responsibility Expenditure (Refer Note 38.3)		14.79		12.65
<b>Total</b>		<b>5,645.57</b>		<b>4,535.91</b>

**38.1 Auditor's Remuneration:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Audit Fee		3.00	
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
For Other Services		0.23		0.20
<b>Total</b>		<b>4.43</b>		<b>4.40</b>

**38.2** Gross amount required to be spent on Corporate Social Responsibility by the Company during the year ₹ 29.00 Millions (Previous Year: ₹ 18.84 Millions)

**38.3 Amount spent on Corporate Social Responsibility during the year on:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
i) Construction/Acquisition of assets		-		-
ii) On purpose other than (i) above		14.79		12.65
<b>Total</b>		<b>14.79</b>		<b>12.65</b>

**39. Income Tax Expense:** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>(a) Income tax expense</b>				
<b>Current tax</b>				
Current tax on Profit for the year		928.74		668.35
MAT Credit Entitlement		-		(121.51)
Adjustment to current tax of prior periods		(4.06)		0.06
Total current tax expenses		924.68		546.90
<b>Deferred tax</b>				
(Decrease) /Increase in deferred tax liabilities		49.65		49.14
Total deferred tax expenses/(benefit)		49.65		49.14
Total Income tax expense		974.33		596.04
<b>(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate</b>				
Profit from operations before income tax expense		2,793.04		2,041.60
India Tax Rate including applicable surcharge and cess		34.94%		34.61%
<b>Tax effect of amounts which are not deductible (allowable) in calculating taxable income :</b>				
Depreciation on PPE for separate consideration		339.48		322.30
Employee benefits for separate consideration		39.10		34.64
Corporate social Responsibility expenditure/donation		20.46		16.65
<b>Other items :</b>				
Deduction under various sections of Income Tax Act, 1961		36.78		24.42
		435.82		398.01
<b>Tax effect of amounts which are deductible (allowable) in calculating taxable income :</b>				
Exempt income		0.22		0.04
Depreciation on PPE for separate consideration		534.94		465.82
Employee benefits for separate consideration		18.73		19.81
<b>Other items :</b>				
Corporate Social Responsibility expenditure/donation		7.06		7.51
Allowed under various sections of Income Tax Act, 1961		10.11		15.24
		571.06		508.42
<b>Total Net Taxable Income</b>		<b>2,657.80</b>		<b>1,931.19</b>
<b>Tax at India tax rate</b>		<b>928.74</b>		<b>668.35</b>
<b>Actual Tax Expense booked</b>		<b>928.74</b>		<b>668.35</b>
<b>Effective Tax Rate</b>		<b>33.25%</b>		<b>32.74%</b>

**40. Other Comprehensive Income:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Items that will not be reclassified to profit or loss :</b>				
Re-measurement gains (losses) on defined benefit plans		(12.75)		(11.11)
Net (loss)/gain on FVTOCI equity securities		(12.62)		1.26
Income tax effect of the above		6.32		3.88
<b>Items that will be reclassified to profit or loss:</b>				
Net gain on hedge of a net investment		-		-
Income tax effect		-		-
Exchange differences on translation of foreign operations		-		-
Income tax effect		-		-
		(19.05)		(5.97)

**41. Earnings Per Equity Share ('EPS') pursuant to Ind AS-33 has been calculated as follows:**

**(A) Earnings Per Equity Share:**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Profit after taxation (₹ in Millions)		1,818.71		1,445.56
Basic Earnings Per Share (₹)		23.12		18.51
Diluted Earnings Per Share (₹)		22.88		18.19
Face Value Per Equity Share (₹)		2.00		2.00

**(B) Weighted Average Number of Equity Shares Used as Denominator:**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Number of Equity shares at the beginning of the year		7,83,61,438		7,77,97,438
Add: Weighted average number of equity shares issued during the year		2,90,499		2,90,499
<b>Weighted average number of Equity shares for Basic EPS</b>		<b>7,86,51,937</b>		7,80,87,937
Add: Adjustment for Employee Stock Options outstanding		8,45,227		14,01,501
<b>Weighted average number of equity shares for Diluted EPS</b>		<b>7,94,97,164</b>		7,94,89,438

42 Disclosures as required under Ind-AS 115 "Revenue from contracts with customers" are given below

42.1 Disaggregation of Revenue

Year Ended 31<sup>st</sup> March, 2019

(₹ in Millions)

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Manufactured Goods	30,691.41	1,368.51	583.98	(583.98)	32,059.92
--- Traded Goods	21.67	-	24.46	-	46.13
--- Income From EPC Projects	-	-	9,658.26	-	9,658.26
--- Job works	-	0.43	-	-	0.43
--- Scraps	314.54	3.38	-	-	317.92
<b>Total</b>	<b>31,027.62</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,082.66</b>

(₹ in Millions)

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Point in time	31,027.62	1,372.32	24.46	(583.98)	31,840.42
--- Over the time	-	-	10,242.24	-	10,242.24
<b>Total</b>	<b>31,027.62</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,082.66</b>

(₹ in Millions)

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- India	26,736.05	679.82	9,756.80	(415.00)	36,757.67
--- others	4,291.57	692.50	509.90	(168.98)	5,324.99
<b>Total</b>	<b>31,027.62</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,082.66</b>

Year Ended 31<sup>st</sup> March, 2018

(₹ in Millions)

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Manufactured Goods	24,770.41	1,167.85	861.69	(861.69)	25,938.26
--- Traded Goods	8.09	-	2.74	-	10.83
--- Income From EPC Projects	-	-	8,672.21	-	8,672.21
--- Job works	-	3.91	-	-	3.91
--- Scraps	264.63	3.43	-	-	268.06
<b>Total</b>	<b>25,043.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,893.27</b>

(₹ in Millions)

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Point in time	25,043.13	1,175.19	2.74	(861.69)	25,359.37
--- Over the time	-	-	9,533.90	-	9,533.90
<b>Total</b>	<b>25,043.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,893.27</b>

(₹ in Millions)

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- India	20,938.66	737.59	9,536.64	(861.69)	30,351.20
--- others	4,104.47	437.60	-	-	4,542.07
<b>Total</b>	<b>25,043.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,893.27</b>

#### 42.2 Contract Balances:

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
<b>Current :</b>				
---Advance received from Customers	-	2,022.97	-	372.85
---Incentive Payable to Customers	-	142.53	-	-
---Income received in advance	-	269.42	-	19.27
---Unbilled Revenue	1,040.47	-	521.02	-
<b>Total</b>	<b>1,040.47</b>	<b>2,434.92</b>	521.02	392.12

#### 42.3 Trade Receivables from Contract with customer are separately shown in Note no. 11

Trade Receivables includes Retention by Customers ₹ 2,274.04 Millions (Previous year: ₹ 1,850.54 Millions).

#### 42.4 Remaining performance obligations to be executed over a period of more than one year:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021
--- Manufactured Goods	-	-	-
--- EPC Projects*	26,210.86	13,713.43	-
<b>Total</b>	<b>26,210.86</b>	<b>13,713.43</b>	-

\* Based on the estimates of the Management.

#### 42.5 Reconciliation of revenue recognized with Contract Price

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019
Gross revenue recognized during the year ended on 31 <sup>st</sup> March, 2019	42,505.89
Add: Incentives paid/payable to Customers	(207.91)
Add: Discount paid/payable to Customers	(250.79)
Add: Other Variable Consideration	35.47
<b>Net revenue recognized during the year ended on 31st March, 2019</b>	<b>42,082.66</b>

#### 42.6 Disclosures applicable only to entities applying IND AS 115 on retrospectively with the Cumulative effect method

(₹ in Millions)

Particulars	Without adoption of IND-AS 115	Increase/ (Decrease)	As per IND-AS 115
Revenue from Contract with Customers	42,345.25	(262.59)	42,082.66
Expenses related to Incentives and variable consideration to customers	262.59	(262.59)	-
Expenses Payable related to Incentives and variable consideration to customers	142.53	(142.53)	-
Contract Liability	-	142.53	142.53

### 43. Employee Stock Options:

- a) The Company had approved "KEI Employees Stock Option Scheme" (KEI ESOS-2015 or Scheme) for granting Employees Stock Options in the form of Equity Shares to eligible employees and the same was approved by the members of the Company on September 16, 2015. The plan is administered under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company ("Committee") in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions for the time being in force. The Nomination and Remuneration Committee had granted 22,52,000 Options on September 23, 2015 which will vest over a period of four years from the date of grant. Further Nomination and Remuneration Committee had granted fresh 15,000 Options during the current financial year on September 25, 2018 which will vest over a period of one year from the date of grant in the following manner:

Vesting Particulars of Options granted on 23.09.2015	Options vested	Weighted average exercise price (₹)	Weighted average remaining life in years
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	5,60,000	35.00	1.04
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	5,64,000	35.00	2.04
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	5,64,000	35.00	3.04
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	5,64,000	35.00	4.04

Vesting Particulars of Options granted on 25.09.2018	Options vested	Weighted average exercise price (₹)	Weighted average remaining life in years
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	15,000	35.00	1.04
<b>Total Options Granted at an exercise price of ₹ 35.00 per option</b>			

- b) The above said options can be exercised any time within a period of 30 days from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid scheme. During the year 2017-18 & 2018-19, Share Allotment Committee allotted Equity Shares of face value ₹ 2/- each to the eligible employees as per Scheme.

Summary of options granted under the Scheme are:

Particulars	KEI ESOS - 2015		
	Tranche 2	Tranche 1	
	2018-19	2018-19	2017-18
Date of Grant	25.09.2018	23.09.2015	23.09.2015
Options outstanding at the beginning of the year	Nil	11,28,000	16,92,000
Options Granted during the year	15,000	Nil	Nil
Option forfeited during the year	Nil	Nil	Nil
Option vested	Nil	5,64,000	5,64,000
Option exercised	Nil	5,64,000	5,64,000
Option expired during the year	Nil	Nil	Nil
Options outstanding at the end of the year	15,000	5,64,000	11,28,000
Weighted Average Share Price at the date of exercise of Options (₹ per share)	Not Exercised	341.29	312.68

Refer Note 33 for expense recognized during the year on account of ESOP as per IND AS-102 - Share Based Payments.



- c) The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	KEI ESOS-2015		
	Tranche 2	Tranche 1	
	2018-19	2018-19	2017-18
1. Weighted average risk-free interest rate	8.13%	7.73%	7.63%
2. Weighted average expected life of options (Years)	1.04	3.04	2.04
3. Weighted average expected volatility	44.13%	56.93%	63.55%
4. Weighted average expected dividends over the life of the option	0.21%	0.27%	0.27%
5. Weighted average exercise price (₹)	35.00	35.00	35.00
6. Weighted average share price at the time of option grant (₹)	333.70	98.80	98.80

The expected price volatility is based on historical volatility.

#### 44. Lease obligations:

##### 44.1 Future lease obligation by way of lease rental on Hire Purchase of Vehicles: (₹ in Millions)

Due	Total Minimum lease payments outstanding		Future Interest on outstanding		Present value of minimum lease payments	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Within one year	18.46	14.14	2.77	2.25	15.69	11.89
Later than one year and not later than five years	23.76	19.95	1.65	1.69	22.11	18.26
More than Five years	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>42.22</b>	<b>34.09</b>	<b>4.42</b>	<b>3.94</b>	<b>37.80</b>	<b>30.15</b>

- 44.2 Company has taken land on long term financial lease from various Government Authorities in India. Present value of minimum lease payment under finance lease is ₹ NIL.

- 44.3 Refer note no. 19.3 for terms and conditions in respect of hire-purchase of vehicles on finance lease.

##### 44.4 Operating Leases-Other than non-cancellable:

Company has entered into lease transactions during the current financial year mainly for leasing of warehouses/offices/residential premises and leased accommodations for its employees for periods up to 10 years. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. Operating lease payments are recognized in the Profit & Loss under respective heads.

##### 44.5 Future minimum lease payments under non-cancellable operating lease:

(₹ in Millions)

Due	Lease Payment	
	2018-19	2017-18
Within one year	1.58	2.14
Later than one year and not later than five years	2.03	3.60
More than Five years	-	-
<b>Total</b>	<b>3.61</b>	<b>5.74</b>

**45. Contingent Liabilities & Commitments:**

(₹ in Millions)

Particulars	Year Ended	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>45.1 Claims against Company not acknowledged as debt</b>		
a) Sales Tax / Entry Tax demands under appeal	9.49	9.49
b) Income tax Matters: -- Demand due to Additions / disallowances during Assessments, which are under Appeal	13.67	2.16
c) Excise / Service tax demands under appeal	81.53	76.80
d) Misc. claims against Company in Labour Court	1.07	-
<b>45.2 Guarantees against Performance/ Security Deposits/EMD</b>	<b>13,569.71</b>	<b>7,895.13</b>
<b>45.3 Other money for which Company is contingent liable</b>		
a) Unutilized Letter of Credits	275.44	615.53
b) Outstanding LC Discounted	577.87	884.19
<b>45.4 Commitments:</b>		
Estimated amount of contracts remaining to be executed on Capital Account	302.93	132.92

**46. Related party Disclosures as required by Indian Accounting Standard (IND AS-24):****(a) Name of Related Parties :****i) Subsidiary Company**

KEI Cables Australia PTY Limited

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
Australia	90%	90%

**ii) Jointly Controlled Entity****Joint Venture**

Joint Venture of M/s KEI Industries Limited, New Delhi &amp; Brugg Kabel AG, Switzerland (Association of Persons).

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
India	100% share in Profit/Loss	

**iii) Associate**

KEI Cables SA (PTY) Limited

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
South Africa	49%	N.A.

iv)

Key Managerial Personnel (KMP):	Designation
Shri Anil Gupta	Chairman-cum-Managing Director
Shri Rajeev Gupta	Executive Director Finance & CFO
Shri Akshit Diviaj Gupta	Whole Time Director w.e.f. 10th May 2017
Shri Kishore Kunal	GM Corporate & Company Secretary
Smt. Archana Gupta	Non-Executive Director
Shri Kishan Gopal Somani	Independent Director
Shri Pawan Bholusaria	Independent Director
Shri Sadhu Ram Bansal	Independent Director
Shri Vikram Bhartia	Independent Director
Shri Vijay Bhushan	Independent Director
Smt. Shalini Gupta	Independent Director (w.e.f. 18th Feb 2019)

v) **Other related parties where KMP are interested**

Anil Gupta (HUF)  
Projection Financial & Management Consultants Private Limited  
Shubh Laxmi Motels & Inns Private Limited  
Soubhagya Agency Private Limited  
Dhan Versha Agency Private Limited  
KEI Cables Private Limited  
KEI International Limited  
Physio Active Private Limited

vi) **Relatives of KMP with whom transaction have taken place:**

Shri Sunil Gupta  
Late Smt. Sumitra Devi Gupta (Expired on 9<sup>th</sup> June, 2017 )  
Smt. Shashi Gupta  
Smt. Vimla Devi  
Smt. Veena Agarwal  
Smt. Shweta Jha  
Shri Akshit Diviaj Gupta (From 1<sup>st</sup> April, 2017 to 9<sup>th</sup> May, 2017)

vii) **Other related parties where relatives of KMP are interested**

Sunil Gupta (HUF)  
Ashwathama Constructions Private Limited

viii) **Post employee benefit plan for the benefitted employees**

KEI Industries Limited Employee Group Gratuity Fund

(b) **Transactions with related parties:**

		(₹ in Millions)	
S.No.	Particulars	2018-19	2017-18
(i)	<b>Sales</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	<b>359.03</b>	914.39
		<b>359.03</b>	914.39
	<b>Other related parties where KMP are interested</b>		
	Physio Active Private Limited	-	0.09
		-	0.09

(₹ in Millions)			
S.No.	Particulars	2018-19	2017-18
(ii)	<b>Discount On Sales</b>		
	<b>Subsidiary Company</b> KEI Cables Australia PTY Limited	(1.65)	3.05
		(1.65)	3.05
(iii)	<b>Settlement of liabilities on behalf of related party</b>		
	<b>Subsidiary Company</b> KEI Cables Australia PTY Limited	-	5.50
		-	5.50
	<b>Jointly Controlled entity</b>		
	<b>Joint Venture</b> Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.01	0.62
		0.01	0.62
(iv)	<b>Settlement of liabilities by Related Party</b>		
	<b>Subsidiary Company</b> KEI Cables Australia PTY Limited	-	0.38
		-	0.38
(v)	<b>Bank Guarantee charges of previous year reversed</b>		
	<b>Subsidiary Company</b> KEI Cables Australia PTY Limited	5.39	-
		5.39	-
(vi)	<b>Interest expense on deposits/ Unsecured Loan</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	17.97	-
	Shri Akshit Diviaj Gupta	0.14	0.02
	Shri Kishore Kunal	-	0.05
		18.11	0.07
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	1.95	1.28
	KEI International Limited	0.05	-
	KEI Cables Private Limited	0.19	0.08
		2.19	1.36
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta	-	0.02
	Shri Sunil Gupta	0.53	0.35
	Smt. Shweta Jha	0.19	0.17
		0.72	0.54
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	0.36	0.31
		0.36	0.31
(vii)	<b>Lease Rental Paid</b>		
	<b>Key Managerial Personnel</b>		
	Smt. Archana Gupta	0.96	0.96
		0.96	0.96
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.68	0.60
	Projection Financial & Management Consultants Private Limited	6.10	2.90
	Dhan Versha Agency Private Limited	3.35	3.00
		10.13	6.50

(₹ in Millions)

S.No.	Particulars	2018-19	2017-18
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	17.10	14.40
		<b>17.10</b>	14.40
(viii)	<b>Managerial remuneration Key Managerial Personnel</b>		
	Shri Anil Gupta	147.24	107.73
	Shri Rajeev Gupta	9.72	8.41
	Shri Akshit Diviaj Gupta	6.03	4.32
		<b>162.99</b>	120.46
(ix)	<b>Employee Benefits Expenses Key Managerial Personnel</b>		
	Shri Kishore Kunal	3.25	2.56
		<b>3.25</b>	2.56
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Akshit Diviaj Gupta	-	0.24
		-	0.24
(x)	<b>Expense on Share Based Payments to Employees</b>		
	Shri Rajeev Gupta	4.38	8.79
	Shri Kishore Kunal	1.22	2.46
		<b>5.60</b>	11.25
(xi)	<b>Director Meeting Fees paid Key Managerial Personnel</b>		
	Smt. Archana Gupta	1.12	0.65
	Shri Kishan Gopal Somani	0.60	0.50
	Shri Pawan Bholusaria	1.72	1.10
	Shri Sadhu Ram Bansal	0.53	-
	Shri Vikram Bhartia	1.28	0.85
	Shri Vijay Bhushan	1.05	0.65
		<b>6.30</b>	3.75
(xii)	<b>Defined Benefit Obligation for Gratuity Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses) Key Managerial Personnel</b>		
	Shri Anil Gupta	45.00	36.06
	Shri Rajeev Gupta	5.24	4.39
	Shri Akshit Diviaj Gupta	0.72	0.07
	Shri Kishore Kunal	0.77	0.58
		<b>51.73</b>	41.10
(xiii)	<b>Defined Benefit Obligation for Leave Encashment Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses) Key Managerial Personnel</b>		
	Shri Rajeev Gupta	1.46	1.32
	Shri Akshit Diviaj Gupta	0.64	0.09
	Shri Kishore Kunal	0.60	0.50
		<b>2.70</b>	1.91

(₹ in Millions)

S.No.	Particulars	2018-19	2017-18
(xiv)	<b>Contribution to post employee benefit plan</b>		
	<b>Post employee benefit plan for the benefitted employees</b>		
	KEI Industries Limited Employee Group Gratuity Fund	26.00	14.00
		26.00	14.00
(xv)	<b>Dividend Paid</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	13.68	8.21
	Shri Rajeev Gupta	0.27	0.10
	Shri Kishore Kunal	0.07	0.03
	Smt. Archana Gupta	0.84	0.50
	Shri Kishan Gopal Somani ₹ 1000/- (Previous Year: ₹ 600)	0.00	0.00
	Shri Pawan Bholusaria ₹ 4500/- (Previous Year: ₹ 2700)	0.00	0.00
	Shri Vikram Bhartia	0.01	0.01
		14.87	8.85
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	4.65	2.79
	Projection Financial & Management Consultants Private Limited	7.90	4.74
	Shubh Laxmi Motels & Inns Private Limited	3.48	2.09
	Soubhagya Agency Private Limited	3.13	1.88
	Dhan Versha Agency Private Limited	1.00	0.60
	KEI Cables Private Limited	1.58	0.95
		21.74	13.05
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta ₹ 1300 (Previous Year: ₹ 3,780/-)	0.00	0.00
	Smt. Shashi Gupta ₹ 1500 (Previous Year: ₹ 900/-)	0.00	0.00
	Smt. Vimla Devi	0.06	0.04
	Smt. Veena Agarwal NIL (Previous Year: ₹ 300/-)	-	0.00
		0.06	0.04
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF) ₹ 500 (Previous Year: ₹ 180/-)	0.00	0.00
		0.00	0.00
(xvi)	<b>Investment in equity shares</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited ₹ NIL (Previous Year: ₹ 3988)	-	0.00
		-	0.00
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2349 (Previous Year: ₹ NIL)	0.00	-
		0.00	-
(xvii)	<b>Equity Share Allotment ( ESOS Scheme)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	0.30	0.30
	Shri Kishore Kunal	0.08	0.08
		0.38	0.38

(₹ in Millions)

S.No.	Particulars	2018-19	2017-18
(xviii)	<b>Security Premium on share allotment ( KEI ESOS-2015)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	4.95	4.95
	Shri Kishore Kunal	1.39	1.39
		<b>6.34</b>	6.34
(xix)	<b>Advance Given</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	0.95
		-	0.95
	<b>Jointly Controlled entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)	0.05	7.76
		<b>0.05</b>	7.76
(xx)	<b>Loan Given</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	9.28	-
		<b>9.28</b>	-
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2443 (Previous Year: ₹ NIL)	0.00	-
		<b>0.00</b>	-
(xxi)	<b>Deposits/Unsecured Loan received during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	20.00	-
	Shri Akshit Diviaj Gupta	3.50	-
	Shri Kishore Kunal	-	1.20
		<b>23.50</b>	1.20
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	7.00	18.50
	KEI Cables Private Limited	3.00	-
	KEI International Limited	1.20	-
		<b>11.20</b>	18.50
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	7.80	5.00
	Smt. Shweta Jha	0.55	1.85
		<b>8.35</b>	6.85
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	-	4.00
		-	4.00
(xxii)	<b>Deposits/Unsecured Loan paid during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	17.00	45.00
	Shri Akshit Diviaj Gupta	1.00	0.42
	Shri Kishore Kunal	-	1.20
		<b>18.00</b>	46.62

(₹ in Millions)			
S.No.	Particulars	2018-19	2017-18
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	-	3.00
		-	3.00
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta	-	0.65
	Shri Sunil Gupta	<b>12.80</b>	2.50
	Smt. Shweta Jha	-	1.75
		<b>12.80</b>	4.90
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	-	2.50
		-	2.50
(xxiii)	<b>Outstanding of Security Deposit Given</b>		
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	<b>0.15</b>	0.15
	Projection Financial & Management Consultants Private Limited	<b>4.22</b>	1.65
		<b>4.37</b>	1.80
(xxiv)	<b>Expenses Payable</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	<b>45.20</b>	4.21
	Shri Rajeev Gupta	<b>0.29</b>	0.58
	Shri Akshit Diviaj Gupta	<b>0.33</b>	1.72
	Shri Kishore Kunal	<b>0.13</b>	0.17
		<b>45.95</b>	6.68
(xxv)	<b>Advance Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	-	1.29
		-	1.29
	<b>Jointly Controlled Entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	<b>0.33</b>	0.91
		<b>0.33</b>	0.91
(xxvi)	<b>Loan Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	<b>9.28</b>	-
		<b>9.28</b>	-
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2,443 (Previous Year: ₹ NIL)	<b>0.00</b>	-
		<b>0.00</b>	-
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	<b>0.47</b>	0.75
		<b>0.47</b>	0.75



		(₹ in Millions)	
S.No.	Particulars	2018-19	2017-18
(xxvii)	<b>Trade Receivables Outstanding</b>		
	<b>Subsidiary Company</b>		
	KEI Cables Australia PTY Limited	<b>36.94</b>	141.74
		<b>36.94</b>	141.74
(xxviii)	<b>Credit balance of deposits/ unsecured loan outstanding as at the year end</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	<b>208.00</b>	205.00
	Shri Akshit Diviaj Gupta	<b>2.50</b>	-
		<b>210.50</b>	205.00
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	<b>25.50</b>	18.50
	KEI Cables Private Limited	<b>3.80</b>	0.80
	KEI International Limited	<b>1.20</b>	-
		<b>30.50</b>	19.30
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	-	5.00
	Smt. Shweta Jha	<b>2.40</b>	1.85
		<b>2.40</b>	6.85
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	<b>4.00</b>	4.00
		<b>4.00</b>	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 ₹ 49.72 Millions (Previous Year ₹ 55.52 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) All outstanding balances pertaining to loans and security deposits with related parties are at fair value.
- (vi) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.
- (vii) Inter corporate loans/advances have been given for business purposes only.

#### 47. Disclosure as per Indian Accounting Standard (Ind AS) 108 "Operating Segments":

**(i) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:**

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are regularly reviewed by the Company's Management to make decisions about resource allocation and performance assessment and (c) for which separate financial information is available.

The Company has three reportable segments as described under "Segment Composition" below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

**(ii) Reportable segments:**

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

**(iii) Segment composition**

Cable Segment comprises manufacturing, sale and marketing of all range of power cables such as - Low Tension (LT), High Tension (HT) and Extra High Voltage (EHV), Control and Instrumentation Cables, Specialty Cables, Elastomeric / Rubber Cables, Submersible Cables, Flexible and House Wires, Winding Wires etc.

Engineering, Procurement and Construction (EPC) projects Segment comprises of survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.

Stainless Steel Wire Segment comprises manufacturing sale and Job work related to Stainless Steel Wires.

**(iv) Segment Revenue, Expenditure & Profit:**

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's management.

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

**(v) Segment Asset, Liabilities and Capital Expenditure:**

The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.

Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

(₹ in Millions)

Particulars	Cables		Stainless steel Wire		EPC Projects		Unallocated		Inter-Segment Elimination		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Revenue (Gross)</b>												
External	30,571.49	24,246.26	1,380.20	1,182.56	10,332.55	9,561.48	-	-	(14.61)	(26.11)	42,269.63	34,964.19
Inter-Segment Revenue	3,024.65	3,019.06	-	-	-	-	-	-	(3,024.65)	(3,019.06)	-	-
<b>Total Revenue</b>	<b>33,596.14</b>	<b>27,265.32</b>	<b>1,380.20</b>	<b>1,182.56</b>	<b>10,332.55</b>	<b>9,561.48</b>	<b>-</b>	<b>-</b>	<b>(3,039.26)</b>	<b>(3,045.17)</b>	<b>42,269.63</b>	<b>34,964.19</b>
<b>Result</b>												
Segment Result	3,681.00	2,955.51	90.93	70.57	1,422.22	1,038.44	-	-	(14.61)	(26.11)	5,179.54	4,038.41
Unallocated Expenditure net of unallocated income							(1,062.01)	(890.29)			1,062.01	(890.29)
Interest Expenses							(1,361.54)	(1,113.04)			(1,361.54)	(1,113.04)
Interest Income							36.83	6.48			36.83	6.48
Dividend Income							0.22	0.04			0.22	0.04
<b>Profit Before Tax</b>	<b>3,681.00</b>	<b>2,955.51</b>	<b>90.93</b>	<b>70.57</b>	<b>1,422.22</b>	<b>1,038.44</b>	<b>(2,386.50)</b>	<b>(1,996.81)</b>	<b>(14.61)</b>	<b>(26.11)</b>	<b>2,793.04</b>	<b>2,041.60</b>
Tax including Deferred Tax											974.33	596.04
Net Profit											1,818.71	1,445.56
<b>Other Information</b>												
Segment Assets	17,461.91	14,736.93	614.83	624.72	7,251.88	5,727.35	2,314.50	1,077.13	-	-	27,643.12	22,166.13
Segment Liabilities	12,198.34	7,358.63	280.85	380.29	1,768.48	1,410.61	3,477.37	4,591.77	-	-	17,725.04	13,741.30
Capital Expenditure	1,132.65	539.19	11.09	32.39	21.03	11.11	46.72	57.88	-	-	1,211.48	640.57
Depreciation	274.41	253.50	11.69	10.11	9.94	7.76	43.44	50.93	-	-	339.48	322.30

**Information about Geographical Segment (In Rupees):**

Segment Revenue by location of customers	India		Outside India		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>External Revenue (Gross)</b>	<b>36,944.64</b>	<b>30,422.12</b>	<b>5,324.99</b>	<b>4,542.07</b>	<b>42,269.63</b>	<b>34,964.19</b>
<b>Addition to Non-Current Assets</b>	<b>1,248.23</b>	<b>550.27</b>	<b>1.15</b>	<b>1.19</b>	<b>1,249.38</b>	<b>551.46</b>

**Information about major customers :**

There are no customers having revenue exceeding 10% of total revenues.

**48. Fair Value Measurements:**

Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows:

(₹ in Millions)

Particulars	Note Reference	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018			
		FVPL	FVOCI	AMORTISED COST	FAIR VALUE	FVPL	FVOCI	Amortized Cost	FAIR VALUE
<b>Financial Assets</b>									
Investments	6								
- Equity Instruments		-	12.68	-	12.68	-	25.26	-	25.26
- Mutual funds		-	2.97	-	2.97	-	3.03	-	3.03
Loans	7 & 14	-	-	114.72	115.16	-	-	54.56	54.77
Trade receivables	11	-	-	10,946.22	10,946.22	-	-	10,205.86	10,205.86
Cash and Cash equivalents:	12	-	-	220.68	220.68	-	-	594.50	594.50
Bank Balances other than Cash and Cash equivalents:	13	-	-	1,732.67	1,732.67	-	-	168.78	168.78
Other Current financial assets	15			1,040.47	1,040.47			521.02	521.02
<b>Total Financial Assets</b>		-	<b>15.65</b>	<b>14,054.76</b>	<b>14,070.85</b>	-	<b>28.29</b>	<b>11,544.72</b>	<b>11,573.22</b>
<b>Financial Liabilities</b>									
Borrowings	19 & 22	5,058.62	-	-	5,058.62	7,498.31	-	-	7,498.31
Trade payables	23	-	-	10,203.00	10,203.00	-	-	6,272.00	6,272.00
Other Current Financial Liabilities:	24	-	-	3,378.93	3,378.93	-	-	1,333.47	1,333.47
<b>Total Financial Liabilities</b>		<b>5,058.62</b>	-	<b>13,581.93</b>	<b>18,640.55</b>	<b>7,498.31</b>	-	<b>7,605.47</b>	<b>15,103.78</b>

(i) Carrying amount of Trade Receivables, Trade Payables, other current financial assets, other current financial liabilities and Cash & Cash Equivalent are considered to be the same as their Fair Value due to their short term nature

(ii) Carrying amount of Financial Assets and Liabilities carried Amortized Cost is considered a reasonable approximation of Fair Value.

(iii) Above table excludes Investment in Subsidiary, Associate and Joint Venture, which are measured at cost in accordance with IND AS-27, 'Separate Financial Statements'.

#### 49. Fair Value Hierarchy

This section explains the judgments and estimates made in determining fair values of financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in financial statements. To provide an indication about reliability of inputs used in determining fair value, group has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows underneath the table:

Fair value of financial instruments as referred to in note above has been classified into three categories depending on inputs used in valuation technique. Hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements).

The categories used are as follows:

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

**Level 2:** The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 <sup>st</sup> March, 2019	Note Reference	Level 1		Level 2		Level 3	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Financial Assets</b>							
Investments at FVOCI	6						
- Equity Instruments		12.68	25.26	-	-	-	-
- Mutual funds		-	-	2.97	3.03	-	-
Loans	7 & 14	-	-	-	-	114.72	54.56
<b>Total Financial Assets</b>		<b>12.68</b>	25.26	<b>2.97</b>	3.03	<b>114.72</b>	54.56
<b>Financial Liabilities</b>							
Borrowings	19 & 22	-	-	-	-	5,058.62	7,498.31
Other Current Financial Liabilities:	24	-	-	-	-	3,378.93	1,333.47
<b>Total Financial Liabilities</b>		-	-	-	-	<b>8,437.55</b>	8,831.78

Company's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

During the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 there were no transfers between level 1 and level 2 fair value measurements and no transfer into and out of level 3 fair value measurement.

#### 50. Financial Risk Management

Company's businesses are subject to several risks and uncertainties including financial risks. Company's documented risk management polices, act as an effective tool in mitigating various financial risks to which business is exposed to in course of their daily operations. Risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counter-party and concentration of credit risk and capital management.

Company's senior management oversees management of these risks. Senior professionals working to manage financial risks and appropriate financial risk governance framework for Company are accountable to Board of Directors and Audit Committee. This process provides assurance to Company's senior management that Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

## 50.1. Market Risk

Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency Risk;
- Price Risk;
- Commodity Price Risk
- Interest Rate Risk

Above risks may affect Company's income and expenses, or value of its financial instruments. Company's exposure to and management of these risks are explained below.

### 50.1.1. Currency Risk - Potential Impact of Risk & Management Policy

Company undertakes transactions denominated in foreign currencies mainly related to its operating activities. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Carrying amounts of Company's foreign currency denominated monetary assets and monetary liabilities at end of reporting period are as follows:

#### (a) Amount payable in foreign currency on account of the following:

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Import of Goods & Advance Received	USD	6,32,93,663	4,432.70	USD	55,42,067	359.45
	EURO	1,82,646	14.28	EURO	52,312	4.26
	CHF	7,82,555	54.71	CHF	25,200	1.74
	AUD	-	-	AUD	62,161	3.07
	SGD	-	-	SGD	3,322	0.17
Working Capital Loan (Buyer's Credit)	USD	-	-	USD	2,11,26,102	1,377.63
Capex (Term Loan / Buyer's Credit)	USD	-	-	USD	1,15,79,194	755.08
Royalty/Know How/License fee	EURO	5,31,640	41.58	EURO	2,79,167	22.75
Expenses Payable	USD	6,06,711	42.06	USD	4,25,360	27.74
	SGD	3,517	0.18	SGD	4,125	0.21
	GBP	1,43,919	13.11	GBP	45,034	4.20
	AED	53,750	1.01	AED	55,730	0.98
	EURO	58,926	4.61	EURO	64,137	5.23
Balance with Banks	GMD	-	-	GMD	1,53,216	0.21
Term Loan/ECB	USD	1,14,27,243	792.14	USD	70,45,416	459.43

**(b) Amount receivable in foreign currency on account of the following:**

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Exports of Goods & Advance Paid	USD	1,90,78,813	1,315.19	USD	60,93,010	393.77
	EURO	20,27,373	156.92	EURO	11,59,572	92.82
	SGD	-	-	SGD	159	0.01
	AUD	51,31,245	247.43	AUD	69,77,002	344.52
	GBP	73,806	6.59	GBP	8,349	0.76
Recoverables	AUD	1,92,500	9.28	AUD	26,000	1.28
	AED	61,068	1.15	AED	46,521	0.82
	USD	1,50,000	10.30	USD	-	-
	SGD	248	0.01	SGD	-	-
	ZAR	510	0.00	ZAR	-	-
	GMD	8,000	0.01	GMD	4,000	0.01
Balance with Banks	SGD	6,847	0.35	SGD	18,951	0.93
	USD	4,851	0.33	USD	1,57,237	10.15
	GMD	11,328	0.02	GMD	-	-
	AED	58,952	1.11	AED	72,521	1.28
Statutory Dues	SGD	-	-	SGD	217	0.01

**50.1.2. Currency Risk - Sensitivity to Risk:**

Following table demonstrates sensitivity to a reasonably possible change in USD, EUR, AUD exchange rates, with all other variables held constant. Impact on Company Profit Before Tax is due to changes in fair value of monetary assets and liabilities. Foreign currency exposures recognized by Company that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in Millions)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
USD - Increase/ Decrease by 5%	(197.05)	(128.77)	197.05	128.77
EUR - Increase/ Decrease by 5%	4.82	3.03	(4.82)	(3.03)
AUD - Increase/ Decrease by 5%	12.84	17.14	(12.84)	(17.14)

**50.1.3. Price Risk - Potential Impact of Risk & Management Policy**

- Company is exposed to price risk due to its investment in Equity Shares & Mutual Funds. Price risk arises due to uncertainties about future market values of these investments.
- Company reviews its investments at regular intervals in order to minimize price risk arising from investments in Equity Shares & Mutual Funds.
- Majority of investments of Company are publicly traded and listed in BSE/NSE. Carrying amounts of the Company's investment in Equity Shares & Mutual Funds at the end of the reporting period are given in Note 6.

**50.1.4. Price Risk - Sensitivity to Risk**

Following table demonstrates sensitivity to a reasonably possible change in equity index where investments of Company are listed. Impact on Company's Profit Before Tax is due to changes in NSE Index.

(₹ in Millions)

Particulars	Impact on profit before tax		Impact on Other Components of Equity before tax	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
NSE Index Increase by 5%	-	-	0.78	1.41
NSE Index Decrease by 5%	-	-	(0.78)	(1.41)

**50.1.5. Commodity Price Risk - Potential Impact of Risk & Management Policy**

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and therefore require a continuous supply of major items of raw material viz. Copper and Aluminum. Due to the volatility of the prices of the Copper and Aluminum, Company has entered into various purchase contracts for these materials. The Company's Board of Directors has adopted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for purchase of these raw material based on average price of for each month.

**50.1.6. Interest Rate Risk - Potential Impact of Risk & Management Policy**

- Company invests in fixed deposits for a period between 3 months to 7 years. All fixed deposits are with scheduled bank, accordingly there is no significant interest rate risk pertaining to these deposits.
- 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, 2019	31 <sup>st</sup> March, 2018
Variable rate borrowings	3,701.31	5,179.52
Fixed rate borrowings	2,293.09	3,241.67
<b>Total borrowings</b>	<b>5,994.40</b>	<b>8,421.19</b>

Refer Note No. 19 & 22 for maturities of Company borrowings

**50.1.7. Interest Rate Risk - Sensitivity**

Sensitivity analysis below has been determined based on exposure to interest rates for non-derivative instruments at end of reporting period. For floating rate liabilities, analysis is prepared assuming amount of liability outstanding at end of reporting period was outstanding for whole year.



(₹ in Millions)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Interest Rate - Increase/Decrease by 50 basis point (50 bps)	(4.47)	(4.19)	4.47	4.19

## 50.2. Credit Risk

- (a) Credit risk refers to risk that counter-party 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 counter-party value. Methodology used to set list of counter-party limits includes, counter-party Credit Ratings (CR) and sector exposure. Evolution of counter-parties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out.
- (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

**B:** Moderate Credit Risk

**C:** High Credit Risk

Company provides for Expected Credit Loss based on following:

Asset group	Basis of categorization	Provision for expenses credit loss
Low Credit Risk	Cash and Cash Equivalents, other Bank Balances and other Non-Current Financial Assets	12 month expected credit loss
Moderate Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss
High Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss or fully provided

(₹ in Millions)

Credit rating	Particulars	Note reference	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A: Low credit risk	Cash and Cash Equivalents, other Bank Balances and other Non Current Financial Assets	8, 12 & 13	1,959.62	765.89
B: Moderate credit risk	Trade Receivables and Other Current Financial Assets	11 & 15	11,986.69	10,726.88
C: High credit risk	NIL		-	-

**A: Low Credit Risk** (₹ in Millions)

As at 31 <sup>st</sup> March, 2019				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount Net of Impairment Provision
Cash and Cash Equivalents	12	220.68	-	220.68
Bank Balances other than Cash and Cash equivalents	13	1,732.67	-	1,732.67
Other Non Current Financial Assets	8	6.27	-	6.27

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount Net of Impairment Provision
Cash and Cash Equivalents	12	594.50	-	594.50
Bank Balances other than Cash and Cash equivalents	13	168.78	-	168.78
Other Non-Current Financial Assets	8	2.60	-	2.60

**B: Moderate Credit Risk** (₹ in Millions)

As at 31 <sup>st</sup> March, 2019						
Ageing	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount (Considered Good)	11 & 15	11,382.67	612.48	112.03	46.66	12,153.84
Impairment allowance		-	148.64	14.49	4.02	167.15
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		11,382.67	463.84	97.54	42.64	11,986.69

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018						
Ageing	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount (Considered Good)	11 & 15	10,103.52	692.42	37.57	55.27	<b>10,888.78</b>
Impairment allowance		-	155.92	1.34	4.64	<b>161.90</b>
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		<b>10,103.52</b>	<b>536.50</b>	<b>36.23</b>	<b>50.63</b>	<b>10,726.88</b>

**Movement in impairment allowance - Trade Receivables** (₹ in Millions)

Reconciliation of Loss Allowance	Loss allowance
<b>Impairment Loss allowance on 1<sup>st</sup> April, 2017</b>	<b>157.81</b>
Expected credit loss (ECL) Recognized	4.09
Expected credit loss (ECL) Reversal	-
<b>Impairment Loss allowance on 31<sup>st</sup> March, 2018</b>	<b>161.90</b>
Expected credit loss (ECL) Recognized	5.25
Expected credit loss (ECL) Reversal	-
<b>Loss Allowance on 31<sup>st</sup> March, 2019</b>	<b>167.15</b>

**C: High Credit Risk:** Nil

- Liquidity risk is the risk that Company will face in meeting its obligations associated with its financial liabilities. Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.
- Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.
- Cash flow from operating activities provides funds to service financial liabilities on a day-to-day basis.
- Company regularly monitors rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated is used for working capital management.
- Following table analyses Company's financial liabilities into relevant maturity grouping based on their contractual maturity for all non-derivative financial liabilities.

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	23	10,203.00	10,203.00	-	<b>10,203.00</b>
Borrowings	19 & 22	5,058.62	3,865.25	1,193.37	<b>5,058.62</b>
Unpaid dividend	24	1.69	1.69	-	<b>1.69</b>
Other current financial liabilities	24	3,377.24	3,377.24	-	<b>3,377.24</b>

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	23	6,272.00	6,272.00	-	<b>6,272.00</b>
Borrowings	19 & 22	7,498.31	6,041.69	1,456.62	<b>7,498.31</b>
Unpaid dividend	24	1.49	1.49	-	<b>1.49</b>
Other current financial liabilities	24	1,331.98	1,331.98	-	<b>1,331.98</b>

### 50.3 Current & Liquid Ratio

Following table shows ratio analysis of Company for respective periods

PERIOD	CURRENT RATIO	LIQUID RATIO
31 <sup>st</sup> March, 2019	1.23	0.85
31 <sup>st</sup> March, 2018	1.24	0.85

Company has hypothecated all of its Plant & Machinery, Factory Building, Trade Receivables and Cash & Cash Equivalents in order to fulfill collateral requirements for financial facilities in place. The counter-parties have an obligation to return the securities to Company.

Under terms of major borrowings facilities, Company is required to comply with certain financial covenants and Company has complied with those covenants throughout the reporting period.

## 51. Capital Management

### 51.1 Risk Management

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of Company's capital. Management monitors capital structure and net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short term investments.

### 51.2 Dividends

No changes were made in the objectives, policies or processes for managing capital during the year ended

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Total number Equity shares outstanding	<b>7,89,25,438</b>	7,83,61,438
Interim dividend for the year	-	-
Final dividend ₹ in Millions (including Dividend Distribution Tax) for the year (not recognized) – Subject to approval of Shareholders in ensuing Annual General Meeting.	<b>114.18</b>	94.47

## 52 Investment in Subsidiary, Associate and Joint Venture

- These financial statements are separate financial statements prepared in accordance with IND AS-27 "Separate Financial Statements".
- Company's investment in direct subsidiary is as under:

Particulars	Country of incorporation	Portion of ownership interest as at		Method used to account for the investment
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	
KEI Cables Australia PTY Limited	Australia	90%	90%	Cost

**c) Company's investment in Associate and Joint Venture is as under:**

Particulars	Status	Country of incorporation	Portion of ownership interest as at		Method used to account for the investment
			31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	
KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	Joint Venture	India	100% in Profit & Loss	100% in Profit & Loss	Cost
KEI Cables SA (PTY) Limited	Associate	South Africa	49%	-	Cost

- d)** Company has formed a Joint Venture under name of Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland (JV) principal place of business India. This Joint Venture is a Jointly Controlled Entity within the meaning of IND AS - 111 on "Joint Arrangements". The Joint Venture is in form of a Association of Persons (AOP) and the company is holding 100% share in Profit / Loss of AOP. Company has not invested any amount as capital in Joint Venture. Investment in Joint Venture is accounted for in accordance with IND AS-28 "Investments in Associates and Joint Ventures".
- e)** Company has formed an Associate under name of KEI Cables SA (PTY) Ltd principal place of business in South Africa. This Associate is a Jointly Controlled Entity within the meaning of IND AS - 111 on "Joint Arrangements". The Associate is in form of a separate entity and the company is holding 49% ownership interest. Investment in Associate is accounted for in accordance with IND AS-28 "Investments in Associates and Joint Ventures".

**53 Events After Balance Sheet Date**

Board of Directors have Proposed Dividend ₹ 1.20 per share on face value of ₹ 2.00 per share (Previous year: ₹ 1.00 per share on face value of ₹ 2 per share). If approved by Members of the Company in ensuing Annual General Meeting of the Company the total out flow of cash will be ₹ 114.18 Millions (Previous Year: ₹ 94.47 Millions) Including Dividend Distribution Tax.

**54. Disclosure required under Section 186(4) of the Companies Act, 2013:**

**Particulars of Loan/Investment Made :**

Sr. No	Name of Investee	2018-19			2017-18		
		Investment made	Loan Given	Outstanding Balance	Investment made	Loan Given	Outstanding Balance
1	KEI Cables Australia Pty Ltd.*	-	9.28	9.28	0.00	-	1.28
2	KEI Cables SA Pty Ltd.**	0.00	0.00	0.00	-	-	-

\* Investment made during the year ₹ Nil (Previous Year: ₹ 3,988/-)

\*\* Investment made during the year ₹ 2,349/- (Previous Year: ₹ Nil)

Loan given during the year ₹ 2,443/- (Previous Year: ₹ Nil)

Outstanding balance as at year end ₹ 2,443/- (Previous Year: ₹ Nil)

**55. Previous Year's figures have been regrouped / rearranged wherever necessary.**

As per our Separate Report of even date attached

**For PAWAN SHUBHAM & CO.**

Chartered Accountants  
Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner  
M.No. 092345

**(KISHORE KUNAL)**

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

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

Place of Signing: New Delhi  
Date: 21<sup>st</sup> May, 2019

Place of Signing: New Delhi  
Date: 21<sup>st</sup> May, 2019

# Independent Auditor's Report

## TO THE MEMBERS OF KEI INDUSTRIES LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **KEI Industries Limited** (hereinafter referred to as "the Parent Company") and its subsidiary (the Parent Company and its subsidiary together referred to as "**the Group**") which includes Group's share of loss in its associate and joint venture, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, notes to the financial statements including summary of significant accounting policies and other explanatory information ( hereinafter referred to as the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("INDAS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31<sup>st</sup> March 2019, and their consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its Associate and Joint Venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p>The Group applied IND AS 115 for the first time by using the Cumulative effect method of adoption with date of initial application from 1<sup>st</sup> April, 2018.</p> <p>The Group is in the business of manufacturing of various types of Cables, SS Wires and sells to customers both through institutional and dealer network globally. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. As a consequence, the Group has analysed its various sales contracts and concluded on the principles for deciding in which period or periods the Group's sales transactions should be recognized as revenue.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.</li> <li>● Evaluated the company's work to implement IND AS 115 and assessed whether Group's accounting principles comply with the new accounting standard.</li> <li>● Tested a sample of sales transactions for compliance with the Group's accounting principles.</li> <li>● Traced disclosure information to accounting records and other supporting documentation.</li> </ul>
2	<p>Revenue is recognized in accordance with IND AS 115, net of discounts, incentives, and rebates accrued by the Group's customers based on sales.</p> <p>The Group uses sales agreement terms &amp; conditions and historical trends to estimate discounts. At the reporting date, the Group estimates and accrues for discounts and rebates they consider as having been incurred but not yet paid.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● Understanding the policies and procedures applied to revenue recognition including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group.</li> <li>● Carrying out substantive analytical procedures, analysing the actual performance of revenue and cost of sales related to discounts, incentives and rebates etc.</li> <li>● Analysing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates used in the related estimates.</li> <li>● Reviewing disclosures included in the notes to the accompanying financial statements.</li> </ul>
3	<p>The Group is engaged in execution of Engineering, Procurement and Construction projects (EPC) for survey, supply of materials, design, erection, testing &amp; commissioning on a turnkey basis.</p> <p>Revenue is recognized in accordance with IND AS 115 and Performance obligations in such cases are satisfied over time and accordingly revenue is recognised over the time in such cases. Methods used to recognise revenue is also a Key Audit Matter along with measuring progress towards complete satisfaction of a performance obligation.</p>	<p><b>Audit Procedure Applied</b></p> <p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>● We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised including controls over the degree of completion of EPC projects</li> <li>● We evaluated and analysed the significant judgements and estimates made by the management and also reviewed sample contracts with customers to assess whether the method of recognition of revenue is relevant and in consistent with the accounting policies of the Group.</li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon:**

The Parent Company's Board of Directors are responsible for the other information. The other information comprises the letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report but does not include the consolidated financial statements and our Auditor's Report thereon.

The letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report are expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available, compare with the financial statements of the Subsidiary, Associate and Joint Venture to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the letter from the management, Director's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report, if we conclude, that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate and Joint

Venture in accordance with the IND AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its Associate and Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its Associate and its Joint Venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group, its Associate and Joint Venture are responsible for assessing the ability of the Group, its Associate and Joint Venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and its Associate and Joint Venture are responsible for overseeing the financial reporting process of the Group and its Associate and Joint Venture.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the



economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability and its Associate and Joint Venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and its Associate and Joint Venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner

that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associate and Joint Venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) We did not audit the financial statements / financial information of Subsidiary, whose financial statements / financial information reflect total assets of ₹ 38.05 Million as at 31<sup>st</sup> March, 2019, total revenues of ₹ 399.24 Million and net cash outflows amounting to ₹ 8.36 Million for the year ended on that date, as considered in the consolidated financial

statements. These financial statements / financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other Auditor.

