

Notice

THE 23rd ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT SRI SATHYA SAI INTERNATIONAL CENTRE, PRAGATI VIHAR INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI - 110 003 ON WEDNESDAY THE 16TH DAY OF SEPTEMBER, 2015 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended on 31st March, 2015 and Balance Sheet as at that date and report of the Board of Directors and the Auditors of the Company thereon.
2. To consider declaration of dividend for the financial year ended on 31st March, 2015.
3. To appoint a Director in place of Mr. Rajeev Gupta (holding DIN: 00128865), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder as amended from time to time and pursuant to the resolution passed by the members at the Annual General Meeting held on September 19, 2014, M/s. **JAGDISH CHAND & CO.**, Chartered Accountants (Firm Registration Number: 000129N) who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014 be and are hereby re-appointed as Statutory Auditors of the Company for the Financial year 2015-16 to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be mutually agreed upon between the Board of Directors / Audit Committee and the Auditors.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee of the Board, Section 196,197 and other applicable provisions,

if any, of the Companies Act, 2013 read with Schedule V thereof (including any statutory modifications and re-enactment thereof, for the time being in force), the members of the Company hereby accord its approval for the re-appointment of Mr. Rajeev Gupta (holding DIN:00128865) as Whole-time-Director (designated as Executive Director (Finance) & CFO) of the Company for a further period of 5 years with effect from June 01, 2015 to May 31, 2020, with an annual increment upto maximum of 35% effective from April 01, 2015 on the terms & conditions set out here below and with further discretion to the Board / Committee to alter from time to time said terms in such manner as it may deem fit in the best interest of the Company and agreed to with Mr. Rajeev Gupta.

Salary: ₹ 2,67,400/- per month, with annual increments up to 35% p.a., effective from 1st April each year, as may be decided by the Board / Committee of Directors of the Company.

Perquisites: Perquisites shall be classified into following three categories A, B & C:

Category-A

- i) **Housing:**
Rent allowance at the rate of ₹ 90,000/- per month (with annual increments up to 35% p.a.)
- ii) **Other Allowances:**
 - (a) Education Allowance: ₹ 2,000/- (per month with annual increments up to 35% p.a.)
 - (b) Special Allowance: ₹ 1,22,957/- (per month with annual increments up to 35% p.a.)
 - (c) Conveyance Allowance: ₹ 58,240/- (per month with annual increments up to 35% p.a.)
- iii) **Medical Reimbursement:** Expenses incurred for himself and his family as per Company rules.
- iv) **Leave Travel Allowance:** Leave Travel Allowance for self and members of his family as per Company rules.
- v) **Leave Encashment:** Leave encashment as per Company rules.

Category-B

The Company's contribution for him to provident fund, superannuation fund, gratuity fund and annuity fund in accordance with the Rules and Regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Category-C

Car with a driver for use on the Company's business and telephone at residence provided that personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to him. The provision of car and telephone will not be considered as perquisites.

RESOLVED FURTHER THAT the minimum salary and perquisites to be paid in the event of absence or inadequacy of profits in any financial year during his tenure of office shall be as per Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT the Board/ Committee of Directors be and are hereby authorised to alter or vary any or all of the terms, conditions and/ or to increase the remuneration of Mr. Rajeev Gupta as approved subject to maximum monthly remuneration as specified above without any further reference to the Company in general meeting

RESOLVED FURTHER THAT the Board / Committee of Directors of the Company or such Officer(s) / Authorised Representative(s) as may be authorised by the Board be and are hereby authorized to file the necessary applications, documents with, inter alia, the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution and for the matters connected herewith or incidental hereto."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, SEBI (Share Based Employee Benefits) Regulations, 2014 (including earlier enactments in this regard to the extent currently applicable) and other prevailing statutory guidelines in that behalf (hereinafter together referred to as "the Extant Guidelines") and subject to all necessary consents, permissions and approvals and/or sanctions from all appropriate authorities, if required, and subject to such conditions and modifications as may be prescribed or imposed by appropriate authorities and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term, shall be deemed to include Nomination and Remuneration Committee/ any other Committee(s) consisting of one or more members of the Board and/or one or more officials

of the Company appointed by the Board in this behalf which the Board may constitute to exercise powers of the Board), consent of the Company be and is hereby accorded to the Board to adopt and implement proposed "KEI Employee Stock Options Scheme- 2015" or "KEI ESOS-2015" / or "Scheme" and to grant, offer and issue to the present and future employees of the Company, who are in permanent employment of the Company and whether working in India or outside India as selected on the basis of criteria prescribed by the Board in accordance with the SEBI Guidelines (collectively referred as the "Eligible Employees"), except a promoter or a person who belongs to the promoter group and director who directly or indirectly holds more than 10% of the issued capital, options exercisable by employees to subscribe to such number of equity shares of the Company **not exceeding 5% of the Expanded Share Capital** of the Company under the proposed "KEI Employee Stock Options Scheme- 2015", as per the limits and provisions of the Regulations at such price, in such manner, in one or more tranches and on such other terms & conditions as the Board may decide.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide upon and bring into effect the KEI Employee Stock Options Scheme- 2015 on such terms and conditions as contained in the relevant explanatory statement in the notice and to suspend, withdraw or revive the KEI Employee Stock Options Scheme- 2015.

RESOLVED FURTHER THAT the maximum number of Options that can be granted, in terms of this resolution, to any Non-Executive Directors during any one financial year shall not be more than 1,00,000 equity shares and in aggregate for all Non-Executive Directors shall not be more than 5,00,