- (b) Subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other Auditor under generally accepted Auditing Standards applicable in that country. The Parent Company's management has converted the financial statements of subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management. Our opinion in so far as it relates to the balances and affairs of subsidiary located outside India is based on the report of other Auditor and conversion prepared by the management and audited by us.
- (c) The consolidated financial statements also include the Group's share of net loss of ₹ 0.00 Million (₹ 5,337) for the year ended 31<sup>st</sup> March, 2019, as considered in the consolidated financial statements, in respect of an Associate and a Joint Venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of Associate and Joint Venture, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory

Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements/ financial information of the Subsidiary, Associate and Joint Venture referred to in the Other Matters section above we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the report of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated IND AS financial statements comply with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Parent Company, none of the directors of the Parent Company (there are no subsidiary, associate incorporated in India) is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and

the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**", which is based on the auditors' reports of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Parent Company, for the reasons stated therein.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Parent Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Associate and joint venture- Refer Note No. 45.
  - ii. The Group, its Associate and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31<sup>st</sup> March, 2019.
  - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent Company during the year ended 31<sup>st</sup> March, 2019.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

CA Pawan Kumar Agarwal  
Partner  
Place of Signature: New Delhi  
Date: 21<sup>st</sup> May, 2019  
Membership Number: 092345

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2019, we have audited the internal financial controls over financial reporting of **KEI Industries Limited** (hereinafter referred to as "Parent Company"), as of that date. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act is not applicable to Joint Venture (Association of Persons), Subsidiary company and Associate which are companies not incorporated in India.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Parent Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Parent Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent Company internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and

that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

**CA Pawan Kumar Agarwal**  
**Partner**  
**Place of Signature: New Delhi**  
**Date: 21<sup>st</sup> May, 2019**      **Membership Number: 092345**

**Consolidated Balance Sheet As At 31<sup>st</sup> March, 2019**

(₹ in Millions)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	4,856.77	4,039.50
(b) Capital Work-in-Progress	4	316.06	229.81
(c) Other Intangible Assets	5	29.78	30.31
(d) Financial Assets			
(i) Investments	6	17.35	29.99
(ii) Loans	7	68.58	40.67
(iii) Others	8	6.27	2.60
(e) Other Non-Current Assets	9	92.14	118.79
		<b>5,386.95</b>	4,491.67
<b>Current Assets</b>			
(a) Inventories	10	6,932.08	5,555.88
(b) Financial Assets			
(i) Trade Receivables	11	10,909.28	10,228.40
(ii) Cash and Cash Equivalents	12	220.73	602.83
(iii) Bank Balances Other Than (ii) Above	13	1,732.67	168.78
(iv) Loans	14	36.86	13.89
(v) Others	15	1,040.47	521.02
(c) Other Current Assets	16	1,377.61	616.53
		<b>22,249.70</b>	17,707.33
<b>TOTAL</b>		<b>27,636.65</b>	22,199.00
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	157.85	156.72
(b) Other Equity	18	7,622.62	5,890.22
(c) Non Controlling Interest		(1.11)	0.01
		<b>7,779.36</b>	6,046.95
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,193.37	1,456.62
(b) Provisions	20	86.26	67.21
(c) Deferred Tax Liability (Net)	21	440.55	397.20
		<b>1,720.18</b>	1,921.03
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	3,865.25	6,041.69
(ii) Trade Payables	23		
(A) Total outstanding dues of micro, small and medium enterprises		914.41	-
(B) Total outstanding dues of creditors other than micro, small and medium enterprises		9,291.95	6,284.66
(iii) Other Financial Liabilities	24	3,378.93	1,333.47
(b) Other Current Liabilities	25	457.49	425.48
(c) Provisions	26	134.98	111.29
(d) Current Tax Liability (Net)	27	94.10	34.43
		<b>18,137.11</b>	14,231.02
<b>TOTAL</b>		<b>27,636.65</b>	22,199.00
Significant Accounting Policies And Notes on Financial Statements	1 to 56		

As per our Separate Report of even date attached

**For PAWAN SHUBHAM & CO.**

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

M.No. 092345

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

**Consolidated Statement of Profit & Loss For The Year Ended 31<sup>st</sup> March, 2019** (₹ in Millions)

Particulars	Note No.	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>Revenue</b>			
Revenue from Operations	28	42,309.80	35,031.19
Other Income	29	71.94	92.99
<b>Total Income</b>		<b>42,381.74</b>	<b>35,124.18</b>
<b>Expenses</b>			
Cost of Materials Consumed	30	30,366.89	24,422.77
Purchases of Stock in Trade	31	38.78	15.12
Changes in inventory of Finished goods, Work-in-progress and Stock-in-trade	32	(1,081.77)	(326.19)
Employee Benefits Expense	33	1,733.94	1,471.67
Finance Costs	34	1,356.08	1,118.69
Depreciation and Amortisation Expense	35	339.48	322.30
Sub Contractor Expense for EPC Projects	36	1,121.17	1,085.54
Excise Duty	37	-	376.20
Other Expenses	38	5,725.30	4,593.15
<b>Total Expenses</b>		<b>39,599.87</b>	<b>33,079.25</b>
<b>Profit / (loss) before share of profit / (loss) of Joint Venture and Associate Company and tax</b>		<b>2,781.87</b>	<b>2,044.93</b>
Share of profit/ (loss) of joint venture (net of tax) * ₹ (3581)/-		* (0.00)	(0.15)
Share of profit/ (loss) of Associate Company (Net of tax) * ₹ (1756)/-		* (0.00)	-
<b>Profit Before Tax</b>		<b>2,781.87</b>	<b>2,044.78</b>
<b>Tax Expense</b>	39		
---Current tax		928.81	669.27
---MAT Credit Entitlement		-	(121.51)
---Deferred tax		49.65	49.14
---Short/(Excess) Provision-Earlier Years		(4.06)	0.06
<b>Profit for the Year</b>		<b>1,807.47</b>	<b>1,447.82</b>
<b>Other Comprehensive Income</b>	40		
--- Item not to be reclassified to Profit & Loss		(25.37)	(9.85)
--- Income Tax on above		6.32	3.88
--- Items to be reclassified to Profit & Loss		0.06	(3.53)
--- Income Tax on above		(0.02)	1.23
<b>Other Comprehensive Income for the year net of Tax</b>		<b>(19.01)</b>	<b>(8.27)</b>
<b>Total Comprehensive Income for the year net of Tax</b>		<b>1,788.46</b>	<b>1,439.55</b>
<b>Profit/(Loss) attributable to</b>			
Equity Shareholders of Parents Company		1,808.59	1,447.58
Non Controlling Interests		(1.12)	0.24
<b>Other Comprehensive Income attributable to</b>			
Equity Shareholders of Parents Company		(19.01)	(8.04)
Non Controlling Interests		0.00	(0.23)
<b>Total Comprehensive Income attributable to</b>			
Equity Shareholders of Parents Company		1,789.58	1,439.54
Non Controlling Interests		(1.12)	0.01
<b>(Comprising Profit/Loss and Other Comprehensive Income)</b>		<b>1,788.46</b>	<b>1,439.55</b>
Earnings per Equity Share:	41		
Equity shares of face value ₹ 2/- each			
--- Basic (₹)		22.98	18.54
---Diluted (₹)		22.74	18.21
Significant Accounting Policies And Notes on Financial Statements	1 to 56		

**For PAWAN SHUBHAM & CO.**

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

M.No. 092345

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

**Consolidated Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2019** (₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extraordinary items	2,781.87	2,044.93
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	339.48	322.30
Dividend received	(0.22)	(0.04)
Interest Income	(36.83)	(6.48)
Interest / Finance Charges	1,356.09	1,118.69
Share based payment expenses	18.68	33.04
Provision for compensated absence/ Gratuity	25.92	28.85
Provision for Expected Credit Loss (ECL)	5.26	4.09
Provision for warranty	4.07	1.05
Fair Value adjustment due to Security Deposit/Loan to staff	0.51	0.18
Exchange Fluctuation	0.06	(3.53)
Fixed Assets written off	2.83	3.58
Loss on sale of Fixed Assets	1.21	1.36
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4,498.93</b>	<b>3,548.02</b>
<b>Working capital adjustments :</b>		
(Increase)/Decrease in Trade & Other Receivables	(2,017.89)	(1,953.42)
(Increase)/Decrease in Inventories	(1,376.20)	(566.64)
Increase/(Decrease) in Trade and other Payables	5,986.27	1,406.86
<b>Cash Generated from operations</b>	<b>7,091.11</b>	<b>2,434.82</b>
Direct Taxes paid	(865.08)	(527.52)
<b>Net Cash from Operating Activities</b>	<b>6,226.03</b>	<b>1,907.30</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and other capital expenditure	(1,223.11)	(655.82)
Sale of Fixed Assets	2.87	8.15
Sale of Investments	-	0.25
Investment in subsidiary (₹ Nil, Previous Year ₹ 3,988/-)	-	-
Investment in Associate Company (₹ 2,349/-, Previous Year ₹ Nil)	(0.00)	-
Interest Income	36.83	6.48
Dividend Received	0.22	0.04
Investments/proceed from deposits with banks	(1,567.34)	(122.49)
<b>Net Cash from investing activities</b>	<b>(2,750.53)</b>	<b>(763.39)</b>
<b>(C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Proceeds from long term borrowings (Banks)	515.30	1,729.51
Proceeds from long term borrowings (others)	200.00	-
Repayment of long term borrowings (Banks)	(904.27)	(437.12)
Repayment of long term borrowings (Others)	(75.00)	(888.75)
Proceeds from finance lease	20.76	6.10
Repayment of finance lease	(13.11)	(13.54)
Interest Expenses / Finance Charges	(1,356.09)	(1,118.69)
Inter-corporate & other deposits (Net of repayments)	13.19	(31.85)
Working capital demand Loan from banks	(400.00)	(1,050.00)
Working capital Loan from banks- Buyer's Credit	(1,377.63)	(23.57)

### Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2019 (Contd..)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Working capital Loan from banks- Factoring Arrangements	(930.19)	1,174.76
Issue of Equity Share Capital (including premium) upon exercise of ESOS	19.74	19.74
Contribution from non controlling interest	-	0.00
Dividend paid to equity share holders	(78.36)	(46.68)
Dividend Distribution Tax	(16.11)	(9.50)
<b>Net Cash from Financing Activities</b>	<b>(4,381.77)</b>	<b>(689.59)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(906.27)</b>	<b>454.32</b>
Cash & Cash Equivalents as at 1 <sup>st</sup> April (Opening Balance)	186.04	(268.28)
Cash & Cash Equivalents as at 31 <sup>st</sup> March (Closing Balance)	(720.23)	186.04
<b>Cash &amp; Cash Equivalents for the purpose of Cash Flow</b>	<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Cash and Cash Equivalents (Refer Note no. 12)	220.73	602.83
Less: Bank Overdraft	(940.96)	(416.79)
<b>Total</b>	<b>(720.23)</b>	<b>186.04</b>

#### CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	Borrowings (Current & Non- Current)	Finance Lease Obligations on Hire Purchase of Vehicles Current Maturities
<b>As at 1<sup>st</sup> April, 2017</b>	<b>8,090.87</b>	<b>37.59</b>
Proceeds	1,809.49	6.10
Repayment	1,507.50	13.54
Fair Value Changes	(1.82)	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>8,391.04</b>	<b>30.15</b>
Proceeds	764.20	20.76
Repayment	3,206.54	13.11
Fair Value Changes	6.60	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5,955.30</b>	<b>37.80</b>

**Note : i** The Cash flow statement has been prepared under the 'Indirect Method' as set out in IND AS-7 "Statement of Cash Flows".

**ii** Amounts in brackets, represent Cash Outflow.

**iii** Previous Year's figures have been regrouped and rearranged, wherever necessary.

As per our Separate Report of even date attached

**For PAWAN SHUBHAM & CO.**

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### A. Equity Share Capital

Particulars	Balance as at 1 <sup>st</sup> April, 2017	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2018	Change in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2019
Nos. of Equity Shares	77,797,438	564,000	78,361,438	564,000	78,925,438
₹ in Millions	155.59	1.13	156.72	1.13	157.85

### B. Other Equity

Particulars	Reserve and Surplus				Other Comprehensive Income			Total other Equity	Non-Controlling Interest
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	Employee Stock Options Outstanding	Re-Measurement of the Net defined benefit Plans	Foreign Currency Translation Reserve (FCTR)		
<b>2017-18</b>									
<b>Balance as at 1<sup>st</sup> April, 2017</b>	<b>28.00</b>	<b>784.37</b>	<b>21.09</b>	<b>3,573.76</b>	<b>66.00</b>	<b>(14.18)</b>	<b>0.01</b>	<b>(3.86)</b>	<b>4,455.19</b>
Addition during the year	-	-	-	1,447.58	-	-	(2.05)	-	1,445.53
Other Comprehensive Income for the Year	-	-	-	-	-	(7.23)	-	1.26	(5.97)
<b>Total comprehensive income for the year 2017-18</b>	-	-	-	<b>1,447.58</b>	-	<b>(7.23)</b>	<b>(2.05)</b>	<b>1.26</b>	<b>1,439.56</b>
Employee Stock Compensation cost for the year	-	-	-	-	33.04	-	-	-	33.04
Dividend Paid (including Dividend Distribution Tax) for 2016-17 approved by Shareholders in Annual General Meeting held on 19 <sup>th</sup> July, 2017	-	-	-	(56.18)	-	-	-	-	(56.18)
Securities Premium on allotment of Equity Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>28.00</b>	<b>843.09</b>	<b>21.09</b>	<b>4,965.16</b>	<b>58.93</b>	<b>(21.41)</b>	<b>(2.04)</b>	<b>(2.60)</b>	<b>5,890.22</b>
Addition during the year	-	-	-	1,808.59	-	-	0.04	-	1,808.63
Other Comprehensive Income for the Year	-	-	-	-	-	(8.29)	-	(10.76)	(19.05)
<b>Total comprehensive income for the year 2018-19</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 Share (ESOP) during the year	-	58.72	-	-	(40.11)	-	-	-	18.61
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>28.00</b>	<b>901.81</b>	<b>21.09</b>	<b>6,679.28</b>	<b>37.50</b>	<b>(29.70)</b>	<b>(2.00)</b>	<b>(13.36)</b>	<b>7,622.62</b>

As per our Separate Report of even date attached

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

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

Place of Signing: New Delhi  
Date: 21<sup>st</sup> May, 2019

**(ANIL GUPTA)**

Chairman-cum-Managing Director  
DIN: 00006422

**(KISHORE KUNAL)**

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

Place of Signing: New Delhi  
Date: 21<sup>st</sup> May, 2019

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO  
DIN: 00128865

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)  
M.No. 502048

Place of Signing: New Delhi  
Date: 21<sup>st</sup> May, 2019

## Summary of Significant Accounting Policies and Other Explanatory Statements for Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

### Note: 1

#### 1.1 GROUP OVERVIEW:

KEI Industries Ltd (hereinafter referred to as "KEI" or "the Company" or "the Parent Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 having registered office at D-90, Okhla Industrial Area, Phase I, New Delhi-110020, India. It was established as a partnership firm "Krishna Electrical Industries" in the year 1968. The firm was later converted into Limited Company on 31<sup>st</sup> December, 1992.

Equity Shares of the Parent Company are listed at National Stock Exchange of India Ltd (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Ltd. Company has four manufacturing facilities / plants located at Bhiwadi, Chopanki & Pathredi in Rajasthan and Silvassa in Dadara & Nagar Haveli.

KEI is engaged in the business of manufacturing, sale and marketing of all range of power cables up to 400kV - Low Tension (LT), High Tension (HT) and Extra High Voltage (EHV), Control And Instrumentation Cables, Specialty Cables, Elastomeric / Rubber Cables, Submersible Cables, Flexible And House Wires, Winding Wires which address the cabling requirements of a wide spectrum of sectors such as Power, Oil Refineries, Railways, Automobiles, Cement, Steel, Fertilizers, Textile and Real Estate amongst others. KEI also manufacture Stainless Steel Wires.

KEI is also engaged in execution of Engineering, Procurement and Construction Projects (EPC) for survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.

KEI has three major segments Cables, EPC and Stainless Steel Wire.

The Parent Company and its subsidiary together hereinafter referred to as "the Group".

#### 1.2 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS:

The Consolidated Financial Statements (hereinafter referred as Consolidated Financial Statements or the Financial Statements) of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015.

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the date of respective transactions.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts are stated in Millions of Rupees, rounded off to two decimal places, except when otherwise indicated.

The Consolidated Financial Statements for year ended 31<sup>st</sup> March, 2019 were authorized and approved for issue by Board of Directors of the Company on 21<sup>st</sup> May, 2019.

**Note: 2**

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

**2.2 BASIS OF CONSOLIDATION:**

**2.2.1 BASIS OF ACCOUNTING**

- I. Financial Statements of the Subsidiary, Associate and Joint Venture in the consideration are drawn up to same reporting date as of Parent Company for purpose of consolidation.
- II. Consolidated Financial Statements have been prepared in accordance Indian Accounting Standard (IND AS) 110-‘Consolidated Financial Statements’ and Indian Accounting Standard (IND AS) 111-‘Financial Reporting of interest in Joint Ventures’ specified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**2.2.2 PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relate to the Parent Company, its Subsidiary, Associates and Joint Venture.

Subsidiary are those entities in which the Parent Company directly or indirectly, has interest more than 50% of voting power or otherwise control composition of board or governing body so as to obtain economic benefits from activities.

Associates are all entities where the group has significant influence but not control or joint control. This is generally when the group holds between 20% and 50% of voting rights. Investment in associates are accounted for using equity method of accounting.

When Group with other parties has joint control of arrangement and rights to net assets of joint arrangement, it recognises its interest as Joint Venture.

Consolidated Financial Statements have been prepared as per the following principles:

- I. Financial Statements of Parent Company and its Subsidiary are combined on a line by line basis by adding together of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances, intra-group transactions, unrealized profits or losses in accordance with IND AS 110-‘Consolidated Financial Statements’ notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time.
- II. Non-Controlling Interest (NCI) in net assets of the consolidated subsidiaries is identified and presented in Consolidated Balance Sheet separately from liabilities and equity attributable to Parent’s shareholders. NCI in net assets of consolidated subsidiaries consists of:-
  - a) Amount of equity attributable to NCI at the date on which investment in a subsidiary is made; and
  - b) NCI share of movement in equity since the date the parent subsidiary relationship came into existence.
- III. For acquisitions of additional interests in subsidiary, where there is no change in control, Group recognises a reduction to NCI of the respective Subsidiary with difference between this figure and cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of NCI, difference between cash received from sale or listing of subsidiary shares and increase to NCI is also recognised in equity.
- IV. If Group loses control over a subsidiary, it derecognises related assets (including goodwill), liabilities, NCI and other components of equity, while any resultant gain or loss is recognised in profit and loss account. Any investment retained is recognised at

fair value. Results of subsidiaries acquired or disposed of during the year are included in the Consolidated Profit and Loss Statement from effective date of acquisition or up to effective date of disposal, as appropriate.

- V. In case of foreign subsidiaries, being non integral foreign operations, revenue items are consolidated at average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at end of the year. Components of equity are translated at closing rate. Any Gain or (Loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR).
- VI. In case of Associates and Joint Venture, investments are accounted for using equity method in accordance with IND AS-28 "Investments in Associates and Joint Ventures". Under equity method, carrying amount of investment in Associates and Joint Ventures is increased or decreased to recognize the Group's share of Profit and Loss and Other Comprehensive Income of Associate and Joint Venture, adjusted where necessary to ensure consistency with Accounting Policies of Group. Goodwill relating to associate or joint venture is included in carrying amount of investment and is not tested for impairment individually. The carrying amount of these investments are tested for impairment in accordance with IND AS-36 "Impairment of Assets".
- VII. Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to extent possible, in same manner as Parent Company's Separate Financial Statements except as otherwise stated in notes to the accounts.

## 2.3 PROPERTY, PLANT AND EQUIPMENT:

### 2.3.1 RECOGNITION

Freehold land is carried at historical cost.

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

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

### 2.3.2 SUBSEQUENT MEASUREMENT

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

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

### 2.3.3 DEPRECIATION

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

The following useful lives are applied:

<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 Machinery</b>	10 - 20 Years
<b>Project Tools</b>	05 Years
<b>Furniture and Fittings</b>	05 - 10 Years
<b>Motor Vehicles</b>	
- Hire Purchase & Owned	08 - 10 Years
<b>Office Equipment</b>	05 Years
<b>Computers</b>	
- Servers and networks	06 Years
- End user devices viz. desktops, laptops, etc.	03 Years

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

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

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

#### **2.3.4 DE-RECOGNITION**

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

#### **2.4 CAPITAL WORK-IN-PROGRESS**

Assets in the course of construction are capitalized in capital work in progress account. Capital work-in-progress represents expenditure incurred in respect of assets under development and is carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure.

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

#### **2.5 INTANGIBLE ASSETS**

##### **2.5.1 INTANGIBLE ASSETS WITH FINITE USEFUL LIFE**

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. The cost of Intangible Assets comprises

its purchase price, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities).

### 2.5.2 AMORTISATION

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

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

### 2.5.3 DE-RECOGNITION

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

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

## 2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

## 2.7 FINANCIAL INSTRUMENTS

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

### 2.7.1 FINANCIAL ASSETS

#### 2.7.1.1 INITIAL RECOGNITION & MEASUREMENT

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

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

#### 2.7.1.2 SUBSEQUENT MEASUREMENT

i. **Debt Instruments at Amortised Cost** – A ‘debt instrument’ is measured at amortised cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on principal amount outstanding.

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

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

### 2.7.1.3 IMPAIRMENT OF FINANCIAL ASSETS

In accordance with IND AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits and Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within scope of IND AS 115.

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

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

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

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

### 2.7.1.4 DE-RECOGNITION OF FINANCIAL ASSETS:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's Balance Sheet) when:

- i. The rights to receive cash flows from asset has expired, or
- ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without

material delay to a third party under a 'pass through' arrangement; and either

- (a) The Group has transferred substantially all risks and rewards of the asset, or
- (b) The Group has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

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

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

## 2.7.2 FINANCIAL LIABILITIES:

### 2.7.2.1 INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified at initial recognition as

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

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

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

Financial Liabilities are classified as at amortised cost.

### 2.7.2.2 SUBSEQUENT MEASUREMENT

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

- i. **Financial liabilities at Fair Value Through Profit or Loss (FVTPL):** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for purpose of re-purchasing in near term.
- ii. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Group may transfer cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.



- iii. **Loans and Borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (hereinafter referred as EIR) method. Gains and Losses are recognised in statement of profit and loss when liabilities are de-recognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.
- iv. **Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### 2.7.2.3 DE-RECOGNITION OF FINANCIAL LIABILITIES

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

### 2.7.3 DERIVATIVE FINANCIAL INSTRUMENTS

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

### 2.7.4 OFF-SETTING OF FINANCIAL INSTRUMENTS

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

## 2.8 INVENTORIES

### 2.8.1 BASIS OF VALUATION

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

### 2.8.2 METHOD OF VALUATION

- **Cost of Finished Goods** is determined by taking derived material costs, duties and taxes as applicable (other than those recoverable from tax authorities) and other overheads.
- **Cost of Packing Materials, Stores & Spares** are determined on weighted average basis.
- **Work in Process** includes raw material costs and allocated production overheads.

- **Cost of raw materials** is determined on First in First out (FIFO) basis.
- **Net realisable value** is estimated selling price in ordinary course of business less estimated costs of completion and estimated costs necessary to make sale.

## 2.9 CASH AND CASH EQUIVALENTS

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

## 2.10 TAXES

### 2.10.1 CURRENT INCOME TAX

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

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

### 2.10.2 DEFERRED TAX

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

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

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

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

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

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

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

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

### 2.10.3 INDIRECT TAXES

Expenses and Assets are recognised net of the amount of Indirect Taxes viz. GST/ VAT, except:

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

### 2.11 EQUITY AND RESERVES

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

### 2.12 DIVIDEND PAYMENTS

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

### 2.13 REVENUE RECOGNITION

IND AS 115 was made effective from 1<sup>st</sup> April, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced IND AS 18 & IND AS 11 and interpretations on revenue recognition related to sale of goods and services. The Group has adopted the new standard for annual periods beginning on or after 1<sup>st</sup> April, 2018 using cumulative effect method.

#### 2.13.1 MEASUREMENT OF REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Taxes collected from customers on behalf of Government are not treated as Revenue.

#### 2.13.2 ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) PROJECTS

In respect of EPC Projects, revenue is recognised over the period of time using input method of accounting with contract cost incurred determining the degree of completion of performance obligation. In case of value of uninstalled materials incurred that is not proportionate to the Group's progress in satisfying the performance obligation, revenue is to be recognised at an amount equal to the cost of a good used to satisfy a performance obligation.

#### 2.13.3 SALE OF GOODS

Revenue from sale of goods is recognised at the point of time when control of the asset is transferred to the customer, generally on delivery of the equipment. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated (e.g., Freight and Incentive schemes). In determining the transaction price for the sale

of Cable, the Group considers the effects of variable consideration and consideration payable to the customer (if any).

For contracts that are CIF (Cost Insurance Freight) contracts, the revenue is recognised when the goods reached at final destination. For contracts that are FOB (Free on Board) contracts, revenue is recognised when Group delivers the goods to an independent carrier.

#### 2.13.4 VARIABLE CONSIDERATION

If consideration in a contract includes a variable amount, the Group estimates amount of consideration to which it will be entitled in exchange for transferring the goods to customer. Variable Consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in amount of cumulative revenue recognised will not occur when associated uncertainty with variable consideration is subsequently resolved. Some contracts for sale of manufactured goods provide customers with a right of Incentives & Discounts. The Incentives and Volume Rebates give rise to variable consideration.

- i. **Cash Discount** which are determinable on the date of transaction, are recognised as reduction of revenue by the Group.
- ii. **Volume Discounts, Timely Payment Incentives & Other Incentive Schemes** the Group provides retrospective volume discounts to certain customers once the quantity of products purchased during the period exceed a threshold specified in the contract. Other Incentives promised by the Group on achieving certain sales thresholds also a form of identifiable benefit that is identified as a separate component of the sales transaction.

In such cases, the Group estimates fair value of Incentives promised to its customers. To estimate the variable consideration for the expected future rebates and discounts, the Group applies the expected value method. The Group estimates variable consideration and recognises a refund liability for the expected future rebates. Accordingly, the Group recognises lesser revenue if such discounts are probable and the amount are determinable. Any subsequent changes in the amount of such estimates are transferred to statement of profit and loss.

- iii. **Other Variable Considerations** if the consideration promised in the contract includes a variable amount, the Group estimates the amount of consideration to which the in exchange for transferring the promised goods or services to the customer. This estimate is updated at each reporting date.

### 2.14 CONTRACT BALANCES

#### 2.14.1 CONTRACT ASSETS & CONTRACT LIABILITIES

Contract Assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned/ deferred revenue ("contract liability") is recognised when there is billing in excess of revenue.

#### 2.14.2 TRADE RECEIVABLES

Trade receivables represent Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade Receivables are generally non-interest bearing and are recognised initially at fair value and subsequently measured at cost less provision for impairment.

As a practical expedient the Group has adopted 'Simplified Approach' using the provision

matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

## **2.15 INCOME RECOGNITION**

### **2.15.1 DIVIDEND INCOME**

Dividends are recognised in profit and loss only when the right to receive payment is established.

### **2.15.2 INTEREST INCOME**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through expected life of the financial asset to gross carrying amount of a financial asset. When calculating effective interest rate, the Group estimates expected cash flows by considering all contractual terms of financial instrument but does not consider expected credit losses.

### **2.15.3 OTHER INCOME**

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

## **2.16 BORROWING COSTS**

Borrowing Costs directly attributable to acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of asset. Financing Cost incurred on general borrowing used for projects is capitalized at weighted average cost. Amount of such borrowing is determined after setting off amount of internal accruals. All other borrowing costs are expensed in the period in which they occur.

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

## **2.17 EXPENDITURE**

Expenses are accounted on accrual basis.

## **2.18 EMPLOYEE BENEFIT SCHEMES**

### **2.18.1 SHORT-TERM EMPLOYEE BENEFITS**

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

### **2.18.2 COMPENSATED ABSENCES**

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

### **2.18.3 GRATUITY**

Liabilities with regard to gratuity benefits payable in future are determined by actuarial

valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to fund maintained by approved trust and administered through a separate irrevocable trust set up by the Group.

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

#### **2.18.4 PROVIDENT FUND**

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

### **2.19 SHARE-BASED PAYMENTS**

Fair Value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in IND AS-102 Share Based Payments.

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

### **2.20 FOREIGN CURRENCY**

#### **2.20.1 FUNCTIONAL AND PRESENTATION CURRENCY**

The Consolidated Financial Statements are presented in Indian Rupee ('₹'), which is Parent Company's functional Currency and presentation Currency.

Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

#### **2.20.2 FOREIGN CURRENCY TRANSACTIONS AND BALANCES**

In Consolidated Financial Statements, transactions in currencies other than functional currency are translated into functional currency at exchange rates ruling at date of transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currency at exchange rates prevailing on reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

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

Effective April 1, 2018 the Group has adopted Appendix-B to IND AS-21- Foreign Currency Transactions and Advance Consideration which clarifies date of transaction for purpose of determining exchange rate to use on initial recognition of the related asset, expense or income when the Group has received or paid advance consideration in Foreign Currency.

### **2.21 LEASES**

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

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

#### **2.21.1 GROUP AS A LESSEE - FINANCE LEASES**

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a Finance Lease. Finance Leases are capitalised at commencement of the lease at the inception date.

Interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over period of lease. Leased Asset is depreciated over useful life of asset or lease term, whichever is lower.

#### **2.21.2 GROUP AS A LESSEE - OPERATING LEASES**

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

### **2.22 EARNINGS PER SHARE**

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

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

### **2.23 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

#### **2.23.1 PROVISIONS**

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

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

#### **2.23.2 WARRANTY PROVISIONS**

The Group provides product warranties and does not sell the warranty separately to its customers. Provision for warranty-related costs is recognised when the product is sold or service is provided to customers. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be within one to two years.

### 2.23.3 ONEROUS CONTRACTS

An Onerous Contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If the Group identifies a contract as an Onerous Contract, the present obligation under the contract is measured and recognised as provision.

### 2.23.4 CONTINGENT LIABILITIES

In normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees including Guarantees given on behalf of Associates & Joint Venture Companies are also provided in the normal course of business.

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

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

### 2.23.5 CONTINGENT ASSETS

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

## 2.24 CASH FLOW STATEMENT

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

## 2.25 SEGMENT REPORTING

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

## 2.26 MISCELLANEOUS EXPENDITURE

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

## 2.27 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA).

- i. An asset is classified as current when it is:
  - a) Expected to be realised or intended to be sold or consumed in normal operating cycle,



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

## 2.28 FAIR VALUE MEASUREMENT

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

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

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

The principal or the most advantageous market must be accessible to the Group.

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

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

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

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

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

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

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

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

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

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

### 2.29 EXCEPTIONAL ITEMS:

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

### 2.30 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY:

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

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

Any revision to accounting estimates is recognized prospectively from the period in which results are known/ materialise in accordance with applicable Indian Accounting Standards (IND AS).

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

### 2.31 SIGNIFICANT MANAGEMENT JUDGEMENTS

Following are Significant Management Judgements in applying Accounting Policies of the Group that have most significant effect on the Financial Statements.

#### 2.31.1 EVALUATION OF LEASE OF LAND AS FINANCE LEASE OR OPERATING LEASE:

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

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

#### 2.31.2 EVALUATION OF INDICATORS FOR IMPAIRMENT OF ASSETS

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

#### 2.31.3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Certain contracts of the Group for sale of goods include discounts, rebates & Incentives that give rise to variable consideration. The Group determined that estimates of variable

consideration are based on its historical experience, business forecast and current economic conditions. The Group determined that expected value method is appropriate method to use in estimating the variable consideration as the large number of customer contracts that have similar characteristics.

## **2.32 ESTIMATION UNCERTAINTY**

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

### **2.32.1 REVENUE RECOGNITION**

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

### **2.32.2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT**

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

### **2.32.3 IMPAIRMENT OF FINANCIAL ASSETS**

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

### **2.32.4 INVENTORIES**

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

### **2.32.5 RECOVERABILITY OF ADVANCES/ RECEIVABLES**

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

### **2.32.6 PROVISIONS FOR WARRANTIES**

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

### 2.32.7 INCOME TAXES

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between actual results and assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by taxable entity and responsible tax authority.

### 2.32.8 PROVISIONS AND CONTINGENCIES

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

### 2.32.9 DEFINED BENEFIT OBLIGATION (DBO)

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

## 2.33 NEW AND AMENDED STANDARDS DURING THE YEAR

The Group applied IND AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other standards and amendments apply for the first time in 2018-19, but do not have an impact on the Consolidated Financial Statements of the Group.

### 2.33.1 IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group applied IND AS-115 for the first time by using the Cumulative effect method of adoption with date of initial application from 1<sup>st</sup> April, 2018. Under this method Comparative prior period is not adjusted and the cumulative effect of initially applying IND AS 115 is recognised as an adjustment to the opening balance of retained earnings as at 1<sup>st</sup> April, 2018.

There was no impact on retained earnings as on 1<sup>st</sup> April, 2018 on adoption of IND AS-115.

#### CHANGES IN PRESENTATION

As a result of the application of IND AS-115, the Group has changed its presentation in the income statement as follows: -

Variable Considerations related to Discounts & Incentives payable to customers were presented as an expense in the Profit and Loss account before 1<sup>st</sup> April, 2018 but they are presented as a deduction from revenue at initial recognition. Any changes in estimation of variable consideration is recognised in Profit & Loss account as Revenue or Expenditure as the case may be.

### 2.33.2 FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATIONS APPENDIX-B TO IND AS-21

The Appendix B clarifies that, in determining spot exchange rate to use on initial recognition of related asset, expense or income (or part of it) on de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, date of the transaction is the date on which an entity initially recognizes non-monetary

asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Group has applied Appendix B from 1<sup>st</sup> April, 2018 and there is no material impact on consolidated financial statements.

## **2.34 STANDARDS ISSUED BUT NOT EFFECTIVE:**

### **2.34.1 IND AS 116 'LEASES'**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs has notified IND AS-116, Leases. IND AS-116 will replace the existing leases Standard, IND AS-17 Leases, and related Interpretations.

New standard permits two possible methods of transition i.e. Full Retrospective or Modified Retrospective.

The Group will adopt the standard on 1<sup>st</sup> April, 2019 by using Modified retrospective effect method and accordingly comparatives for year ended 31<sup>st</sup> March, 2019 will not be retrospectively adjusted.

The Group is evaluating requirements of IND AS-116, and has not yet determined the impact on the financial statements.

### **2.34.2 AMENDMENT TO IND AS-19 PLAN AMENDMENT, CURTAILMENT OR SETTLEMENT**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs issued amendments to IND AS-19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

Effective date for application of this amendment is annual period beginning on or after 1<sup>st</sup> April, 2019. The Group expects that there will be no impact on account of this amendment.

### **2.34.3 AMENDMENT TO IND AS-12 'INCOME TAXES'**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in IND AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

Effective date for application of this amendment is annual period beginning on or after 1<sup>st</sup> April, 2019. The Group expects that there will be no impact on account of this amendment.

### **2.34.4 IND AS-12 APPENDIX-C, UNCERTAINTY OVER INCOME TAX TREATMENTS**

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs has notified IND AS-12 Appendix-C, Uncertainty over Income Tax Treatments.

The standard permits two possible methods of transition i.e. Full retrospective or Retrospectively with Cumulative Effect.

The Group will adopt the standard on 1<sup>st</sup> April, 2019 by using the Retrospectively with Cumulative Effect method and accordingly comparatives for the year ending or ended 31<sup>st</sup> March, 2019 will not be retrospectively adjusted.

The Group expects that there will be no impact on account of this amendment.

**3. Property, Plant and Equipment:****(₹ in Millions)**

Particulars	Freehold Land	Lease hold Land	Freehold Buildings	Lease hold Buildings Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Asset Taken on Finance Lease- Hire Purchase Vehicles	Total
<b>Gross Carrying Amount</b>											
<b>As at 1<sup>st</sup> April, 2017</b>	<b>3.66</b>	<b>317.45</b>	<b>1,048.89</b>	<b>55.15</b>	<b>2,685.65</b>	<b>63.98</b>	<b>27.61</b>	<b>15.46</b>	<b>39.82</b>	<b>44.66</b>	<b>4,302.33</b>
Additions	-	-	22.90	27.53	242.66	10.55	2.04	12.72	15.17	7.28	340.85
Disposals/Adjustments	-	-	-	4.16	8.76	-	1.13	-	1.20	-	15.25
<b>As at 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>317.45</b>	<b>1,071.79</b>	<b>78.52</b>	<b>2,919.55</b>	<b>74.53</b>	<b>28.52</b>	<b>28.18</b>	<b>53.79</b>	<b>51.94</b>	<b>4,627.93</b>
Additions	93.32	-	280.05	15.56	680.54	15.24	17.10	8.60	16.54	25.69	1,152.64
Disposals/Adjustments	-	-	-	-	4.68	1.74	2.61	2.22	0.38	-	11.63
<b>As at 31<sup>st</sup> March, 2019</b>	<b>96.98</b>	<b>317.45</b>	<b>1,351.84</b>	<b>94.08</b>	<b>3,595.41</b>	<b>88.03</b>	<b>43.01</b>	<b>34.56</b>	<b>69.95</b>	<b>77.63</b>	<b>5,768.94</b>
<b>Depreciation and Impairment</b>											
<b>As at 1<sup>st</sup> April, 2017</b>	<b>-</b>	<b>3.57</b>	<b>34.75</b>	<b>20.41</b>	<b>182.92</b>	<b>12.08</b>	<b>5.55</b>	<b>2.72</b>	<b>10.95</b>	<b>4.63</b>	<b>277.58</b>
Depreciation charge for the year	-	3.57	38.47	19.13	210.07	12.94	4.95	4.48	13.57	5.83	313.01
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	1.28	0.54	-	0.27	-	0.07	-	2.16
<b>As at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>7.14</b>	<b>73.22</b>	<b>38.26</b>	<b>392.45</b>	<b>25.02</b>	<b>10.23</b>	<b>7.20</b>	<b>24.45</b>	<b>10.46</b>	<b>588.43</b>
Depreciation charge for the year	-	3.54	44.71	9.97	224.66	12.19	4.34	6.44	16.13	6.48	328.46
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	1.10	1.17	0.72	1.39	0.34	-	4.72
<b>As at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>10.68</b>	<b>117.93</b>	<b>48.23</b>	<b>616.01</b>	<b>36.04</b>	<b>13.85</b>	<b>12.25</b>	<b>40.24</b>	<b>16.94</b>	<b>912.17</b>
<b>Net book value</b>											
<b>As at 31<sup>st</sup> March, 2019</b>	<b>96.98</b>	<b>306.77</b>	<b>1,233.91</b>	<b>45.85</b>	<b>2,979.40</b>	<b>51.99</b>	<b>29.16</b>	<b>22.31</b>	<b>29.71</b>	<b>60.69</b>	<b>4,856.77</b>
<b>As at 31<sup>st</sup> March, 2018</b>	<b>3.66</b>	<b>310.31</b>	<b>998.57</b>	<b>40.26</b>	<b>2,527.10</b>	<b>49.51</b>	<b>18.29</b>	<b>20.98</b>	<b>29.34</b>	<b>41.48</b>	<b>4,039.50</b>

**3.1**

- Carrying value of Assets acquired under hire purchase as on 31.03.2018 exclude the amount related to hire purchase agreement settled during the current year.
- Property, Plant & Equipment pledged as security. Refer note no. 19 & 22
- Leasehold Land represents land obtain on long term lease from Government Authorities and are considered as Finance Lease.

**4. Capital Work in Progress:**

(₹ in Millions)

Particulars	Building	Plant & Equipment	Furniture & Fixtures	Construction Period Expenses Pending Allocation	Total
<b>As at 1<sup>st</sup> April , 2017</b>	-	<b>31.54</b>	-	-	<b>31.54</b>
Additions	171.01	212.41	31.52	10.09	<b>425.03</b>
Adjustments	23.19	172.11	31.46	-	<b>226.76</b>
<b>As at 31<sup>st</sup> March, 2018</b>	<b>147.82</b>	<b>71.84</b>	<b>0.06</b>	<b>10.09</b>	<b>229.81</b>
Additions	254.46	628.93	13.85	29.77	<b>927.01</b>
Adjustments	241.49	566.22	10.56	22.49	<b>840.76</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>160.79</b>	<b>134.55</b>	<b>3.35</b>	<b>17.37</b>	<b>316.06</b>
<b>Net Book Value</b>					
<b>As at 31<sup>st</sup> March, 2019</b>	<b>160.79</b>	<b>134.55</b>	<b>3.35</b>	<b>17.37</b>	<b>316.06</b>
<b>As at 31<sup>st</sup> March , 2018</b>	<b>147.82</b>	<b>71.84</b>	<b>0.06</b>	<b>10.09</b>	<b>229.81</b>

**4.1 (a)** Contractual commitments for the acquisition of Property, Plant & Equipment ₹ 302.45 Millions (Previous Year: ₹ 132.92 Millions)

**(b)** Amount of Borrowing Costs Capitalised during the year in accordance with IND AS-23 "Borrowing Cost". Asset wise break up of borrowing cost capitalized is given as below:

PARTICULARS	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Building	<b>8.37</b>	-
Plant & Equipment	<b>6.64</b>	-
Furniture & Fixtures	<b>0.05</b>	-
<b>Total Borrowing Cost Allocated to Assets during the year</b>	<b>15.06</b>	-
<b>Borrowing Cost Pending allocation for future years</b>	<b>8.41</b>	6.76

**(c)** Capitalization rate 9.09% (Previous Year 10.71%) has been used to determine amount of borrowing cost eligible for capitalization.

**5. Other Intangible Assets:**

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>As at 1<sup>st</sup> April, 2017</b>	<b>33.17</b>	<b>33.17</b>
Addition during the year	12.34	<b>12.34</b>
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>45.51</b>	<b>45.51</b>
Addition during the year	10.49	10.49
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>56.00</b>	<b>56.00</b>

(₹ in Millions)

Particulars	Other Intangibles (Computer software)	Total
<b>Amortization and Impairment</b>		
<b>As at 1<sup>st</sup> April , 2017</b>	<b>5.91</b>	5.91
Addition during the year	9.29	9.29
Adjustment	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>15.20</b>	15.20
Amortization	<b>11.02</b>	11.02
Impairment	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>26.22</b>	26.22
<b>Net book value</b>		
<b>As at 31<sup>st</sup> March, 2019</b>	<b>29.78</b>	29.78
<b>As at 31<sup>st</sup> March , 2018</b>	<b>30.31</b>	30.31

6. Non-Current Investments:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>1- Investments Equity Instruments (Quoted and Unquoted)</b>		
<i>a) In Associate* (Investments at Equity Method) (₹ 593/-, Previous Year: ₹ Nil)</i>	<b>0.00</b>	-
<i>b) Others ** (Investments at fair value through OCI)</i>	<b>12.68</b>	25.26
<b>Total Investments in Equity Instruments</b>	<b>12.68</b>	25.26
<b>2- Investments Mutual Funds (Unquoted) (Investments at fair value through OCI)</b>		
<i>a) Investments in Mutual Funds***</i>	<b>2.97</b>	3.03
<b>Total Investments in Mutual Funds</b>	<b>2.97</b>	3.03
<b>3- Investment in AOP (Unquoted) (Investments at Equity Method)</b>		
<i>a) Investments in Joint Venture of KEI Industries Ltd New Delhi &amp; Brugg Kabel AG Switzerland (Refer note 52 )</i>	<b>1.70</b>	1.70
<b>Total Investments</b>	<b>17.35</b>	29.99
<b>* Investments in Equity Shares Unquoted (at Equity Method)</b>		
-- KEI Cables SA (PTY) Limited (principal place of business - South Africa) 490 (Previous Year: ₹ NIL) Equity Shares of 1 ZAR each fully paid (Refer note 52 )	<b>0.00</b>	-
<b>Total Equity Investments at cost</b>	<b>0.00</b>	-



(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>** Equity Shares Quoted</b>		
--- State Bank of India 670 (Previous Year: 670) Equity Shares of ₹ 1 each fully paid	<b>0.21</b>	0.17
--- PNB Gilts Limited 8000 (Previous Year: 8000) Equity Shares of ₹ 10 each fully paid	<b>0.25</b>	0.28
--- Punjab National Bank 11000 (Previous Year: 11000) Equity Shares of ₹ 2 each fully paid	<b>1.05</b>	1.05
---Dena Bank 2595 (Previous Year: 2595) Equity Shares of ₹ 10 each fully paid	<b>0.03</b>	0.05
---ICICI Bank Limited 4950 (Previous Year: 4950) Equity Shares of ₹ 2 each fully paid	<b>1.98</b>	1.38
---YES Bank Limited 1270 (Previous Year: 1270) Equity Shares of ₹ 2 each fully paid	<b>0.35</b>	0.39
---Jaypee Infratech Limited 5000 (Previous Year: 5000) Equity Shares of ₹ 10 each fully paid	<b>0.01</b>	0.04
----Technofab Engineering Limited 104228 (Previous Year: 104228) Equity Shares of ₹ 10 each fully paid	<b>8.80</b>	21.90
<b>Total Equity Investments (FVOCI)</b>	<b>12.68</b>	25.26
<b>*** Mutual Funds Unquoted</b>		
---UTI-Opportunities Fund-Growth 11770.711 (Previous Year: 11770.711) Units of ₹ 10 each	<b>0.73</b>	0.67
---L192D SBI PSU Fund-Regular Plan-Dividend 212944.872 (Previous Year: 212944.872) Units of ₹ 10 each	<b>2.24</b>	2.36
<b>Total investments in Mutual Funds (FVOCI)</b>	<b>2.97</b>	3.03
<b>Aggregate value of quoted investments</b>	<b>28.62</b>	28.62
<b>Aggregate Market value of quoted investments</b>	<b>12.68</b>	25.26
<b>Aggregate value of unquoted investments</b>	<b>2.97</b>	3.03
<b>Aggregate amount of impairment in value of investments</b>	-	-

**7. Non-Current Loans:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Secured</b>	-	-
<b>Loans considered good, Unsecured</b>		
Security Deposits to Related Parties	2.00	1.80
Security Deposits to Others	61.55	35.51
Loans to Related Parties	0.14	0.46
Loans to Workers & Staff- Others	4.89	2.90
<b>Loans having Significant increase in Credit Risk</b>	-	-
<b>Loans Credit Impaired</b>	-	-
<b>Total</b>	<b>68.58</b>	<b>40.67</b>

**Break-up for Related Parties:****7.1 Non-Current Security Deposit to Related Parties:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Unsecured</b>		
Projection Financial & Management Consultants Private Limited *	1.85	1.65
Anil Gupta (HUF) *	0.15	0.15
<b>Total</b>	<b>2.00</b>	<b>1.80</b>

\* Security Deposit (Interest Free) for premises taken on lease by Group

**7.2 Non-Current Loans to Related Party:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans considered good, Unsecured</b>		
Kishore Kunal*	0.14	0.46
<b>Total</b>	<b>0.14</b>	<b>0.46</b>

\* Against Salary and other benefits

**7.3 Disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:****(i) Maximum Outstanding Balance during the year (At Fair Value)**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited *	4.22	1.65
Anil Gupta (HUF)	0.15	0.15
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year: ₹ Nil)	-	-

\* (Including current loan as per Note No. 14.1)

**(ii) Maximum Outstanding Balance during the year (At Cost) (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited *	4.77	2.40
Anil Gupta (HUF)	0.15	0.15
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year: ₹ Nil)	-	-

\* (Including current loan as per Note No. 14.1)

**7.4 Investments by Loanee in Equity shares of Parent Company (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Projection Financial & Management Consultants Private Limited	114.20	114.20
Anil Gupta (HUF)	13.62	13.62
	<b>127.82</b>	127.82

**8. Other Non-Current Financial Assets: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with banks having more than 12 month Maturity (Fixed Deposits under lien/custody with Banks / Others)	4.97	1.46
Unpaid Dividend Bank Account *	1.30	1.14
<b>Total</b>	<b>6.27</b>	2.60

\*Balance in unpaid dividend bank account can only be used towards settlement of dividend unclaimed by shareholders of the Parent Company.

**9. Other Non-Current Assets: (₹ in Millions)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Advances	90.07	116.34
Others:		
--- Prepaid Expenses	2.07	2.45
<b>Total</b>	<b>92.14</b>	118.79

**10. Inventories:**

(₹ in Millions)

Particulars	Method of Valuation	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials Including In Transit	At Cost	1,235.36	1,518.96
Work -in- Progress	At Cost	1,951.67	1,623.35
Finished Goods Including in Transit	At lower of cost or net realizable value	2,942.38	2,228.38
Stock in Trade Including In Transit	At Cost	42.35	10.62
Stores & Spares Including In Transit	At Cost	71.55	70.42
Project Materials	At Cost	543.31	4.71
Packing Materials	At Cost	116.32	78.03
Scrap	At net realizable value	29.14	21.41
<b>Total</b>		<b>6,932.08</b>	<b>5,555.88</b>

**10.1 Break-up for Goods-In-Transit:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
--- Finished Goods	742.76	723.53
--- Raw Materials	146.21	410.44
--- Stores & Spares	2.54	0.89
<b>Total</b>	<b>891.51</b>	<b>1,134.86</b>

**10.2 Finished Goods held at Net Realisable Value:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
--- Finished Goods	572.32	85.22

Refer Note no. 22.1 for Inventories hypothecated as security against bank borrowings.

**11. Current Trade Receivables:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Trade receivables</b>		
Secured, Considered Good	-	-
Unsecured, Considered Good	11,076.43	10,390.30
Receivables having Significant Increase in Credit Risk	-	-
Receivables Credit Impaired	-	-
Less: Expected credit loss (ECL)	167.15	161.90
<b>Total</b>	<b>10,909.28</b>	<b>10,228.40</b>

**11.1** No trade or other receivable are due from Directors or Officers of Group either severally or jointly with other person. Nor any trade or other receivable are due from firms or Private Companies respectively in which any Director is a Partner, a Director or a Member.

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

**11.3** Trade Receivables are usually non-interest bearing and are on trade terms of 90 days.

**11.4 Relevant carrying amounts are as follows:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total Transferred Receivables	<b>1,255.79</b>	2,185.97
Associated Secured Borrowing (Refer Note No. 22)	<b>1,255.79</b>	2,185.97

**11.5** For credit risk and movement in impairment allowances refer no. 50.2.

**12. Cash and Cash Equivalents:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Cash in Hand	<b>3.83</b>	3.65
Balances with Banks		
--- Current Accounts	<b>70.80</b>	456.67
--- Fixed Deposits with less than 3 month maturity	<b>146.10</b>	142.51
<b>Total</b>	<b>220.73</b>	602.83

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

**12.1** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits under lien/custody with Banks / Others	<b>143.44</b>	-

**13. Bank Balances other than Cash and Cash Equivalents:** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with original maturity of more than 3 months but less than 12 months *	<b>1,728.65</b>	165.03
Unpaid Dividend Accounts	<b>0.40</b>	0.35
Fixed Deposits with Banks as Deposits Repayment Reserve Account **	<b>3.62</b>	3.40
<b>Total</b>	<b>1,732.67</b>	168.78

**13.1** (₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
*Fixed Deposits under lien/custody with Banks /Others	<b>1,728.65</b>	85.03

\*\* Deposit Repayment Reserve account is credited as per requirement of Section 73 of the Companies Act, 2013.

**14. Current Loans:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured, Considered Good</b>		
Security Deposits to Related Party	2.37	-
Security Deposits to Others	21.26	4.16
Loans to Related Parties	0.33	0.29
Loans to Workers & Staff- Others	12.90	9.44
<b>Total</b>	<b>36.86</b>	13.89

**14.1 Current Loans to Related Party:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Loans</b>		
Associate Company KEI Cables SA (PTY) Limited * (₹ 2443/-, Previous Year Nil )	-	-
Kishore Kunal**	0.33	0.29
<b>Total</b>	<b>0.33</b>	0.29
** Against salary and other benefits		
<b>Security Deposits to Related Party</b>		
Projection Financial & Management Consultants Private Limited *	2.37	-
	2.37	-

\*For disclosure pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 refer Note no. 7.3

**15. Other Financial Assets**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Contract Assets (Refer Note 42.2)	1,040.47	521.02
	1,040.47	521.02

**16. Other Current Assets:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Advances other than capital advances:</b>		
--- Advances to Related Parties	0.33	0.91
--- Advances to Suppliers	529.32	230.40
--- Advances Recoverable	29.19	29.38
<b>Others:</b>		
--- Interest Accrued	29.92	6.92
--- Prepaid Expenses	31.41	63.04
--- Earnest Money	62.64	59.69
--- Claims Recoverable from Government	694.80	226.19
<b>Total</b>	<b>1,377.61</b>	616.53

**16.1 Break-up of Advance to Related Party:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Recoverable from Joint Venture "Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland "	0.33	0.91
<b>Total</b>	<b>0.33</b>	<b>0.91</b>

**17. Equity Share Capital:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Authorized</b>		
110,000,000 (Previous Year: 110,000,000) Equity Shares of ₹ 2/- each	220.00	220.00
300,000 (Previous Year: 300,000) Preference Shares of ₹ 100/- each	30.00	30.00
<b>Total</b>	<b>250.00</b>	<b>250.00</b>
<b>Issued, Subscribed &amp; paid-up</b>		
78,925,438 (Previous Year: 78,361,438) Equity shares of ₹ 2/- each fully paid	157.85	156.72
<b>Total</b>	<b>157.85</b>	<b>156.72</b>

**17.1 Rights, preferences and restrictions attached to shares:**

Equity Shares: The Parent Company has issued one class of equity shares having face value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of parent company is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts in proportion to their shareholding.

**17.2 Reconciliation of Number of Equity Shares:**

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Nos.	₹ in Millions	Nos.	₹ in Millions
Balance as at the beginning of the year	78,361,438	156.72	77,797,438	155.59
Add: Issued during the Year *	564,000	1.13	564,000	1.13
Balance as at the end of the year	78,925,438	157.85	78,361,438	156.72

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

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

Name of shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Nos.	% age	Nos.	% age
Mr. Anil Gupta	13,680,776	17.33%	13,680,776	17.46%
M/s Projection Financial and Management Consultants Private Limited	7,900,000	10.01%	7,900,000	10.08%
M/s Anil Gupta (HUF) beneficiary Mr. Anil Gupta	4,650,375	5.89%	4,650,375	5.93%
Franklin Templeton Mutual Fund A/c Franklin India High Growth Companies Fund	5,300,000	6.72%	5,220,550	6.66%

**17.4** During the year 2016-17, 5,60,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2017-18, 5,64,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

During the year 2018-19, 5,64,000 equity shares of ₹ 2 each fully paid were issued under KEI Stock Option Scheme, 2015.

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

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
	Nos. of shares	Nos. of shares
<b>Options available under ESOS, 2015</b>		
-- Options available at the beginning of the year	<b>1,128,000</b>	1,692,000
-- Options granted during the year	<b>15,000</b>	-
-- Equity Shares issued during the year		
Under KEI ESOS-2015 option Plan: Equity shares of ₹ 2 each.	<b>564,000</b>	564,000
<b>-- Options available at the close of the year</b>	<b>579,000</b>	1,128,000

For terms and other details of KEI ESOS-2015 refer note no 43.

**18. Other Equity:**

Refer Statement of Changes in Equity for detailed movement in other Equity balances:

**A. Summary of Other Equity balance:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Reserve	<b>28.00</b>	28.00
Securities Premium	<b>901.81</b>	843.09
General Reserve	<b>21.09</b>	21.09
Retained Earnings	<b>6,679.28</b>	4,965.16
Foreign Currency Translation Reserve ( FTCR)	<b>(2.00)</b>	(2.04)
Employee Stock Options Outstanding	<b>37.50</b>	58.93
Other Comprehensive Income	<b>(43.06)</b>	(24.01)
<b>Total</b>	<b>7,622.62</b>	5,890.22

**B. Nature and purpose of reserves:**

- (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.
- (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 Group has transferred a portion of the net profit of the Group before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013.
- (e) **Retained Earnings:** Retained earnings are the profits that the Group has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders.
- (f) **Foreign Currency Translation Reserve (FTCR):** Exchange Gain or Loss arising on consolidation of subsidiary with parent company is recognised in Foreign Currency Translation Reserve (FTCR).

**19. Non-Current Borrowings:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Secured</b>		
<b>Term Loan</b>		
-- Term Loans from Banks	<b>294.04</b>	467.39
-- Foreign Currency Term Loans from Banks	<b>97.37</b>	274.12
-- External Commercial Borrowings	<b>385.70</b>	412.92
-- Term Loans from Non-Banking Financial Company	<b>310.00</b>	205.77
<b>Total Term Loan</b>	<b>1,087.11</b>	1,360.20
Finance Lease Obligations on Hire Purchase of Vehicles	<b>22.11</b>	18.26
<b>(ii) Unsecured</b>		
Deposits		
-- Public Deposits	<b>49.75</b>	48.81
-- Deposits from Related Parties	<b>34.40</b>	29.35
<b>Total</b>	<b>1,193.37</b>	1,456.62

**19.1 Nature of Security and Repayment Terms of Term Loan:**

(₹ in Millions)

Sl. No.	Nate of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1	Secured Term Loan from Scheduled Bank	INR	Oct, 2020	Floating 1 year-MCLR+ 1.85% p.a.	<b>64.79</b>	101.42
2	Secured Term Loan from Scheduled Bank	USD	Feb, 2019	Floating 6 month LIBOR + 90 bps	-	233.97
3	Secured Term Loan from Scheduled Bank	INR	Nov, 2019	Floating 1 year MCLR+ 1.35% p.a.	<b>46.14</b>	107.21
4	Secured Term Loan from NBFC	INR	Dec, 2021	Fixed 9.75% p.a.	<b>205.77</b>	280.37
5	Secured Term Loan from Scheduled Bank	INR	May, 2020	Floating 12 month MCLR + 0.50% p.a.	<b>194.06</b>	365.46
6	Secured Term Loan from Scheduled Bank	INR	June, 2022	Floating 1 year MCLR + 0.50% p.a.	<b>162.50</b>	212.32
7	Secured Term Loan from Scheduled Bank	USD	Sep, 2020	Fixed all inclusive cost of maximum of 4.85% p.a.	<b>291.39</b>	455.72
8	External Commercial Borrowing	USD	Dec, 2022	Floating 3 month LIBOR + 190 bps	<b>494.91</b>	514.72
9	Secured Term Loan from NBFC	INR	Oct, 2023	Fixed 9.75% p.a.	<b>199.69</b>	-

Sl. No.	Nate of Facility	Currency	Year of Maturity	Nominal Interest Rate	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
10	Secured Term Loan from Scheduled Bank	INR	May, 2020	Floating 3 month MCLR + 0.35% p.a.	233.14	-
11	Secured Term Loan from Scheduled Bank	INR	Jan, 2023	Floating 1 year MCLR + 0.05% p.a.	114.81	-
<b>Total</b>					<b>2,007.20</b>	<b>2,271.19</b>
Less: Current Borrowings (Note no. 24)					920.09	910.99
Non-Current Borrowings (Note no. 19)					<b>1,087.11</b>	<b>1,360.20</b>

**19.2** Term Loans from Banks and Non-Banking Financial Company (NBFC) are Secured by a first pari-passu charge over Land & Building, Plant & Machinery and other movable fixed assets located at the Group's Plants at Plot No. A-280-284, RIICO Industrial area, Chopanki, SP-919, RIICO Industrial area, Phase- III, Bhiwadi, SP 2/874, RIICO Industrial Area, Pathredi, 99/2/7, Madhuban Industrial Estate, village Rakholi. Silvassa and Survey no.1/1/2/5, Village Chinchpada, Silvassa. Further they are secured by personal guarantee of Shri Anil Gupta Chairman-cum-Managing Director of the Company.

**19.3** Finance Lease Obligations are taken from scheduled banks and are secured against hypothecation of vehicles. The Rate of interest on such loans varying between 8.50% to 11.00%.

**19.4** Unsecured Deposits are repayable within 3 years from the date of acceptance. The Group has not defaulted repayment of deposit.

**19.5** For Loans & Deposits from Related Parties refer Note no. 46 " Related Party disclosures".

**19.6** The Group has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed by lenders.

## 20. Non Current Provisions:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Employee benefits		
---Provision for Compensated Absences	<b>86.26</b>	67.21
	<b>86.26</b>	67.21

For movement in provision refer note no. 26.1.

## 21. Deferred Tax Liability (Net):

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Deferred Tax Liability :</b>		
Additional depreciation/amortization on PPE and Other Intangible Assets	<b>587.73</b>	515.89
Other timing differences	<b>7.59</b>	9.32
<b>Total Deferred Tax Liabilities</b>	<b>595.32</b>	525.21
<b>Deferred Tax Asset :</b>		
Liabilities / provisions that are deducted for tax purposes when paid	<b>66.81</b>	51.45
Provision for doubtful debts/impairment allowance	<b>58.41</b>	56.57
Defined benefit obligations	<b>15.85</b>	11.39
Long term capital loss on shares	<b>1.86</b>	-
Other timing differences	<b>11.84</b>	8.60
<b>Total Deferred Tax Assets</b>	<b>154.77</b>	128.01
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(440.55)</b>	(397.20)

**21.1 Movement in Deferred Tax Assets:**

(₹ in Millions)

Particulars	Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	Defined benefit obligations	Liabilities / provisions that are deducted for tax purposes when paid	Other items	Total deferred tax assets
<b>As at 1<sup>st</sup> April, 2017</b>	<b>54.61</b>	<b>7.51</b>	<b>46.83</b>	<b>7.23</b>	<b>116.18</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.96	-	4.62	0.13	6.71
-- Other Comprehensive Income	-	3.88	-	1.24	5.12
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>56.57</b>	<b>11.39</b>	<b>51.45</b>	<b>8.60</b>	<b>128.01</b>
<b>(Charged)/credited :</b>					
-- Profit and Loss	1.84	-	15.36	3.26	20.46
-- Other Comprehensive Income	-	4.46	-	1.84	6.30
-- Equity	-	-	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>58.41</b>	<b>15.85</b>	<b>66.81</b>	<b>13.70</b>	<b>154.77</b>

**21.2 Movement in Deferred Tax Liabilities:**

(₹ in Millions)

Particulars	Additional depreciation/ amortization on PPE and Other Intangible Assets	Other items	Total deferred tax liabilities
<b>As at 1<sup>st</sup> April, 2017</b>	<b>460.67</b>	<b>8.69</b>	<b>469.36</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	55.22	0.63	55.85
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>515.89</b>	<b>9.32</b>	<b>525.21</b>
<b>(Charged)/credited :</b>			
-- Profit and Loss	71.84	(1.73)	70.11
-- Other Comprehensive Income	-	-	-
-- Equity	-	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>587.73</b>	<b>7.59</b>	<b>595.32</b>

**22. Current Borrowings:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(i) Secured:</b>		
<b>Loan repayable on demand</b>		
--- Working Capital Loans from Banks	<b>2,390.96</b>	2,266.79
--- Buyer's Credit	-	1,377.63
--- Factoring Arrangements	<b>1,255.79</b>	2,185.97
<b>(ii) Unsecured:</b>		
<b>Loans from Related Parties</b>		
--- Loans from Related Party *	<b>208.00</b>	205.00
<b>Deposits</b>		
Deposits from Related Party *		
--- Inter Corporate Deposits	<b>5.00</b>	0.80
Deposits from Others		
--- Inter Corporate Deposits	<b>5.50</b>	5.50
<b>Total</b>	<b>3,865.25</b>	6,041.69

\* For Loans/Deposits From Related Party Refer Note No. 46 " Related Party Disclosure".

**22.1** Working Capital facilities from banks are secured by 1<sup>st</sup> Pari passu charge by way of hypothecation on the entire current assets including raw material stock in process, finished goods, consumable stores & spares and receivables of the Group, 1<sup>st</sup> pari passu charge on present and future fixed assets at SP 920-922, RIICO Industrial Area , Phase III, Bhiwadi, Distt. Alwar (Rajasthan) and movable fixed assets at D-90, Okhla Industrial Area, Phase-I, New Delhi, 2<sup>nd</sup> pari- passu charge by equitable mortgage of property of the Land and Building at 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa, (D & N H), Plot No. A 280-284, Chopanki, SP 2/874, RIICO Industrial Area, Pathredi , SP 919, RIICO Industrial Area, Phase III, Bhiwadi, Distt. Alwar, (Rajasthan) Industrial Plot/ Survey No.- 1/1/2/5, Situated at Village Chinchpada , Silvassa both present and future. Further they are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum- Managing Director of the Parent Company.

**22.2** Working Capital Loans from Banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated. The lender banks have a right to cancel the credit limits (either fully or partially) and, inter-alia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the sanctioned loan accounts in any manner.

**22.3** Loan from Related Party is payable on demand and carries a fixed rate of interest @ 9% p.a. w.e.f 1<sup>st</sup> April, 2018.

**22.4** The Group has not defaulted on any loans/deposits payable during the year and has satisfied all debt covenants prescribed by lenders.

**22.5** The Group has arranged Channel Finance Facility for its customers from various banks against which a sum of ₹ 1,378.76 Millions (Previous Year ₹ 1030.30 Millions) has been utilized as on the date of Balance Sheet. The Group is liable to pay in case of default by its customers along with interest thereon. The default made by customers as on 31<sup>st</sup> March, 2019 is ₹ 2.53 Millions (Previous Year ₹ 1.80 Millions).

**23. Trade Payables:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Micro, Small and Medium Enterprises	914.41	-
<b>Total outstanding dues of micro, small and medium enterprises</b>	<b>914.41</b>	<b>-</b>
Acceptances	5,930.45	2,329.05
Others	3,361.50	3,955.61
<b>Total outstanding dues of creditors other than micro, small and medium enterprises</b>	<b>9,291.95</b>	<b>6,284.66</b>
<b>Total</b>	<b>10,206.36</b>	<b>6,284.66</b>

**23.1** Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Amount remaining unpaid to Micro, Small and Midium Enterprises at the end of period</b>		
Principal	914.41	-
Interest	-	-
<b>Total</b>	<b>914.41</b>	<b>-</b>

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The total dues of Micro, Small and Midium Enterprises which were outstanding for more than stipulated period are ₹ Nil (Preivous Year: ₹ Nil)

**24. Other Current Financial Liabilities:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Current Maturities of Long Term Debts</b>		
---From Banks	<b>521.40</b>	319.03
---Foreign Currency Loans from Banks	<b>194.02</b>	415.57
-- External Commercial Borrowings	<b>109.21</b>	101.80
---From Others (Non-Banking Financial Company)	<b>95.46</b>	74.59
<b>Total Current Maturities of Long Term Debts</b> (Refer Note 19.1)	<b>920.09</b>	910.99
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles (Refer Note 19.1 & 19.3)	<b>15.69</b>	11.89
Interest on Borrowings		
---Accrued but not due	<b>3.19</b>	8.13
---Accrued and due	<b>3.35</b>	8.85
Contract Liabilities (Refer Note 42.2)	<b>2,434.92</b>	392.12
Unpaid Dividend (Refer Note 24.1)	<b>1.69</b>	1.49
<b>Total</b>	<b>3,378.93</b>	1,333.47

**24.1** Amount due and outstanding to be credited to Investor Education and Protection Fund ₹ Nil (Previous Year: ₹ Nil).

**25. Other Current Liabilities:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits Received	<b>14.66</b>	14.77
Employee Benefits Payable	<b>161.90</b>	98.85
Sundry Creditors-Capital Goods	<b>105.67</b>	77.42
Statutory Dues Payable	<b>175.26</b>	234.44
<b>Total</b>	<b>457.49</b>	425.48

**26. Current Provisions:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Employee Benefits</b>		
---Provision for Compensated Absences	<b>12.69</b>	9.54
---Provision for Gratuity	<b>99.36</b>	82.89
Other Provisions	<b>22.93</b>	18.86
<b>Total</b>	<b>134.98</b>	111.29

**26.1 Movement of Provisions (Current and Non-Current):**

(₹ in Millions)

Particulars	Compensated Absences	Gratuity	Warranty Provision
<b>As at 1<sup>st</sup> April, 2018</b>	<b>76.75</b>	<b>82.89</b>	<b>18.86</b>
Credited during the year	28.05	16.47	<b>20.88</b>
Utilized during the year	<b>5.85</b>	-	-
Unused amount reversal	-	-	<b>16.81</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>98.95</b>	<b>99.36</b>	<b>22.93</b>

**Provision for Compensated Absences:**

Compensated Absences is a terminal employee benefit, which covers Group's liability towards earned leaves of employees of the Group.

**Provision for Gratuity:**

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

**Provision for Warranty:**

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

**26.2 Disclosures under IND AS-19 "Employee Benefits":**

**Defined Contribution Plan:**

Amount recognized as an expense in defined contribution plans:

(₹ in Millions)

Particulars	Expense recognized during	
	FY 2018-19	FY 2017-18
Contribution to Employee Provident Fund & Employees Pension Scheme.	<b>45.01</b>	40.58

**a) The amounts recognised in the Balance Sheet is as under:**

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Present value of obligations as at the end of year	2018-19	217.02	98.95
	2017-18	171.11	76.75
Fair value of plan assets as at the end of the year	2018-19	117.66	-
	2017-18	88.22	-
Funded status	2018-19	(99.36)	-
	2017-18	(82.89)	(76.75)
Net Assets/(Liability) recognized in balance sheet	2018-19	99.36	98.95
	2017-18	82.89	76.75

**b) Expense recognized in Statement of Profit and Loss is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Current Service Cost	2018-19	22.96	17.42
	2017-18	18.19	14.96
Interest Cost on Defined Benefit Obligation	2018-19	13.18	5.91
	2017-18	9.89	4.14
Interest Income on Plan Assets	2018-19	6.79	-
	2017-18	5.42	-
Net Actuarial (Gain) / Loss recognized in the period	2018-19	6.38	4.72
	2017-18	4.48	4.73
Expenses recognized in Statement of Profit and Loss	2018-19	29.35	28.05
	2017-18	22.66	23.84

**c) Expenses recognized in Other Comprehensive Income is as under: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Actuarial (Gains)/Loss on Defined Benefit Obligation	2018-19	13.02	-
	2017-18	11.65	-
Actuarial (Gains)/Loss on Asset	2018-19	(0.27)	-
	2017-18	(0.54)	-
Actuarial Gain/(Loss) recognized in Other Comprehensive Income	2018-19	12.75	-
	2017-18	11.11	-

**d) Movements in the present value of the Defined Benefit Obligations: (₹ in Millions)**

Particulars	Year	Gratuity	Compensated Absences
Present Value of Obligations as at beginning of year	2018-19	171.11	76.75
	2017-18	137.39	57.51
Acquisition Adjustment	2018-19	-	-
	2017-18	-	-
Interest Cost	2018-19	13.18	5.91
	2017-18	9.89	4.14
Current Service Cost	2018-19	22.96	17.42
	2017-18	18.19	14.96
<b>Actuarial (Gains)/Losses arising from:</b>			
Changes in Demographic Assumptions	2018-19	Nil	Nil
	2017-18	Nil	Nil
Changes in Financial Assumptions	2018-19	1.72	0.66
	2017-18	6.74	2.53
Experience Adjustments	2018-19	11.29	4.06
	2017-18	4.90	2.21
Past Service Cost	2018-19	-	-
	2017-18	-	-
Benefits Paid	2018-19	(3.24)	(5.85)
	2017-18	(6.01)	(4.60)
Present value of obligations as at end of year	2018-19	217.02	98.95
	2017-18	171.11	76.75



e) Movements in fair value of Plan Assets:

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Fair Value of plan assets as on beginning of year	2018-19	88.22	-
	2017-18	75.22	-
Interest Income	2018-19	6.79	-
	2017-18	5.42	-
Re-measurement Gain/(Loss) - Return on plan assets (excluding amounts included in net interest expense)	2018-19	0.27	-
	2017-18	0.54	-
Contributions from the employer	2018-19	25.62	-
	2017-18	13.05	-
Benefits paid	2018-19	(3.24)	-
	2017-18	(6.01)	-
Fair value of Plan Assets at the end of year	2018-19	117.66	-
	2017-18	88.22	-

f) Movements in fair value of Plan Assets:

Particulars	Year	Gratuity	Compensated Absences
Discount Rate	2018-19	7.60%	7.60%
	2017-18	7.70%	7.70%
Expected rate of Future Salary Increase	2018-19	7.00%	7.00%
	2017-18	7.00%	7.00%
Retirement Age	2018-19	58 yrs	58 yrs
	2017-18	58 yrs	58 yrs
Mortality rates	2018-19	As per Indian Assured Lives Mortality (2006-08) Table	
	2017-18		
<b>Age</b>		<b>Withdrawal Rate</b>	<b>Withdrawal Rate</b>
Up to 30 Years	2018-19	3.00%	3.00%
	2017-18	3.00%	3.00%
From 31 to 44 years	2018-19	2.00%	2.00%
	2017-18	2.00%	2.00%
Above 44 years	2018-19	1.00%	1.00%
	2017-18	1.00%	1.00%

**Risks Associated with Plan Provisions:**

Valuations are based on certain assumptions which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

<b>Salary Increases</b>	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
<b>Investment Risk</b>	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If the plan liability is funded and return on plan assets is below this rate it will create a plan deficit.
<b>Discount Rate Risk</b>	A decrease in the bond interest rate (discount rate) will increase the plan liability.
<b>Mortality &amp; Disability</b>	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability.

**g) Maturity Profile of Defined Benefit Obligation is as under:**

Duration of defined benefit obligation:

(₹ in Millions)

Duration (years)	Year	Gratuity	Compensated Absences
1	2018-19	62.46	12.69
	2017-18	48.47	9.54
2	2018-19	6.27	9.44
	2017-18	5.43	7.40
3	2018-19	10.77	9.10
	2017-18	5.01	6.65
4	2018-19	7.97	7.89
	2017-18	8.74	6.52
5	2018-19	6.32	6.61
	2017-18	5.98	5.44
Above 5	2018-19	123.23	53.22
	2017-18	97.48	41.21

**h) Summary of Membership Data:**

Particulars	As at 31 <sup>st</sup> March, 2019	
	Gratuity	Compensated Absences
Number of Employees	1,793	1,793
Total Monthly Salary for Gratuity (₹ in Millions)	48.00	-
Total Monthly Salary for leave Availment (₹ in Millions)	-	48.00
Average Past Service (Years)	5.72 yrs	5.72 yrs
Average Age (Years)	36.50 yrs	36.50 yrs
Average Remaining Working Life (Years)	21.50 yrs	21.50 yrs

i) Major Category of Plan Assets (as percentage of total plan assets) is as under:

Particulars	Year	Gratuity	Compensated Absences
Fund Managed by Insurer	2018-19	99.36	Nil
	2017-18	82.89	Nil

j) Sensitivity analysis is as under:

Impact of the Change in Discount Rate:

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Impact due to Increase of 1%	2018-19	200.98	92.74
	2017-18	158.41	71.94
Impact due to Decrease of 1%	2018-19	235.88	105.99
	2017-18	186.03	82.20

Impact of the Change in Salary Increase:

(₹ in Millions)

Particulars	Year	Gratuity	Compensated Absences
Impact due to Increase of 1%	2018-19	235.81	105.96
	2017-18	185.99	82.18
Impact due to Decrease of 1%	2018-19	200.76	92.65
	2017-18	158.22	71.87

27. Current Tax Liability (Net):

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Tax expense comprises of:</b>		
Opening balance (Receivables)/Payables	34.43	14.13
Current tax payable for the year	924.75	669.33
Less : Taxes paid during the year	865.08	527.52
Less : MAT Credit Entitlement	-	121.51
<b>Closing balance Liabilities (Net)</b>	<b>94.10</b>	<b>34.43</b>

27.1 Provision for Income Tax for the year is after considering MAT Credit Entitlement of ₹ NIL (Previous Year: ₹ 121.51 Millions)

## 28. Revenue From Operations (Gross):

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Revenue from contract with customer</b>				
<b>Sale of Products</b>				
---Manufactured Goods	<b>32,100.09</b>		26,005.26	
---Traded Goods	<b>46.13</b>		10.83	
<b>Sale of Services</b>				
---Income from EPC Projects	<b>9,658.26</b>		8,672.21	
---Job Work	<b>0.43</b>		3.91	
<b>Other Revenue</b>				
---Scrap	<b>317.92</b>	<b>42,122.83</b>	268.06	34,960.27
<b>Other operating Revenues</b>				
--- Export Benefits	<b>143.91</b>		42.23	
--- Unadjusted Credit balances written back	<b>43.06</b>	<b>186.97</b>	28.69	70.92
<b>Total</b>		<b>42,309.80</b>		35,031.19

**28.1** For Disclosures related to IND AS 115 "Revenue from Contract with Customers" refer Note no. 42.

## 29. Other Income:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Dividend from long term investments		<b>0.22</b>		0.04
Interest Income from Bank Deposits/Others		<b>36.83</b>		6.48
Interest Income from financial assets at amortized cost		<b>2.06</b>		1.57
Miscellaneous Income		<b>11.55</b>		-
Insurance Claims		<b>21.28</b>		10.00
Exchange Fluctuation (Net)		-		74.90
<b>Total</b>		<b>71.94</b>		92.99

## 30. Cost of Materials Consumed:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Raw Material Consumed:</b>				
Opening Stock	<b>1,108.52</b>		1,188.75	
Add : Purchases	<b>27,792.75</b>		21,072.75	
Less : Closing Stock	<b>1,089.15</b>		1,108.52	
Less : Captive use	<b>40.30</b>	<b>27,771.82</b>	13.84	21,139.14
<b>EPC Project Materials</b>				
Opening Stock	<b>4.71</b>		20.02	
Add : Purchases	<b>3,133.67</b>		3,268.32	
Less: Closing Stock	<b>543.31</b>	<b>2,595.07</b>	4.71	3,283.63
<b>Total</b>		<b>30,366.89</b>		24,422.77

**31. Purchases of Stock in Trade:**

(₹ in Millions)

Class of Goods	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Miscellaneous		38.78		15.12
<b>Total</b>		<b>38.78</b>		<b>15.12</b>

**32. Changes in Inventory of Finished Goods, Work in Progress and Stock in trade:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Opening Stock</b>				
--- Finished Goods	2,228.38		1,778.30	
--- Stock in Trade	10.62		6.64	
--- Work in Progress	1,623.35		1,766.88	
--- Scrap	21.41	3,883.76	5.75	3,557.57
<b>Less : Closing Stock</b>				
--- Finished Goods	2,942.36		2,228.38	
--- Stock in Trade	42.36		10.62	
--- Work in Progress	1,951.67		1,623.35	
--- Scrap	29.14	4,965.53	21.41	3,883.76
<b>Total</b>		<b>(1,081.77)</b>		<b>(326.19)</b>

**33. Employee Benefits Expense:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Salaries, Wages & Other Benefits	1,585.52		1,318.11	
Contribution to Provident & Other Funds	74.35		64.19	
Expense on Share Based Payments to Employees	18.68		33.04	
Staff Welfare Expenses	55.39	1,733.94	56.33	1,471.67
<b>Total</b>		<b>1,733.94</b>		<b>1,471.67</b>

**33.1 Compensation Paid To Key Managerial Personnel included in above:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Salaries, Wages & Other Benefits		166.15		122.94
Contribution to Provident & Other Funds		0.09		0.08
Director's Meeting Fee		6.30		3.75
Expense on Share Based Payments to Employees		5.60		11.25
<b>Total</b>		<b>178.14</b>		<b>138.02</b>

### 34. Finance Costs:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Interest expenses		<b>949.83</b>		884.47
Other borrowing costs		<b>405.98</b>		234.22
Fair value changes on interest rate swap		<b>0.27</b>		-
<b>Total</b>		<b>1,356.08</b>		1,118.69

### 35. Depreciation and Amortization Expense:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Depreciation on Property, Plant & Equipment		<b>328.46</b>		313.01
Amortization on Other Intangible Assets		<b>11.02</b>		9.29
<b>Total</b>		<b>339.48</b>		322.30

### 36. Sub Contractor Expenses for EPC Projects:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Sub Contractor's Expenses		<b>1,121.17</b>		1,085.54
<b>Total</b>		<b>1,121.17</b>		1,085.54

### 37. Excise Duty:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Excise Duty on Sales		-		505.50
Excise Duty on Stock/Transfers*		-		(129.30)
<b>Total</b>		-		376.20

\*Represents excise duty borne by Group and difference between excise duty on opening stock and closing stock of finished goods and stock transfers.

### 38. Other Expenses:

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Stores, Spares & Consumables		<b>123.98</b>		147.42
Packing Expenses		<b>1,012.78</b>		813.04
Job Work Charges		<b>678.70</b>		565.88
Power, Fuel & Lighting		<b>542.33</b>		440.02
Repairs & Maintenance				
--- Plant & Machinery	<b>187.80</b>		154.49	
--- Building	<b>7.85</b>		9.07	
--- Others	<b>24.10</b>	<b>219.75</b>	24.40	187.96

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Freight, Handling and Octroi		972.13		799.36
Rebate, Discount, Commission on Sales		188.15		226.38
Bad Debts Written off		68.00		124.96
ECL on Debtors		5.26		4.09
Rates & Taxes		96.37		116.51
Rent		95.00		75.30
Insurance		75.10		58.40
Travelling & Conveyance		227.42		177.05
Advertisement & Publicity		194.44		148.51
Auditor's Remuneration (Refer Note 38.1)		4.43		4.40
Loss on sales of Fixed Assets (Net)		1.21		1.36
Fixed Assets Written off		2.83		3.58
Communication Expenses		35.56		33.18
Donations		5.67		4.00
Professional & Consultancy Charges		289.07		145.39
Miscellaneous Expenses		576.12		503.71
Exchange Fluctuation (Net)		296.21		-
Corporate Social Responsibility Expenditure (Refer Note 38.3)		14.79		12.65
<b>Total</b>		<b>5,725.30</b>		<b>4,593.15</b>

**38.1 Auditor's Remuneration:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Audit Fee		3.00		3.00
Limited Review Fee		0.60		0.60
Tax Audit		0.60		0.60
For Other Services		0.23		0.20
<b>Total</b>		<b>4.43</b>		<b>4.40</b>

**38.2** Gross amount required to be spent on Corporate Social Responsibility by the Group during the year ₹ 29.00 Millions (Previous Year: ₹ 18.84 Millions)

**38.3 Amount spent on Corporate Social Responsibility during the year on:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
i) Construction/Acquisition of assets		-		-
ii) On purpose other than (i) above		14.79		12.65
<b>Total</b>		<b>14.79</b>		<b>12.65</b>

**39. Income Tax Expense:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>(a) Income tax expense</b>				
Current tax				
Current tax on Profit for the year		<b>928.81</b>		669.27
MAT Credit Entitlement		-		(121.51)
Adjustment to current tax of prior periods		<b>(4.06)</b>		0.06
Total current tax expenses		<b>924.75</b>		547.82
<b>Deferred tax</b>				
(Decrease) /Increase in deferred tax liabilities		<b>49.65</b>		49.14
Total deferred tax expenses/(benefit)		<b>49.65</b>		49.14
Total Income tax expense		<b>974.40</b>		596.96
<b>(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate</b>				
Profit from operations before income tax expense		<b>2,781.87</b>		2,044.93
India Tax Rate including applicable surcharge and cess		<b>34.94%</b>		34.61%
Australia Tax Rate		<b>27.50%</b>		27.50%
<b>Tax effect of amounts which are not deductible (allowable) in calculating taxable income :</b>				
Depreciation on PPE for separate consideration		<b>339.48</b>		322.30
Employee benefits for separate consideration		<b>39.10</b>		34.64
Corporate Social Responsibility expenditure/Donation		<b>20.46</b>		16.65
<b>Other items :</b>				
Deduction under various sections of Income Tax Act, 1961		<b>36.78</b>		24.57
		<b>435.82</b>		398.16
<b>Tax effect of amounts which are deductible (allowable) in calculating taxable income :</b>				
Exempt income		<b>0.22</b>		0.04
Depreciation on PPE for separate consideration		<b>534.94</b>		465.82
Employee benefits for separate consideration		<b>18.73</b>		19.81
Income from subsidiary taxable at different tax rate		<b>(11.16)</b>		3.32
<b>Other items :</b>				
Corporate Social Responsibility Expenditure/Donation		<b>7.06</b>		7.51
Allowed under various sections of Income Tax Act, 1961		<b>10.11</b>		15.24
		<b>559.90</b>		511.74
<b>Total Net Taxable Income</b>		<b>2,657.79</b>		1,931.35
<b>Tax at India tax rate</b>		<b>928.75</b>		668.40
<b>Tax at Australia tax rate</b>		<b>0.06</b>		0.92
<b>Actual Tax Expense booked</b>		<b>928.81</b>		669.32
<b>Effective Tax Rate</b>		<b>33.39%</b>		32.69%



**40. Other Comprehensive Income:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
<b>Items that will not be re-classified to profit or loss :</b>				
Re-measurement gains (losses) on defined benefit plans		(12.75)		(11.11)
Net (loss)/gain on FVTOCI equity securities		(12.62)		1.26
Income tax effect of the above		6.32		3.88
<b>Items that will be reclassified to profit or loss:</b>				
Net gain on hedge of a net investment		-		-
Income tax effect		-		-
Exchange differences on translation of foreign operations		0.06		(3.53)
Income tax effect		(0.02)		1.23
		(19.01)		(8.27)

**41. Earnings Per Equity Share ('EPS') pursuant to IND AS-33 has been calculated as follows:**

**(a) Earnings Per Equity Share**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Profit after taxation (₹ in Millions)		1,807.47		1,447.82
Basic Earnings Per Share (₹)		22.98		18.54
Diluted Earnings Per Share (₹)		22.74		18.21
Face Value Per Equity Share (₹)		2.00		2.00

**(b) Weighted Average Number of Equity Shares Used as Denominator:**

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
Number of Equity shares at the beginning of the year		78,361,438		77,797,438
Add: Weighted average number of equity shares issued during the year		290,499		290,499
<b>Weighted average number of Equity shares for Basic EPS</b>		<b>78,651,937</b>		<b>78,087,937</b>
Add: Adjustment for Employee Stock Options outstanding		845,227		1,401,501
<b>Weighted average number of equity shares for Diluted EPS</b>		<b>79,497,164</b>		<b>79,489,438</b>

42. Disclosures as required under IND-AS 115 "Revenue from contracts with customers" are given below:

42.1 Disaggregation of Revenue:

Year Ended 31<sup>st</sup> March, 2019

(₹ in Millions)

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Manufactured Goods	30,731.58	1,368.51	583.98	(583.98)	32,100.09
--- Traded Goods	21.67	-	24.46	-	46.13
--- Income From EPC Projects	-	-	9,658.26	-	9,658.26
--- Job works	-	0.43	-	-	0.43
--- Scraps	314.54	3.38			317.92
<b>Total</b>	<b>31,067.79</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,122.83</b>

(₹ in Millions)

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Point in time	31,067.79	1,372.32	24.46	(583.98)	31,880.59
--- Over the time	-	-	10,242.24	-	10,242.24
<b>Total</b>	<b>31,067.79</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,122.83</b>

(₹ in Millions)

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- India	26,736.05	679.82	9,756.80	(415.00)	36,757.67
--- others	4,331.74	692.50	509.90	(168.98)	5,365.16
<b>Total</b>	<b>31,067.79</b>	<b>1,372.32</b>	<b>10,266.70</b>	<b>(583.98)</b>	<b>42,122.83</b>

Year Ended 31<sup>st</sup> March, 2018

(₹ in Millions)

Product type	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- Manufactured Goods	24,837.41	1,167.85	861.69	(861.69)	26,005.26
--- Traded Goods	8.09	-	2.74	-	10.83
--- Income From EPC Projects	-	-	8,672.21	-	8,672.21
--- Job works	-	3.91	-	-	3.91
--- Scarps	264.63	3.43	-	-	268.06
<b>Total</b>	<b>25,110.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,960.27</b>

(₹ in Millions)

Timing of transfer of goods and services	Cables	Stainless Steel Wire	EPC Projects	Inter* Segment Elimination	Total
--- Point in time	25,110.13	1,175.19	2.74	(861.69)	25,426.37
--- Over the time	-	-	9,533.90	-	9,533.90
<b>Total</b>	<b>25,110.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,960.27</b>

(₹ in Millions)

Geographical Markets	Cables	Stainless Steel Wire	EPC Projects	Inter-Segment Elimination	Total
--- India	20,938.65	737.59	9,536.64	(861.69)	30,351.19
--- others	4,171.48	437.60	-	-	4,609.08
<b>Total</b>	<b>25,110.13</b>	<b>1,175.19</b>	<b>9,536.64</b>	<b>(861.69)</b>	<b>34,960.27</b>

**42.2 Contract Balances:**

(₹ in Millions)

Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
<b>Current :</b>				
---Advance received from Customers	-	2,022.97	-	372.85
---Incentive Payable to Customers	-	142.53	-	-
---Income received in advance	-	269.42	-	19.27
---Unbilled Revenue	1,040.47	-	521.02	-
<b>Total</b>	<b>1,040.47</b>	<b>2,434.92</b>	<b>521.02</b>	<b>392.12</b>

**42.3 Trade Receivables from Contract with customer are separately shown in Note no. 11**

Trade Receivables includes Retention by Customers ₹ 2,274.04 Millions (Previous year: ₹ 1,850.54 Millions).

**42.4 Remaining performance obligations to be executed over a period of more than one year\*:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021
--- Manufactured Goods	-	-	-
--- EPC Projects	26,210.86	13,713.43	-
<b>Total</b>	<b>26,210.86</b>	<b>13,713.43</b>	-

\* Based on the estimates of the Management.

**42.5 Reconciliation of revenue recognized with Contract Price**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019
<b>Gross revenue recognized during the year ended on 31<sup>st</sup> March, 2019</b>	42,546.06
Add: Incentives paid/payable to Customers	(207.91)
Add: Discount paid/payable to Customers	(250.79)
Add: Other Variable Consideration	35.47
<b>Net revenue recognized during the year ended on 31<sup>st</sup> March, 2019</b>	<b>42,122.83</b>

#### 42.6 Disclosures applicable only to entities applying IND AS 115 on retrospective with the Cumulative effect method:

(₹ in Millions)

Particulars	Without adoption of IND-AS 115	Increase/ (Decrease)	As per IND-AS 115
Revenue from Contract with Customers	42,385.42	(262.59)	42,122.83
Expenses related to Incentives and variable consideration to customers	262.59	(262.59)	-
Expenses Payable related to Incentives and variable consideration to customers	142.53	(142.53)	-
Contract Liability	-	142.53	142.53

#### 43. Employee Stock Options:

- a) The Parent Company had approved "KEI Employees Stock Option Scheme" (KEI ESOS-2015 or Scheme) for granting Employees Stock Options in the form of Equity Shares to eligible employees and the same was approved by the members of the Parent Company on September 16, 2015. The plan is administered under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Parent Company ("Committee") in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions for the time being in force. The Nomination and Remuneration Committee had granted 22,52,000 Options on September 23, 2015 which will vest over a period of four years from the date of grant. Further Nomination and Remuneration Committee had granted fresh 15,000 Options during the current Financial Year on September 25, 2018 which will vest over a period of one year from the date of grant in the following manner:

Vesting Particulars of Options granted on 23.09.2015	Options vested	Weighted average exercise price (₹)	Weighted average remaining life in years
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	560,000	35.00	1.04
2 <sup>nd</sup> vesting - at the end of 2 <sup>nd</sup> year from the date of grant	564,000	35.00	2.04
3 <sup>rd</sup> vesting - at the end of 3 <sup>rd</sup> year from the date of grant	564,000	35.00	3.04
4 <sup>th</sup> vesting - at the end of 4 <sup>th</sup> year from the date of grant	564,000	35.00	4.04

Vesting Particulars of Options granted on 25.09.2018	Options vested	Weighted average exercise price (₹)	Weighted average remaining life in years
1 <sup>st</sup> vesting - at the end of 1 <sup>st</sup> year from the date of grant	15,000	35.00	1.04
<b>Total Options Granted at an exercise price of ₹ 35.00 per option</b>			

- b) The above said options can be exercised any time within a period of 30 days from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid scheme. During the year 2017-18 & 2018-19, Share Allotment Committee allotted Equity Shares of face value ₹ 2/- each to the eligible employees as per Scheme.

Summary of options granted under the Scheme are:

Particulars	KEI ESOS 2015		
	Tranche 2	Tranche 1	
	2018-19	2018-19	2017-18
Date of Grant	25.09.2018	23.09.2015	23.09.2015
Options outstanding at the beginning of the year	Nil	1,128,000	1,692,000
Options Granted during the year	15,000	Nil	Nil
Option forfeited during the year	Nil	Nil	Nil
Option vested	Nil	564,000	564,000
Option exercised	Nil	564,000	564,000
Option expired during the year	Nil	Nil	Nil
Options outstanding at the end of the year	15,000	564,000	1,128,000
Weighted Average Share Price at the date of exercise of Options (₹ per share)	Not Exercised	341.29	312.68

Refer Note 33 for expense recognized during the year on account of ESOP as per IND AS -102 Share Based Payments.

- c) The fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	KEI ESOS-2015		
	Tranche 2	Tranche 1	
	2018-19	2018-19	2017-18
1. Weighted average risk-free interest rate	8.13%	7.73%	7.63%
2. Weighted average expected life of options (Years)	1.04	3.04	2.04
3. Weighted average expected volatility	44.13%	56.93%	63.55%
4. Weighted average expected dividends over the life of the option	0.21%	0.27%	0.27%
5. Weighted average exercise price (₹)	35.00	35.00	35.00
6. Weighted average share price at the time of option grant (₹)	333.70	98.80	98.80

The expected price volatility is based on historical volatility.

#### 44. Lease obligations:

##### 44.1 Future lease obligation by way of lease rental on Hire Purchase of Vehicles:

(₹ in Millions)

Due	Total Minimum lease payments outstanding		Future Interest on outstanding		Present value of minimum lease payments	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Within one year	18.46	14.14	2.77	2.25	15.69	11.89
Later than one year and not later than five years	23.76	19.95	1.65	1.69	22.11	18.26
More than Five years	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total:</b>	<b>42.22</b>	<b>34.09</b>	<b>4.42</b>	<b>3.94</b>	<b>37.80</b>	<b>30.15</b>

**44.2** Group has taken land on long term financial lease from various Government Authorities in India. Present value of minimum lease payment under finance lease is NIL.

**44.3** Refer note no. 19.3 for terms and conditions in respect of hire-purchase of vehicles on finance lease.

**44.4 Operating Leases-Other than non-cancellable:**

Group has entered into lease transactions during the current financial year mainly for leasing of warehouses/offices/residential premises and leased accommodations for its employees for periods up to 10 years. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. Operating lease payments are recognized in the Profit & Loss under respective heads.

**44.5 Future minimum lease payments under non-cancellable operating lease: (₹ in Millions)**

Due	Lease Payment	
	2018-19	2017-18
Within one year	1.58	2.14
Later than one year and not later than five years	2.03	3.60
More than Five years	-	-
<b>Total:</b>	<b>3.61</b>	<b>5.74</b>

**45. Contingent Liabilities & Commitments: (₹ in Millions)**

Particulars	Year Ended	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>45.1 Claims against Group not acknowledged as debt:</b>		
a) Sales Tax / Entry Tax demands under appeal	9.49	9.49
b) Income tax Matters:		
Demand due to Additions / disallowances during Assessments, which are under Appeal	13.67	2.16
c) Excise / Service tax demands under appeal	81.53	76.80
d) Misc. claims against Group in Labour Court	1.07	-
<b>45.2 Guarantees against Performance / Security Deposit / EMD:</b>	<b>13,569.71</b>	<b>7,895.13</b>
<b>45.3 Other money for which Company is contingently liable:</b>		
a) Unutilized Letter of Credits	275.44	615.53
b) Outstanding LC Discounted	577.87	884.19
<b>45.4 Commitments:</b>		
Estimated amount of contracts remaining to be executed on Capital Account	302.93	132.92

**46. Related Party Disclosures as required by Indian Accounting Standard (IND AS-24):**

**a) Name of Related Parties :**

**i) Jointly Controlled Entity**

**Joint Venture**

Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
India	100% share in Profit/Loss	

**ii) Associate**

KEI Cables SA (PTY) Limited

Place of Business/Country of Incorporation	Ownership Interest	
	As at 31.03.2019	As at 31.03.2018
South Africa	49%	N.A.

**iii) Co-Venturer of Joint Venture:**

Brugg Kabel AG Switzerland

**iv)**

Key Managerial Personnel (KMP):	Designation
Shri Anil Gupta	Chairman-cum-Managing Director
Shri Rajeev Gupta	Executive Director Finance & CFO
Shri Akshit Diviaj Gupta	Whole Time Director w.e.f. 10 <sup>th</sup> May, 2017
Shri Kishore Kunal	GM Corporate & Company Secretary
Smt. Archana Gupta	Non-Executive Director
Shri Kishan Gopal Somani	Independent Director
Shri Pawan Bholusaria	Independent Director
Shri Sadhu Ram Bansal	Independent Director
Shri Vikram Bhartia	Independent Director
Shri Vijay Bhushan	Independent Director
Smt. Shalini Gupta	Independent Director (w.e.f. 18 <sup>th</sup> February, 2019)
Shri Manoj Kakkar	Director in KEI Cables Australia PTY Limited, Subsidiary Company
Mr. Michael Wicks	Director in KEI Cables Australia PTY Limited, Subsidiary Company
Shri Kunal Gupta	Director in KEI Cables SA (PTY) Limited, Associate Company w.e.f. 12 <sup>th</sup> September, 2018
Ms. Thavashnee Pillay	Director in KEI Cables SA (PTY) Limited, Associate Company w.e.f. 12 <sup>th</sup> September, 2018

**v) Other related parties where KMP are interested**

Anil Gupta (HUF)

Projection Financial & Management Consultants Private Limited

Shubh Laxmi Motels & Inns Private Limited

Soubhagya Agency Private Limited

Dhan Versha Agency Private Limited

KEI Cables Private Limited

KEI International Limited

Physio Active Private Limited

**vi) Relatives of KMP with whom transaction have taken place:**

Shri Sunil Gupta

Late Smt. Sumitra Devi Gupta (Expired on 9<sup>th</sup> June, 2017)

Smt. Shashi Gupta

Smt. Vimla Devi

Smt. Veena Agarwal

Smt. Shweta Jha

Shri Akshit Diviaj Gupta (From 1<sup>st</sup> April, 2017 to 9<sup>th</sup> May, 2017)

**vii) Other related parties where relatives of KMP are interested**

Sunil Gupta (HUF)

Ashwathama Constructions Private Limited

**viii) Post employee benefit plan for the benefitted employees**

KEI Industries Limited Employee Group Gratuity Fund

**(b) Transactions with related parties**

		(₹ in Millions)	
Sr. No.	Particulars	2018-19	2017-18
(i)	<b>Sales</b>		
	<b>Other related parties where KMP are interested</b>		
	Physio Active Private Limited	-	0.09
		-	0.09
(ii)	<b>Settlement of liabilities on behalf of related party</b>		
	<b>Jointly Controlled entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.01	0.62
		0.01	0.62
(iii)	<b>Interest expense on deposits/ Unsecured Loan</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	17.97	-
	Shri Akshit Diviaj Gupta	0.14	0.02
	Shri Kishore Kunal	-	0.05
		18.11	0.07
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	1.95	1.28
	KEI International Limited	0.05	-
	KEI Cables Private Limited	0.19	0.08
		2.19	1.36
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta	-	0.02
Shri Sunil Gupta	0.53	0.35	
Smt. Shweta Jha	0.19	0.17	
	0.72	0.54	
<b>Other related parties where relatives of KMP are interested</b>			
Sunil Gupta (HUF)	0.36	0.31	
	0.36	0.31	
(iv)	<b>Lease Rental Paid</b>		
	<b>Key Managerial Personnel</b>		
	Smt. Archana Gupta	0.96	0.96
		0.96	0.96



(₹ in Millions)

Sr. No.	Particulars	2018-19	2017-18
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.68	0.60
	Projection Financial & Management Consultants Private Limited	6.10	2.90
	Dhan Versha Agency Private Limited	3.35	3.00
		10.13	6.50
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	17.10	14.40
		17.10	14.40
(v)	<b>Managerial remuneration</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	147.24	107.73
	Shri Rajeev Gupta	9.72	8.41
	Shri Akshit Diviaj Gupta	6.03	4.32
		162.99	120.46
(vi)	<b>Employee Benefits Expenses</b>		
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	3.25	2.56
		3.25	2.56
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Akshit Diviaj Gupta	-	0.24
		-	0.24
(vii)	<b>Expense on Share Based Payments to Employees</b>		
	Shri Rajeev Gupta	4.38	8.79
	Shri Kishore Kunal	1.22	2.46
		5.60	11.25
(viii)	<b>Director Meeting Fees paid</b>		
	<b>Key Managerial Personnel</b>		
	Smt. Archana Gupta	1.12	0.65
	Shri Kishan Gopal Somani	0.60	0.50
	Shri Pawan Bholusaria	1.72	1.10
	Shri Sadhu Ram Bansal	0.53	-
	Shri Vikram Bhartia	1.28	0.85
	Shri Vijay Bhushan	1.05	0.65
		6.30	3.75
(ix)	<b>Defined Benefit Obligation for Gratuity Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	45.00	36.06

(₹ in Millions)

Sr. No.	Particulars	2018-19	2017-18
	Shri Rajeev Gupta	5.24	4.39
	Shri Akshit Diviaj Gupta	0.72	0.07
	Shri Kishore Kunal	0.77	0.58
		51.73	41.10
(x)	<b>Defined Benefit Obligation for Leave Encashment Benefit (Included in Managerial Remuneration &amp; Employee benefit expenses)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	1.46	1.32
	Shri Akshit Diviaj Gupta	0.64	0.09
	Shri Kishore Kunal	0.60	0.50
		2.70	1.91
(xi)	<b>Contribution to post employee benefit plan</b>		
	<b>Post employee benefit plan for the benefitted employees</b>		
	KEI Industries Limited Employee Group Gratuity Fund	26.00	14.00
		26.00	14.00
(xii)	<b>Dividend Paid</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	13.68	8.21
	Shri Rajeev Gupta	0.27	0.10
	Shri Kishore Kunal	0.07	0.03
	Smt. Archana Gupta	0.84	0.50
	Shri Kishan Gopal Somani ₹ 1000/- (Previous Year: ₹ 600)	0.00	0.00
	Shri Pawan Bholusaria ₹ 4500/- (Previous Year: ₹ 2700)	0.00	0.00
	Shri Vikram Bhartia	0.01	0.01
		14.87	8.85
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	4.65	2.79
	Projection Financial & Management Consultants Private Limited	7.90	4.74
	Shubh Laxmi Motels & Inns Private Limited	3.48	2.09
	Soubhagya Agency Private Limited	3.13	1.88
	Dhan Versha Agency Private Limited	1.00	0.60
	KEI Cables Private Limited	1.58	0.95
		21.74	13.05
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta ₹ 1300 (Previous Year: ₹ 3,780/-)	0.00	0.00
	Smt. Shashi Gupta ₹ 1500 (Previous Year: ₹ 900/-)	0.00	0.00
	Smt. Vimla Devi	0.06	0.04
	Smt. Veena Agarwal NIL (Previous Year: ₹ 300/-)	-	0.00
		0.06	0.04

(₹ in Millions)

Sr. No.	Particulars	2018-19	2017-18
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF) ₹ 500 (Previous Year: ₹ 180/-)	0.00	0.00
		0.00	0.00
(xiii)	<b>Investment in equity shares</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2349 (Previous Year: NIL)	0.00	-
		0.00	-
(xiv)	<b>Equity Share Allotment ( ESOS Scheme)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	0.30	0.30
	Shri Kishore Kunal	0.08	0.08
		0.38	0.38
(xv)	<b>Security Premium on share allotment ( KEI ESOS-2015)</b>		
	<b>Key Managerial Personnel</b>		
	Shri Rajeev Gupta	4.95	4.95
	Shri Kishore Kunal	1.39	1.39
		6.34	6.34
(xvi)	<b>Advance Given</b>		
	<b>Jointly Controlled entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland ( Association of Persons)	0.05	7.76
		0.05	7.76
(xvii)	<b>Loan Given</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2443 (Previous Year: ₹ NIL)	0.00	-
		0.00	-
(xviii)	<b>Deposits/Unsecured Loan received during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	20.00	-
	Shri Akshit Diviaj Gupta	3.50	-
	Shri Kishore Kunal	-	1.20
		23.50	1.20
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	7.00	18.50
	KEI Cables Private Limited	3.00	-
	KEI International Limited	1.20	-
		11.20	18.50

(₹ in Millions)

Sr. No.	Particulars	2018-19	2017-18
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	7.80	5.00
	Smt. Shweta Jha	0.55	1.85
		8.35	6.85
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	-	4.00
		-	4.00
(xix)	<b>Deposits/Unsecured Loan paid during the year</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	17.00	45.00
	Shri Akshit Diviaj Gupta	1.00	0.42
	Shri Kishore Kunal	-	1.20
		18.00	46.62
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	-	3.00
		-	3.00
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Late Smt. Sumitra Devi Gupta	-	0.65
	Shri Sunil Gupta	12.80	2.50
	Smt. Shweta Jha	-	1.75
		12.80	4.90
	<b>Other related parties where relatives of KMP are interested</b>		
	Sunil Gupta (HUF)	-	2.50
		-	2.50
(xx)	<b>Outstanding of Security Deposit Given</b>		
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	0.15	0.15
	Projection Financial & Management Consultants Private Limited	4.22	1.65
		4.37	1.80
(xxi)	<b>Expenses Payable</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	45.20	4.21
	Shri Rajeev Gupta	0.29	0.58
	Shri Akshit Diviaj Gupta	0.33	1.72
	Shri Kishore Kunal	0.13	0.17
		45.95	6.68
(xxii)	<b>Advance Outstanding</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Joint Venture</b>		
	Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland (Association of Persons)	0.33	0.91
		0.33	0.91

(₹ in Millions)

Sr. No.	Particulars	2018-19	2017-18
(xxiii)	<b>Loan Outstanding</b>		
	<b>Jointly Controlled Entity</b>		
	<b>Associate</b>		
	KEI Cables SA (PTY) Limited ₹ 2443 (Previous Year: ₹ NIL)	0.00	-
		0.00	-
	<b>Key Managerial Personnel</b>		
	Shri Kishore Kunal	0.47	0.75
		0.47	0.75
(xxiv)	<b>Credit balance of deposits/ unsecured loan outstanding as at the year end</b>		
	<b>Key Managerial Personnel</b>		
	Shri Anil Gupta	208.00	205.00
	Shri Akshit Diviaj Gupta	2.50	-
		210.50	205.00
	<b>Other related parties where KMP are interested</b>		
	Anil Gupta (HUF)	25.50	18.50
	KEI Cables Private Limited	3.80	0.80
	KEI International Limited	1.20	-
		30.50	19.30
	<b>Relatives of Key Managerial Personnel with whom transaction have taken place</b>		
	Shri Sunil Gupta	-	5.00
	Smt. Shweta Jha	2.40	1.85
	2.40	6.85	
<b>Other related parties where relatives of KMP are interested</b>			
Sunil Gupta (HUF)	4.00	4.00	
	4.00	4.00	

**c) Other Information**

- (i) Shri Anil Gupta, Chairman-cum-Managing Director has given personal guarantee to lender banks for company's borrowings.
- (ii) The company has given Performance Bank Gurantees of ₹ 61.61 Millions (Previous Year: ₹ 61.61 Millions) on behalf of Joint Venture of M/s KEI Industries Limited, New Delhi & Brugg Kabel AG Switzerland.
- (iii) Disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed.
- (iv) All outstanding balances pertaining to loans and security deposits with related parties are at fair value.
- (v) No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.
- (vi) Inter-corporate loans/advances have been given for business purposes only.
- (vii) Shri Manoj Kakkar, Director of Subsidiary Company M/s KEI Cables Australia PTY Limited is in employment with parent company and has not drawn any remuneration from M/s KEI Cables Australia PTY Limited.
- (viii) Shri Kunal Gupta, Director of Associate Company M/s KEI Cables SA (PTY) Limited is in employment with parent company and has not drawn any remuneration from M/s KEI Cables SA (PTY) Limited .

#### 47. Disclosure as per Indian Accounting Standard (IND AS) 108 "Operating Segments":

**(i) Basis of identifying operating segments, reportable segments, segment profit and definition of each reportable segment:**

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components; (b) whose operating results are regularly reviewed by the Company's Management to make decisions about resource allocation and performance assessment and (c) for which separate financial information is available.

The Company has three reportable segments as described under "Segment Composition" below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements.

**(ii) Reportable segments:**

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

**(iii) Segment composition**

Cable Segment comprises manufacturing, sale and marketing of all range of power cables such as - Low Tension (LT), High Tension (HT) and Extra High Voltage (EHV), Control and Instrumentation Cables, Specialty Cables, Elastomeric / Rubber Cables, Submersible Cables, Flexible and House Wires, Winding Wires etc.

Engineering, Procurement and Construction (EPC) projects Segment comprises of survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.

Stainless Steel Wire Segment comprises manufacturing sale and Job work related to Stainless Steel Wires.

**(iv) Segment Revenue, Expenditure & Profit:**

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's management.

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

**(v) Segment Asset Liabilities and Capital Expenditure:**

The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities

Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

(₹ in Millions)

Particulars	Cables		Stainless steel Wire		EPC Projects		Unallocated		Inter-Segment Elimination		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Revenue (Gross)</b>												
External	30,611.66	24,313.27	1,380.20	1,182.55	10,332.55	9,561.48	-	-	(14.61)	(26.11)	42,309.80	35,031.19
Inter-Segment Revenue	3,024.65	3,019.06	-	-	-	-	-	-	(3,024.65)	(3,019.06)	-	-
<b>Total Revenue</b>	<b>33,636.31</b>	<b>27,332.33</b>	<b>1,380.20</b>	<b>1,182.55</b>	<b>10,332.55</b>	<b>9,561.48</b>	<b>-</b>	<b>-</b>	<b>(3,039.26)</b>	<b>(3,045.17)</b>	<b>42,309.80</b>	<b>35,031.19</b>
<b>Result</b>												
Segment Result	3,664.37	2,964.32	90.93	70.57	1,422.22	1,038.44	-	-	(14.61)	(26.11)	5,162.91	4,047.22
Unallocated Expenditure net of unallocated income							(1,062.01)	(890.27)			(1,062.01)	(890.27)
Interest Expenses							(1,356.08)	(1,118.69)			(1,356.08)	(1,118.69)
Interest Income							36.83	6.48			36.83	6.48
Dividend Income							0.22	0.04			0.22	0.04
<b>Profit Before Tax</b>	<b>3,664.37</b>	<b>2,964.32</b>	<b>90.93</b>	<b>70.57</b>	<b>1,422.22</b>	<b>1,038.44</b>	<b>(2,381.04)</b>	<b>(2,002.44)</b>	<b>(14.61)</b>	<b>(26.11)</b>	<b>2,781.87</b>	<b>2,044.78</b>
Tax including Deferred Tax											974.40	596.96
Net Profit											1,807.47	1,447.82
<b>Other Information</b>												
Segment Assets	17,453.73	14,768.13	614.83	624.72	7,251.88	5,727.35	2,316.21	1,078.80	-	-	27,636.65	22,199.00
Segment Liabilities	12,201.46	7,391.17	280.85	380.30	1,768.48	1,410.61	3,477.36	4,590.54	-	-	17,728.15	13,772.62
Capital Expenditure	1,132.65	539.19	11.09	32.39	21.03	11.11	46.72	57.88	-	-	1,211.48	640.57
Depreciation	274.41	253.51	11.69	10.11	9.94	7.76	43.44	50.93	-	-	339.48	322.31

(₹ in Millions)

**Information about Geographical Segment (In Rupees):**

Segment Revenue by location of customers	India		Outside India		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>External Revenue (Gross)</b>	<b>36,944.64</b>	<b>30,422.11</b>	<b>5,365.16</b>	<b>4,609.08</b>	<b>42,309.80</b>	<b>35,031.19</b>
<b>Addition to Non-Current Assets</b>	<b>1,248.23</b>	<b>550.27</b>	<b>1.15</b>	<b>1.19</b>	<b>1,249.38</b>	<b>551.46</b>

**Information about major customers:**

There are no customers having revenue exceeding 10% of total revenue

#### 48. Fair Value Measurements

Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows:

(₹ in Millions)

Particulars	Note Reference	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018			
		FVPL	FVOCI	Amortized Cost	Fair Value	FVPL	FVOCI	Amortized Cost	Fair Value
<b>Financial Assets</b>									
Investments	6								
- Equity Instruments		-	12.68	-	12.68	-	25.26	-	25.26
- Mutual funds		-	2.97	-	2.97	-	3.03	-	3.03
Loans	7 & 14	-	-	105.44	105.44	-	54.56	-	54.57
Trade receivables	11	-	-	10,909.28	10,909.28	-	10,228.40	-	10,228.40
Cash and Cash equivalents:	12	-	-	220.73	220.73	-	602.83	-	602.83
Bank Balances other than Cash and Cash equivalents:	13	-	-	1,732.67	1,732.67	-	168.78	-	168.78
Other Current financial assets	15	-	-	1,040.47	1,040.47	-	521.02	-	521.02
<b>Total Financial Assets</b>		-	<b>15.65</b>	<b>14,008.59</b>	<b>14,024.24</b>	-	<b>28.29</b>	<b>11,575.59</b>	<b>11,603.89</b>
<b>Financial Liabilities</b>									
Borrowings	19 & 22	5,058.62	-	-	5,058.62	7,498.31	-	-	7,498.31
Trade payables	23	-	-	10,206.36	10,206.36	-	6,284.66	-	6,284.66
Other Current Financial Liabilities:	24	-	-	3378.93	3,378.93	-	1,333.47	-	1,333.47
<b>Total Financial Liabilities</b>		<b>5,058.62</b>	-	<b>13585.29</b>	<b>18,643.91</b>	<b>7,498.31</b>	-	<b>7,618.13</b>	<b>15,116.44</b>

(i) Carrying amount of Trade Receivables, Trade Payables, other Current Financial Assets, other Current Financial Liabilities and Cash & Cash Equivalent are considered to be the same as their Fair Value due to their short term nature.

(ii) Carrying amount of Financial Assets and Liabilities carried Amortized Cost is considered a reasonable approximation of Fair Value.

(iii) Above table excludes Investment in Associate and Joint Venture, which are measured at equity method in accordance with IND AS-28, 'Investment in Associate and Joint Venture'.



#### 49. Fair Value Hierarchy:

This section explains the judgments and estimates made in determining fair values of financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in financial statements. To provide an indication about reliability of inputs used in determining fair value, group has classified its financial instruments into three levels prescribed under accounting standard. An explanation of each level follows underneath the table:

Fair value of financial instruments as referred to in note above has been classified into three categories depending on inputs used in valuation technique. Hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements).

The categories used are as follows:

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

**Level 2:** The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ in Millions)

Financial assets and liabilities measured at fair value - recurring fair value measurements as 31 <sup>st</sup> March, 2019	Note Reference	Level 1		Level 2		Level 3	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Financial assets</b>							
Investments at FVOCI	6						
- Equity Instruments		<b>12.68</b>	25.26	-	-	-	-
- Mutual funds		-	-	<b>2.97</b>	3.03	-	-
Loans	7 & 14	-	-	-	-	<b>105.44</b>	54.56
<b>Total Financial Assets</b>		<b>12.68</b>	25.26	<b>2.97</b>	3.03	<b>105.44</b>	54.56
<b>Financial liabilities</b>							
Borrowings	19 & 22	-	-	-	-	<b>5,058.62</b>	7,498.31
Other Current Financial Liabilities:	24	-	-	-	-	<b>3,378.93</b>	1,333.47
<b>Total Financial Liabilities</b>		-	-	-	-	<b>8,437.55</b>	8,831.78

Group's policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period.

During the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 there were no transfers between level 1 and level 2 fair value measurements and no transfer into and out of level 3 fair value measurement.

#### 50. Financial Risk Management:

Group's businesses are subject to several risks and uncertainties including financial risks. Group's documented risk management polices, act as an effective tool in mitigating various financial risks to which business is exposed to in course of their daily operations. Risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counter-party and concentration of credit risk and capital management.

Group's senior management oversees management of these risks. Senior professionals working to manage financial risks and appropriate financial risk governance framework for Group are accountable to Board of Directors and Audit Committee of the Parent Company. This process provides assurance to Group's senior management that Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

### 50.1. Market Risk:

Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency Risk;
- Price Risk;
- Commodity Price Risk;
- Interest Rate Risk

Above risks may affect Group's income and expenses, or value of its financial instruments. Group's exposure to and management of these risks are explained below.

#### 50.1.1. CURRENCY RISK - POTENTIAL IMPACT OF RISK & MANAGEMENT POLICY:

Group undertakes transactions denominated in foreign currencies mainly related to its operating activities. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Carrying amounts of Group's foreign currency denominated monetary assets and monetary liabilities at end of reporting period are as follows:

#### (a) Amount payable in foreign currency on account of the following:

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Import of Goods & Advance Received	USD	63,293,663	4,432.70	USD	5,542,067	359.45
	EURO	182,646	14.28	EURO	52,312	4.26
	CHF	782,555	54.71	CHF	25,200	1.74
	AUD	51,907	2.55	AUD	187,996	9.41
	SGD	-	-	SGD	3,322	0.17
Working Capital Loan (Buyer's Credit)	USD	-	-	USD	21,126,102	1,377.63
Capex (Term Loan / Buyer's Credit)	USD	-	-	USD	11,579,194	755.08
Royalty/Know How/License fee	EURO	531,640	41.58	EURO	279,167	22.75
Expenses Payable	USD	606,711	42.06	USD	425,360	27.74
	SGD	3,517	0.18	SGD	4,125	0.21
	GBP	143,919	13.11	GBP	45,034	4.20
	AED	53,750	1.01	AED	55,730	0.98
	AUD	19,587	0.96	AUD	116,914	5.89
	EURO	58,926	4.61	EURO	64,137	5.23
Statutory Dues Payable	AUD	-	-	AUD	375,138	18.90
Balance with Banks	GMD	-	-	GMD	153,216	0.21
Term Loan/ECB	USD	11,427,243	792.14	USD	7,045,416	459.43

**(b) Amount receivable in foreign currency on account of the following:**

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Currency	Amount in foreign currency	₹ in Millions	Currency	Amount in foreign currency	₹ in Millions
Exports of Goods & Advance Paid	USD	19,078,813	1,315.19	USD	6,093,010	393.77
	EURO	2,027,373	156.92	EURO	1,159,572	92.82
	SGD	-	-	SGD	159	0.01
	AUD	4,381,758	211.29	AUD	7,496,139	370.16
	GBP	73,806	6.59	GBP	8,349	0.76
Recoverables	AUD	7,805	0.14	AUD	-	-
	AED	61,068	1.15	AED	46,521	0.82
	USD	150,000	10.30	USD	-	-
	SGD	248	0.01	SGD	-	-
	ZAR	510	0	ZAR	-	-
	GMD	8,000	0.01	GMD	4,000	0.01
Balance with Banks	SGD	6,847	0.35	SGD	18,951	0.93
	AUD	935	0.05	AUD	168,877	8.34
	USD	4,851	0.33	USD	157,237	10.15
	GMD	11,328	0.02	GMD	-	-
	ZAR	1,150	0.01	ZAR	-	-
	AED	58,952	1.11	AED	72,521	1.28
Statutory Dues	AUD	26,910	1.30	AUD	-	-
	SGD	-	-	SGD	217	0.01

**50.1.2. Currency Risk - Sensitivity to Risk:**

Following table demonstrates sensitivity to a reasonably possible change in USD, EUR, AUD exchange rates, with all other variables held constant. Impact on Company Profit Before Tax is due to changes in fair value of monetary assets and liabilities. Foreign currency exposures recognized by Group that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in Millions)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
USD - Increase/ Decrease by 5%	(197.05)	(128.77)	197.05	128.77
EUR - Increase/ Decrease by 5%	4.82	3.03	(4.82)	(3.03)
AUD - Increase/ Decrease by 5%	10.46	17.21	(10.46)	(17.21)

**50.1.3. Price Risk - Potential Impact of Risk & Management Policy:**

- Group is exposed to price risk due to its investment in Equity Shares & Mutual Funds. Price risk arises due to uncertainties about future market values of these investments.
- Group reviews its investments at regular intervals in order to minimize price risk arising from investments in Equity Shares & Mutual Funds.
- Majority of investments of Group are publicly traded and listed in BSE/NSE. Carrying amounts of the Group's investment in Equity Shares & Mutual Funds at the end of the reporting period are given in Note 6.

**50.1.4. Price Risk - Sensitivity to Risk:**

Following table demonstrates sensitivity to a reasonably possible change in equity index where investments of Company are listed. Impact on Company's Profit Before Tax is due to changes in NSE Index.

(₹ in Millions)

Particulars	Impact on Profit Before Tax		Impact on Other Components of Equity Before Tax	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
NSE Index Increase by 5%	-	-	0.78	1.41
NSE Index Decrease by 5%	-	-	(0.78)	(1.41)

**50.1.5. Commodity Price Risk - Potential Impact of Risk & Management Policy:**

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and therefore require a continuous supply of major items of raw material viz Copper and Aluminum. Due to the volatility of the prices of the Copper and Aluminum, Company has entered into various purchase contracts for these materials. The Parent Company's Board of Directors has adopted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for purchase of these raw material based on average price of for each month.

**50.1.6. Interest Rate Risk - Potential Impact of Risk & Management Policy:**

- Group invests in fixed deposits for a period between 3 months to 7 years. All fixed deposits are with scheduled bank, accordingly there is no significant interest rate risk pertaining to these deposits.
- Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's exposure to risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and fixed deposits. Group's fixed rate borrowings and deposits are carried at amortized cost. They are therefore not subject to interest rate risk as defined in IND AS-107, since neither carrying amount nor future cash flows will fluctuate because of a change in market interest rates. The Group also uses interest rate swap to mitigate the interest rate risk.
- Risk is managed by Group by maintaining an appropriate mix between fixed and floating rate of borrowings.

Exposure of Group's borrowing to interest rate changes at end of reporting period are as follows:

(₹ in Millions)

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Variable rate borrowings	3,701.31	5,179.52
Fixed rate borrowings	2,293.09	3,241.68
<b>Total borrowings</b>	<b>5,994.40</b>	<b>8,421.20</b>

Refer Note No. 19 & 22 for maturities of Group borrowings.

**50.1.7. Interest Rate Risk - Sensitivity:**

Sensitivity analysis below has been determined based on exposure to interest rates for non-derivative instruments at end of reporting period. For floating rate liabilities, analysis is prepared assuming amount of liability outstanding at end of reporting period was outstanding for whole year.

(₹ in Millions)

Particulars	Impact on profit before tax on increase		Impact on profit before tax on decrease	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Interest Rate - Increase/ Decrease by 50 basis point (50 bps)	(4.47)	(4.19)	4.47	4.19

## 50.2. Credit Risk:

- (a) Credit risk refers to risk that counter-party will default on its contractual obligations resulting in financial loss to the Group.
- (b) Company is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, short-term investments and derivative financial instruments. Credit limits are set based on a counterparty value. Methodology used to set list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out.
- (c) In respect of its investments, Group aims to minimize its financial credit risk through application of risk management policies.
- (d) For financial instruments, Group attempts to limit credit risk by only dealing with reputed banks and financial institutions.
- (e) None of Group's cash equivalents, including time deposits with banks, are past due or impaired.
- (f) Trade receivables are subject to credit limits, controls & approval processes. These terms and conditions are determined on a case to case basis with reference to customer's Credit quality and prevailing market conditions. Credit quality of Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. Due to large geographical base & number of customers, Company is not exposed to material concentration of credit risk. Based on historical experience, risk of default in case of trade receivable is low. Provision is made for doubtful receivables on individual basis depending on the customer ageing, customer category, specific credit circumstances & the historical experience of Company. Solvency of customers and their ability to repay receivable is considered in assessing receivables for impairment. Where receivables are impaired, Company actively seeks to recover amounts in question and enforce compliance with credit terms.
- (g) Company assesses and manages credit risk of Financial Assets based on following categories arrived on basis of assumptions, inputs and factors specific to class of Financial Assets.

**A:** Low Credit Risk on financial

**B:** Moderate Credit Risk

**C:** High Credit Risk

Group provides for Expected Credit Loss based on following:

Asset group	Basis of categorization	Provision for expenses credit loss
Low Credit Risk	Cash and Cash Equivalents, other Bank Balances and other Non Current Financial Assets	12 month expected credit loss
Moderate Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss
High Credit Risk	Trade Receivables and other Current Financial Assets	Life time expected credit loss or fully provided

(₹ in Millions)

Credit rating	Particulars	Note reference	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A: Low credit risk	Cash and Cash Equivalents, other Bank Balances and other Non Current Financial Assets	8, 12 & 13	1,959.67	774.21
B: Moderate credit risk	Trade Receivables and Other Current Financial Assets	11 & 15	11,949.75	10,749.42
C: High credit risk	NIL		-	-

**A: Low Credit Risk:**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount Net of Impairment Provision
Cash and Cash Equivalents	12	220.73	-	220.73
Bank Balances other than Cash and Cash equivalents	13	1,732.67	-	1,732.67
Other Non-Current Financial Assets	8	6.27	-	6.27

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018				
Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount Net of Impairment Provision
Cash and Cash Equivalents	12	602.83	-	602.83
Bank Balances other than Cash and Cash equivalents	13	168.78	-	168.78
Other Non-Current Financial Assets	8	2.60	-	2.60

**B: Moderate Credit Risk:**

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019						
Ageing	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount (Considered Good)	11 & 15	11,345.73	612.48	112.03	46.66	12,116.90
Expected Credit Losses (Loss Allowance Provision)		-	148.64	14.49	4.02	167.15
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		11,345.73	463.84	97.54	42.64	11,949.75

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018						
Ageing	Note reference	Up to 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount (Considered Good)	11 & 15	10,126.06	692.42	37.57	55.27	<b>10,911.32</b>
Expected Credit Losses (Loss Allowance Provision)		-	155.92	1.34	4.64	<b>161.90</b>
Carrying Amount of Trade Receivables and other financial assets (Net of Impairment)		<b>10,126.06</b>	<b>536.50</b>	<b>36.23</b>	<b>50.63</b>	<b>10,749.42</b>

**Reconciliation of Loss Provision – Trade Receivables**

(₹ in Millions)

Reconciliation of Loss Allowance	Loss allowance
<b>Impairment Loss allowance on 1<sup>st</sup> April, 2017</b>	<b>157.81</b>
Expected credit Loss ( ECL) Recognized	4.09
Expected credit Loss ( ECL) Reversal	-
<b>Impairment Loss allowance on 31<sup>st</sup> March, 2018</b>	<b>161.90</b>
Expected credit Loss ( ECL) Recognized	5.25
Expected credit Loss ( ECL) Reversal	-
<b>Loss Allowance on 31<sup>st</sup> March, 2019</b>	<b>167.15</b>

**C: High Credit Risk: Nil**

- (a) Liquidity risk is the risk that Group will face in meeting its obligations associated with its financial liabilities. Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.
- (b) Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.
- (c) Cash flow from Operating Activities provides funds to service financial liabilities on a day-to-day basis.
- (d) Group regularly monitors rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated is used for working capital management.
- (e) Following table analyses Group's financial liabilities into relevant maturity grouping based on their contractual maturity for all non-derivative financial liabilities.

(₹ in Millions)

As at 31 <sup>st</sup> March, 2019					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	23	10,206.36	10,206.36	-	<b>10,206.36</b>
Borrowings	19 & 22	5,058.62	3,865.25	1,193.37	<b>5,058.62</b>
Unpaid dividend	24	1.69	1.69	-	<b>1.69</b>
Other current financial liabilities	24	3,377.24	3,377.24	-	<b>3,377.24</b>

(₹ in Millions)

As at 31 <sup>st</sup> March, 2018					
Non-derivative liabilities	Note reference	Carrying amount	Payable within 1 year	More than 1 years	Total
Trade payables (including acceptances)	23	6,284.66	6,284.66	-	<b>6,284.66</b>
Borrowings	19 & 22	7,498.31	6,041.69	1,456.62	<b>7,498.31</b>
Unpaid dividend	24	1.49	1.49	-	<b>1.49</b>
Other current financial liabilities	24	1,331.98	1,331.98	-	<b>1,331.98</b>

### 50.3 Current & Liquid Ratio:

Following table shows ratio analysis of Group for respective periods

PERIOD	CURRENT RATIO	LIQUID RATIO
<b>31<sup>st</sup> March, 2019</b>	1.23	0.84
<b>31<sup>st</sup> March, 2018</b>	1.24	0.85

Group has hypothecated all of its Plant & Machinery, Factory Building, Trade Receivables and Cash & Cash Equivalents in order to fulfill collateral requirements for financial facilities in place. The counter-parties have an obligation to return the securities to Company.

Under terms of major borrowings facilities, Group is required to comply with certain financial covenants and Group has complied with those covenants throughout the reporting period.

## 51. Capital Management:

### 51.1 Risk Management:

Capital management is driven by Group's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors of Parent Company seeks to maintain a prudent balance between different components of Group's capital. Management monitors capital structure and net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short term investments.

### 51.2 Dividends:

No changes were made in the objectives, policies or processes for managing capital during the year ended.

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Total number Equity shares outstanding	<b>78,925,438</b>	78,361,438
Interim dividend for the year	-	-
Final dividend ₹ in Millions (including Dividend Distribution Tax) for the year (not recognized) - Subject to approval of Shareholders in ensuing Annual General Meeting.	<b>114.18</b>	94.47

## 52. Interest in Other Entities:

### (a) Subsidiaries

Information of Subsidiary of Parent Company at 31<sup>st</sup> March, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the parent company, and the proportion of ownership interests held equals the voting rights held by the parent company. The country of incorporation or registration is also their principal place of business.



Name of Entity	Country of Incorporation	Functional Currency	Ownership interest held by the Group		Principal Activities
			As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	
KEI Cables Australia PTY LTD	Australia	AUD	90%	90%	Trading

No Dividend is received from Subsidiary.

**Subsidiary with material Non-Controlling Interests**

Details of Subsidiary, KEI Cables Australia PTY LTD, with material non-controlling interests (NCI):

Name	Proportion of ownership interests and voting rights held by the NCI		Total Comprehensive Income allocated to NCI		Accumulated NCI	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
KEI Cables Australia PTY LTD	10%	10%	(1.12)	0.01	(1.11)	0.01

**Summarized Financial Information for KEI Cables Australia PTY LTD before intra-group eliminations, is set out below:**

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Non-Current Assets	-	-
Current Assets	38.05	174.23
<b>Total Assets (A)</b>	<b>38.05</b>	<b>174.23</b>
Non-Current Liabilities	-	-
Current Liabilities	49.32	174.34
<b>Total Liabilities (B)</b>	<b>49.32</b>	<b>174.34</b>
<b>Net Assets C= (A-B)</b>	<b>(11.27)</b>	<b>(0.11)</b>
<b>Equity Attributable to Owners of the Parent</b>	<b>(10.14)</b>	<b>1.21</b>
<b>Non - Controlling Interests</b>	<b>(1.13)</b>	<b>0.13</b>

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Revenue	399.24	981.41
Expenditure	410.40	978.09
<b>Profit/(Loss) before Tax</b>	<b>(11.16)</b>	<b>3.32</b>
Current Tax	0.06	0.92
<b>Profit/(Loss) after Tax</b>	<b>(11.22)</b>	<b>2.40</b>
Profit for the year attributable to owners of the Parent	(10.10)	2.16
Profit for the year attributable to NCI	(1.12)	0.24
<b>Profit for the Year</b>	<b>(11.22)</b>	<b>2.40</b>
Other Comprehensive Income for the year ( net of tax)	0.04	(2.29)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Other Comprehensive Income for the year attributable to owners of the parent	0.04	(2.06)
Other Comprehensive Income for the year attributable to NCI	0.00	(0.23)
<b>Other Comprehensive Income for the year</b>	<b>0.04</b>	<b>(2.29)</b>
<b>Total Comprehensive income for the year</b>	<b>(11.18)</b>	0.11
Total Comprehensive Income for the year attributable to owners of the parent	(10.06)	0.10
Total Comprehensive Income for the year attributable to NCI	(1.12)	0.01
<b>Total comprehensive income for the year</b>	<b>(11.18)</b>	0.11

(b) Summarized cash flow for KEI Cables Australia PTY LTD, before intragroup eliminations, is set out below:

(₹ in Millions)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Cash Flows from Operating Activities	(17.91)	13.77
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	9.55	(5.65)
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>(8.36)</b>	8.12

### (c) Joint Ventures and Associate

Set out below are the Joint Venture and Associate of the Group as at 31<sup>st</sup> March 2019 which, in the opinion of the directors, are material to the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

This Joint Venture is a Jointly Controlled Entity within the meaning of IND AS-111 on "Joint Arrangements". The Joint Venture is in form of a Association of Persons (AOP) and the Company is holding 100% share in Profit / Loss of AOP. Group has not invested any amount as capital in Joint Venture. Investment in Joint Venture is accounted for in accordance with IND AS-28 "Investments in Associates and Joint Ventures".

The Associate is a Jointly Controlled Entity within the meaning of IND AS - 111 on "Joint Arrangements". The Associate is form of separate entity and the Group is holding 49% of ownership Interest. Investment in Associate is Accounted for in Accordance with IND AS-28 "Investment in Associate and joint venture"

Name of Entity	Place of business	Functional Currency	Ownership Interest held by the Group		Relationship
			As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	
Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	India	INR	100%	100%	Joint Venture
Investments in KEI Cables SA (PTY) Limited	South Africa	ZAR	49%	NA	Associate

(d) Summarized Financial Information for Joint Venture's and Associates are set out below:

(₹ in Millions)

Particulars	KEI Cables SA (PTY) Limited		Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	
	As at 31 <sup>st</sup> March, 2019 *	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Non-Current Assets	-	N.A.	-	-
Current Assets * (₹ 5,395 )	0.01	N.A.	2.46	3.04
<b>Total Assets (A)</b>	<b>0.01</b>	<b>N.A.</b>	<b>2.46</b>	<b>3.04</b>
Non-Current Liabilities	-	N.A.	-	-
Current Liabilities * (₹ 2,393 )	0.00	N.A.	0.76	1.34
<b>Total Liabilities (B)</b>	<b>0.00</b>	<b>N.A.</b>	<b>0.76</b>	<b>1.34</b>
<b>Net Assets C= (A-B) * (₹ 3,003 )</b>	<b>0.00</b>	<b>N.A.</b>	<b>1.70</b>	<b>1.70</b>
a) Includes Cash and Cash Equivalents				
b) Includes Financial Liabilities (excluding Trade and Other Payables and Provisions)				

(e) Summarized statement of Profit & Loss for Joint Venture and Associates are set out below:

(₹ in Millions)

Particulars	KEI Cables SA (PTY) Limited		Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	
	As at 31 <sup>st</sup> March, 2019 *	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Revenue	-	N.A.	0.05	0.45
Cost of Materials Consumed	-	N.A.	-	-
Finance Costs ** (₹ 1,345 )	-	N.A.	0.00	0.01
Sub Contractor expense for turnkey projects	-	N.A.	-	-
Other Expenses * (₹ 1,756 )	0.00	N.A.	0.05	0.60
Tax expense	-	N.A.	-	-
<b>Profit/ (Loss) and Total Comprehensive Income for the year ***</b>	<b>(0.00)</b>	<b>N.A.</b>	<b>(0.00)</b>	<b>(0.16)</b>

(f) Reconciliation of carrying amounts is set out below:

(₹ in Millions)

Particulars	KEI Cables SA (PTY) Limited*	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland
<b>Closing Net Assets (31<sup>st</sup> March, 2017)</b>	N.A.	<b>1.87</b>
Profit/ (Loss) for the year	N.A.	(0.16)
Capital Distribution	N.A.	-
<b>Closing Net Assets (31<sup>st</sup> March, 2018)</b>	<b>N.A.</b>	<b>1.71</b>
Profit/ (Loss) for the year ***	(0.00)	(0.00)
Capital Distribution * (₹ 2,349 )	0.00	-
<b>Closing Net Assets (31<sup>st</sup> March, 2019)</b>	<b>0.00</b>	<b>1.70</b>
Group share in %	49%	100%
<b>Carrying Amount (₹ 1,471 )</b>	<b>0.00</b>	<b>1.70</b>

Note: \*\*\* Net Loss (₹ 1,756 ) related " KEI Cables SA (PTY) Limited, and (₹ 3,581 ) related to " Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland.

**53. Statement pursuant to Section 129(3) of Companies Act, 2013 related to Subsidiary, Joint Venture and Associate**

**Part "A" : Subsidiary**

(₹ in Millions)

Sr. No.	Particulars	KEI Cables Australia PTY LTD
1	The date since when subsidiary was acquired	14 <sup>th</sup> December, 2015
2	Reporting period for subsidiary	01.07.2018 to 30.06.2019
3	Reporting Currency in the case of foreign Subsidiary	AUD
4	Exchange Rate as on the last date of the relevant Financial year in the case of foreign Subsidiary.	49.0760
5	Share Capital	0.01
6	Reserve and Surplus	(11.28)
7	Total Assets	38.05
8	Total Liabilities	49.32
9	Investments	-
10	Turnover	399.24
11	Profit Before Taxation	(11.16)
12	Provision for Taxation	0.06
13	Profit after Taxation	(11.22)
14	Proposed Dividend	-
15	% of Holding by Parent Company	90%

**Part "B" : Associate and Joint Venture**

**Statement pursuant to Section 129(3) of Companies Act, 2013 related to Associate and Joint Venture**

(₹ in Millions)

Sr. No.	Particulars	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland **	KEI Cables SA (PTY) Limited *
1	Latest Balance Sheet Date	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2019
2	Date on which the Joint Venture and Associate was acquired	24 <sup>th</sup> June, 2014	12 <sup>th</sup> September, 2018
3	Shares of Joint Venture and associate held by the parent company on the year end		
	Numbers	N.A.	490 Equity Share
	Amount of Investment in Associate and Joint venture *(₹ 2349)	Nil	0
	Extent of Share in Profit/Loss and Holding of Share ( %)	100%	49%
4	Description of how there is significant influence	Jointly Controlled Entity & Share in Profit/Loss 100%	Associate
5	Reason why the Joint Venture is not consolidated		
6	Net worth Attributable to Shareholding as per latest audited Balance Sheet * ( ₹ 3,003 )	1.70	0.00
7	Profit / (Loss) for the year		
	(i) Considered in Consolidation **Net Loss (₹ 3,581) *Net Loss (₹ 1,756)	(0.00)	(0.00)
	(ii) Not Considered in Consolidation	-	-

**54. Additional Information in pursuant to Schedule III of the Companies Act, 2013: (₹ in Millions)**

S. No	Name of the Entity	Own-ership Interest	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
			As % of Consolidated net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
1	<b>Parent</b>	-	100.12%	7,788.93	100.68%	1,818.71	100.21%	(19.05)	100.69%	1,799.66
2	<b>Subsidiaries</b>									
A	Foreign									
a.)	KEI Cables Australia PTY LTD	90.00%	(0.13%)	(10.14)	(0.62%)	(11.22)	(0.21%)	0.04	(0.63%)	(11.18)
3	<b>Non - Controlling Interest in All Subsidiaries</b>	10.00%	(0.01%)	(1.13)	(0.06%)	(1.12)	0.00%	-	0.00%	(1.12)
4	<b>Joint Ventures</b>									
	Investments Accounted for using Equity Method							-		
A	Indian									
a.)	Joint Venture of KEI Industries Ltd New Delhi & Brugg Kabel AG Switzerland	100.00%	0.02%	1.70	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
B	Foreign									
a.)	Investments in KEI Cables SA (PTY) Limited	49.00%	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
	<b>TOTAL</b>		100%	7779.36	100.00%	1806.37	100.00%	(19.01)	100%	1787.36

**55. Events After Balance Sheet Date:**

- (a) Board of Directors of Parent Company have Proposed Dividend ₹ 1.20 per share on face value of ₹ 2.00 per share (Previous year ₹ 1.00 per share on face value of ₹ 2 per share). If approved by Members of the Company in ensuing Annual General Meeting of the Company the total out flow of cash will be ₹ 114.18 Millions (Previous Year: ₹ 94.47 Millions) Including Dividend Distribution Tax.
- (b) During the year one of the major customer of Subsidiary went to liquidation and the amount recoverable from that customer has been written off as a bad debt. The inventory lying with that customer has been taken back by the Subsidiary and is valued at an estimated realisable value. The Subsidiary is negotiating to re-sell the inventory to third parties. Although no formal contract has been signed, the inventory has been valued at the current negotiated price.

**56.** Previous Year's figures have been re-grouped / re-arranged wherever necessary.

As per our Separate Report of even date attached.

**For PAWAN SHUBHAM & CO.**

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**

Chairman-cum-Managing Director

DIN: 00006422

**(RAJEEV GUPTA)**

Executive Director (Finance) & CFO

DIN: 00128865

**(PAWAN KUMAR AGARWAL)**

Partner

M.No. 092345

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(KISHORE KUNAL)**

GM (Corporate) & Company Secretary

M.No. FCS-9429

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019

**(ADARSH KUMAR JAIN)**

Asst. Vice President (Finance)

M.No. 502048

**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 30.06.2019
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 49.0760 INR = 1AUD (As on 31.03.2019)
4.	Share Capital	0.01
5.	Reserves and Surplus	(11.28)
6.	Total Assets	38.05
7.	Total Liabilities	49.32
8.	Investments	-
9.	Turnover	399.24
10.	Profit before taxation	(11.16)
11.	Provision for taxation	0.06
12.	Profit after taxation	(11.22)
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	31.03.2019	31.03.2019
2.	Share of Associate/ Joint Ventures held by the Company on the year end		
	No.	490 Equity share	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 * (Rs.3,003)	0.00	1.70
6.	Profit/Loss for the year (PAT) *Net Loss (Rs. 1,756) ** Net Loss (Rs.3,581)	(0.00)	(0.00)
	(i) Considered in Consolidation *Net Loss (Rs. 1,756) ** Net Loss (Rs.3,581)	(0.00)	(0.00)
	(ii) Not Considered in Consolidation	-	-

**For PAWAN SHUBHAM & CO.**

Chartered Accountants

Firm Registration No: 011573C

**(ANIL GUPTA)**Chairman-cum-Managing Director  
DIN: 00006422**(RAJEEV GUPTA)**Executive Director (Finance) & CFO  
DIN: 00128865**(PAWAN KUMAR AGARWAL)**

Partner

**M.No. 092345**

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019**(KISHORE KUNAL)**GM (Corporate) & Company Secretary  
M.No. FCS-9429

Place of Signing: New Delhi

Date: 21<sup>st</sup> May, 2019**(ADARSH KUMAR JAIN)**Asst. Vice President (Finance)  
M.No. 502048

# NOTICE

**THE 27<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT SRI SATHYA SAI INTERNATIONAL CENTRE, PRAGATI VIHAR INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI - 110 003 ON TUESDAY, THE 17<sup>TH</sup> DAY OF SEPTEMBER, 2019 AT 10:00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:**

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019 and the Report of Auditors thereon.
2. To consider and approve declaration of Dividend for the Financial Year ended on 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Mr. Akshit Diviaj Gupta (holding DIN: 07814690), who retires by rotation and being eligible, offers himself for re-appointment.

## **SPECIAL BUSINESS:**

4. **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:**

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

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee of the Board and Board of Directors and provisions of Sections 149, 150 and 152 read with Schedule IV 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), Mr. Vijay Bhushan (holding DIN: 00002421) who was appointed as an Independent Director for a term of five (5) consecutive years commencing from 19<sup>th</sup> September, 2014 to 18<sup>th</sup> September, 2019, has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, being eligible for appointment, be and is hereby, re-appointed as an Independent Director (Category: Non-Executive) of the Company not liable to retire by rotation, to hold office for a second term of five (5) consecutive years with effect from September 19, 2019 to September 18, 2024, on the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board / Committee of Directors of the Company or such Officer(s) / Authorized Representative(s) as may be authorized by the Board, be and are hereby, authorized to file the necessary applications, e-forms, documents with concerned statutory authorities/agencies such as the Registrar of Companies, Stock Exchanges, NSDL, CDSL, RTA, etc. in relation thereto, send intimation(s) to Stock Exchange(s) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution and for matters connected herewith or incidental hereto."

**5. 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:**

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

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee of the Board and Board of Directors and provisions of Sections 149, 150 and 152 read with Schedule IV 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), Mr. Pawan Bholusaria (holding DIN: 00092492 who was appointed as an Independent Director for a term of five (5) consecutive years commencing from 19<sup>th</sup> September, 2014 to 18<sup>th</sup> September, 2019, has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, being eligible for appointment, be and is hereby, re-appointed as an Independent Director (Category: Non-Executive) of the Company not liable to retire by rotation, to hold office for a second term of five (5) consecutive years with effect from September 19, 2019 to September 18, 2024, on the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board / Committee of Directors of the Company or such Officer(s) / Authorized Representative(s) as may be authorized by the Board, be and are hereby, authorized to file the necessary applications, e-forms, documents with concerned statutory authorities/agencies such as the Registrar of Companies, Stock Exchanges, NSDL, CDSL, RTA, etc. in relation thereto, send intimation(s) to Stock Exchange(s) as per SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution and for matters connected herewith or incidental hereto."

**By Order of the Board of Directors  
For KEI INDUSTRIES LIMITED**

**(Kishore Kunal)**

**Place: New Delhi** GM (Corporate) & Company Secretary  
**Date: August 05, 2019** M. No.: FCS-9429

**CIN: L74899DL1992PLC051527**

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

**NOTES:**

1. 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 AGM Notice.

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

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



3. Corporate Members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The instrument appointing the proxy should however be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
5. Members or their respective proxies are requested to:
  - i. bring copies of Annual Report sent to them as the copies of Annual Report shall not be distributed at the Annual General Meeting;
  - ii. quote their Folio / DP ID & Client ID in the attendance slips for attending the meeting;
  - iii. bring the attendance slip sent herewith duly filled in for attending the meeting.
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 11, 2019 to September 17, 2019 (both days inclusive).
8. The dividend, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members on September 17, 2019. In respect of shares held in electronic form, the dividend will be payable to those who are the beneficial owners of shares at the close of business hours on September 10, 2019, as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
9. Un-claimed / Unpaid Dividend for the Financial Year 2010-11 has been transferred to the Investor Education and Protection Fund established by the Central Government and no claims can be admitted in respect of this Fund from Company/ RTA. Pursuant to Rule 5(8) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company uploaded the details of unpaid and unclaimed amounts lying with the Company as on

19<sup>th</sup> September, 2018 (date of last Annual General Meeting) on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section and also on the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

Members are therefore requested to en-cash their dividend warrants for subsequent Financial Years. Members are requested to write to the Company and/or Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh/revalidated warrants could be issued by the Company.

Further, the Company has also transferred 17,787 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 2010-11 in respect of which dividend has not been paid or claimed for seven consecutive years or more.

Further, the details of shareholders whose dividend and shares are transferred to Investor Education and Protection Fund are updated on the website of the Company at [www.kei-ind.com](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>.

10. In terms of Article 113 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Akshit Diviaj Gupta (holding DIN: 07814690) 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.
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 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. Ministry of Corporate Affairs (MCA) took a 'Green Initiative in Corporate Governance' in 2011 by allowing the Companies to service the documents to its Members through electronic mode. Accordingly, the Company sends all communications including the Notice of Annual General Meeting (along with instruction for e-voting, attendance slip and proxy form) and Annual Report in electronic form to all Members whose e-mail ids are registered with the Company/ Depository Participant(s)/RTA unless a specific request for hard copy has been requested.
14. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication(s) including Annual Report, Notices, Circulars etc. from the Company electronically. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any, to the Registrar and Share Transfer Agent M/s. MAS SERVICES LTD., T-34, 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 are entitled to nominate a person to whom his/her shares in the Company shall vest in the event of his/her demise, by filling up Form No. SH-13. The members are requested to avail of this facility. The duly filled in and signed Nomination Form No. SH-13 should be sent to the Registrar and Share Transfer Agents, M/s. MAS SERVICES LTD at the address mentioned in above point.
16. The Securities and Exchange Board of India vide its 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.
17. Members may also note that the Notice of Annual General Meeting and Annual Report 2018-19 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 Share Transfer Agents.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their rights to vote on resolutions proposed to be passed by electronic means ("e-voting"). The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. The procedure and instructions for the shareholders for e-voting are contained in covering letter being sent to the shareholders. Members may contact Mr. Kishore Kunal, Company Secretary and Compliance Officer for any grievances connected with electronic means / e-voting at the Registered Office of the Company at D-90, Okhla Industrial Area, Phase-I, New Delhi-110 020.

21. The voting period begins on 14<sup>th</sup> September, 2019 (at 09:00 A.M (IST)) and ends on 16<sup>th</sup> September, 2019 (at 05:00 P.M (IST)). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date), i.e., 10<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
22. The route map to the venue of the Meeting included in this Notice for easy location. The route map of the venue of the Meeting is also available on the website of the Company at [www.kei-ind.com](http://www.kei-ind.com) under Investor Relations Section.

**By Order of the Board of Directors  
For KEI INDUSTRIES LIMITED**

**(Kishore Kunal)**

**Place: New Delhi** GM (Corporate) & Company Secretary  
**Date: August 05, 2019** 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 & 5**

At the 22<sup>nd</sup> Annual General Meeting of the Company held on 19<sup>th</sup> September, 2014, the members of the Company had approved appointment of Mr. Vijay Bhushan and Mr. Pawan Bholusaria as an Independent Director(s) of the Company for a term of five (5) consecutive years commencing from September 19, 2014 to September 18, 2019. Thus their tenure will expire on September 18, 2019.

Further, pursuant to Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the board of directors of a company, but shall be eligible for re-appointment for another term of upto five consecutive years with approval of shareholders obtained by way of passing a special resolution by the Company.

Subject to the shareholder's approval, Nomination and Remuneration Committee and Board of

Directors at their meeting held on August 05, 2019 respectively has approved their re-appointment as an Independent Director(s) (Category: Non-Executive) for a second term of five (5) consecutive years with effect from September 19, 2019 to September 18, 2024 and that they shall not be liable to retire by rotation.

The Board, based on the performance evaluation report of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background, experience and contributions made by them during their tenure, the continued association of Mr. Vijay Bhushan and Mr. Pawan Bholusaria would be beneficial to the Company and it is desirable to continue to avail their services as Independent Director(s).

Mr. Vijay Bhushan and Mr. Pawan Bholusaria have given 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), a declaration to the Board that they meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

In the opinion of the Board, Mr. Vijay Bhushan and Mr. Pawan Bholusaria fulfills the conditions as specified in the Companies Act, 2013 read with rules made thereunder and Listing Regulations for re-appointment as an Independent Director(s) (Category: Non-Executive) and that they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Listing Regulations, appointment of Mr. Vijay Bhushan and Mr. Pawan Bholusaria is now being placed before the Members for their approval at the 27<sup>th</sup> Annual General Meeting of the Company.

The terms and conditions of re-appointment of the Independent Director(s) shall be open for inspection by the members at the registered office during normal working business hours on any working days of the Company upto date of Annual General Meeting.

Except Mr. Vijay Bhushan and Mr. Pawan Bholusaria (for their respective appointment), none of the others Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the passing of resolution set out at Item No. 4 & 5 of the Notice of Annual General Meeting.

Accordingly, the Board/Committee recommends the resolution as set out in Item No. 4 & 5 of the Notice for approval of the members at this Annual General Meeting.

**By Order of the Board of Directors  
For KEI INDUSTRIES LIMITED**

**(Kishore Kunal)**

**Place: New Delhi** GM (Corporate) & Company Secretary  
**Date: August 05, 2019** 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.3, 4 & 5 IS FURNISHED AS BELOW:**

**ITEM NO. 3**

<b>Name of Director</b>	Mr. Akshit Diviaj Gupta (holding DIN:07814690)
<b>Date of Birth</b>	15.03.1992
<b>Date of First Appointment</b>	10.05.2017
<b>No. of Equity Shares held (face value of ₹ 2 each)</b>	NIL
<b>Qualification</b>	BBA degree in Management and Honorary Graduate Fellowship
<b>Nature of Expertise</b>	Mr. Akshit Diviaj Gupta is a young and dynamic professional with a strong entrepreneurial background. He has got personality with diversified business interests with BBA degree in Management and Honorary Graduate Fellowship. He has experience of handling EPC projects and marketing function of the Company.
<b>Relationship with other Director(s)</b>	He is son of Mr. Anil Gupta, Chairman-cum-Managing Director and Mrs. Archana Gupta, Non-Executive Director
<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>	NIL
<b>Number of Meetings of the Board attended during the FY 2018-19</b>	4

**ITEM NO. 4**

<b>Name of Director</b>	Mr. Vijay Bhushan (holding DIN:00002421)
<b>Date of Birth</b>	22.10.1958
<b>Date of First Appointment</b>	02.08.1994
<b>No. of Equity Shares held (face value of ₹ 2 each)</b>	NIL
<b>Qualification</b>	MBA
<b>Nature of Expertise</b>	Mr. Vijay Bhushan is an MBA from University of Delhi and has been actively associated with the capital market since 1981. He was elected as a President of Delhi Stock Exchange for the year 2001-02, was also Chairman of Federation of Indian Stock Exchange representing 20 Stock Exchanges from 2002-04. Mr Vijay Bhushan is currently Chairman of Delhi Stock Exchange Limited and has also been elected as President of Association of National Exchange Members of India (ANMI), which is an Association of NSE & BSE Brokers.

<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>	<ul style="list-style-type: none"> <li>- KEI Industries Limited</li> <li>- Paramount Communications Limited</li> <li>- Bharat Bhushan Finance &amp; Commodity Brokers Limited</li> </ul>
<b>Name of Committees of Listed Companies in which he is Chairman/ Member</b>	<p><b>KEI Industries Limited</b></p> <ul style="list-style-type: none"> <li>- Stakeholders Relationship Committee (Chairman)</li> <li>- Share Allotment Committee (Member)</li> <li>- Nomination &amp; Remuneration Committee (Member)</li> </ul> <p><b>Paramount Communications Limited</b></p> <ul style="list-style-type: none"> <li>- Nomination &amp; Remuneration Committee (Chairman)</li> <li>- Stakeholders Relationship Committee (Member)</li> <li>- Audit Committee (Member)</li> </ul> <p><b>Bharat Bhushan Finance &amp; Commodity Brokers Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee (Member)</li> </ul>
<b>Number of Meetings of the Board attended during the FY 2018-19</b>	6

#### ITEM NO. 5

<b>Name of Director</b>	Mr. Pawan Bholusaria (holding DIN:00092492)
<b>Date of Birth</b>	27.07.1952
<b>Date of First Appointment</b>	23.07.1993
<b>No. of Equity Shares held (face value of ₹ 2 each)</b>	4500 Equity Shares
<b>Qualification</b>	Chartered Accountant
<b>Nature of Expertise</b>	Mr. Pawan Bholusaria is fellow Member of Institute of Chartered Accountants of India. He is a practicing Chartered Accountant and qualified his chartered accountancy examination in 1978. He is partner of M/s P. Bholusaria & Co., Chartered Accountants and has been in Public Practice for over four decades. He has audited the accounts of various Nationalised Banks, Mutual Funds, Government and Public Companies. He is on Board of Directors of other private/ public companies. He has sound knowledge of Finance, Companies Act, tax laws and has handled a large number of audits.
<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>	<p>KEI Industries Limited</p> <ul style="list-style-type: none"> <li>- Audit Committee (Chairman)</li> <li>- Share Allotment Committee (Chairman)</li> <li>- CSR Committee (Chairman)</li> <li>- Stakeholders Relationship Committee (Member)</li> <li>- Nomination &amp; Remuneration Committee (Member)</li> </ul>
<b>Number of Meetings of the Board attended during the FY 2018-19</b>	6

## ROUTE MAP TO THE VENUE OF THE 27<sup>TH</sup> AGM OF KEI INDUSTRIES LIMITED



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

# REQUEST FORM

**Date:** \_\_\_\_\_

**To,**  
**MAS SERVICES LIMITED**  
**T-34, 2<sup>nd</sup> Floor,**  
**Okhla Industrial Area, Phase II,**  
**New Delhi - 110020**

**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
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**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)

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Pin Code (Mandatory)																			
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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.) : \_\_\_\_\_

# KEI INDUSTRIES LIMITED

CIN: L74899DL1992PLC051527

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

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

E-mail: [cs@kei-ind.com](mailto:cs@kei-ind.com); Website: [www.kei-ind.com](http://www.kei-ind.com)

## FORM NO. MGT-11

### PROXY FORM

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

**CIN** : L74899DL1992PLC051527

**Name of the Company** : KEI INDUSTRIES LIMITED

**Registered office** : D-90, Okhla Industrial Area, Phase - 1, New Delhi - 110020

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

\*Applicable to shareholders holding shares in electronic form.

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on 17<sup>th</sup> September, 2019 at 10:00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolution No.	Description	For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31 <sup>st</sup> March, 2019 and Report of the Board of Directors and the Auditors of the Company thereon.		
2.	Declaration of Dividend for the Financial Year 2018-19 on Equity Shares of the Company.		
3.	Re-appointment of Mr. Akshit Diviaj Gupta as a Director, who retires by Rotation.		
<b>Special Business</b>			
4.	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		
5.	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:		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

#### Note:

- This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- A Proxy need not to be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than 10% of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
- \*\* This is only optional. Please put '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' blank against the any or all the resolution, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- For the Resolutions, Explanatory Statements and Notes, please refer the Notice of 27<sup>th</sup> Annual General Meeting.



**KEI INDUSTRIES LIMITED**

CIN: L74899DL1992PLC051527

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

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

E-mail: [cs@kei-ind.com](mailto:cs@kei-ind.com); Website: [www.kei-ind.com](http://www.kei-ind.com)

**ATTENDANCE SLIP**

Annual General Meeting: 17<sup>th</sup> September, 2019

Folio No. /DP Id-Client Id : \_\_\_\_\_

Name and Address of First/ Sole Shareholder : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company being held on Tuesday, the 17<sup>th</sup> day of September, 2019 at 10:00 a.m. at Sri Sathya Sai International Centre, Pragati Vihar Institutional Area, Lodhi Road, New Delhi - 110 003.

\_\_\_\_\_  
Signature of Member/ Proxy

**Notes:**

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

**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 20<sup>th</sup> April, 2018 and SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 Dated July 16, 2018 every listed Company has to update Bank Account details and PAN number of all the shareholders holding shares in physical form.

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 1<sup>st</sup> shareholder only;
  - Name of 1<sup>st</sup> 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 05, 2019**

**(Kishore Kunal)**

**GM (Corporate) & Company Secretary**

**M. No.: FCS-9429**

**CIN: L74899DL1992PLC051527**

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



# KEI Industries Limited

CIN : L74899DL1992PLC051527  
Regd. Office : D-90, Okhla Industrial Area, Phase-I, New Delhi-110020  
Ph. No. : +91-11-26818840/8642, 26815558, 26815559, Fax No. : +91-11-26811959, 26817225  
E-mail : [cs@kei-ind.com](mailto:cs@kei-ind.com), Website : [www.kei-ind.com](http://www.kei-ind.com)

## ELECTRONIC VOTING PARTICULARS

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

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

Commencement of e-voting	From 09:00 a.m. (IST) on September 14, 2019
End of e-voting	Upto 05:00 p.m. (IST) on September 16, 2019

- The cut-off date (i.e. the record date) for the purpose of e-voting is 10<sup>th</sup> September, 2019.

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



# KEI Industries Limited

CIN : L74899DL1992PLC051527  
Regd. Office : D-90, Okhla Industrial Area, Phase-I, New Delhi-110020  
Ph. No. : +91-11-26818840/8642, 26815558, 26815559, Fax No. : +91-11-26811959, 26817225  
E-mail : [cs@kei-ind.com](mailto:cs@kei-ind.com), Website : [www.kei-ind.com](http://www.kei-ind.com)

## ATTENDANCE SLIP

Regd. Folio No. / DP ID - Client ID : \_\_\_\_\_

Name & Address of First/Sole Shareholder : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 17<sup>th</sup> day of September, 2019 at 10:00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003.

\_\_\_\_\_  
Signature of Member/Proxy

### Notes:

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

The procedure and instructions for e-voting for 27<sup>th</sup> Annual General Meeting of the Company are as under :

**I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**

- a. Open e-mail and annexed PDF file viz. "KEI-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>.
- c. Click on "Shareholder-Login".
- d. Put user ID and password as initial password noted in step (a) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on "remote e-voting: Active Voting Cycles".
- g. Select "EVEN" 111292 (e-voting event number) of "KEI Industries Limited".
- h. Now you are ready for remote e-voting as "Cast Vote page opens".
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [skbatrapcs@gmail.com](mailto:skbatrapcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. In case of Members receiving Physical copy of Notice of 27<sup>th</sup> Annual General Meeting (for members whose email ids are not registered with the Company/Depository Participant(s) or requesting physical copy) :**

- a. Initial password is provided in the box overleaf.
  - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.
- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and Password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date of 10<sup>th</sup> September, 2019.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as on cut-off date i.e. 10<sup>th</sup> September, 2019, they may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. At the end of remote e-voting period, the facility shall forthwith be blocked.
- I. Mr. Sumit Kumar, Practicing Company Secretary (Membership No. FCS-7714 & CP No. 8072), Proprietor of M/s. S. K. Batra & Associates, Company Secretaries, has been appointed as Scrutinizer for providing facility to the members of the Company and to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- J. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- K. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- L. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.kei-ind.com](http://www.kei-ind.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited.







**KEI INDUSTRIES LIMITED**

CIN: L74899DL1992PLC051527

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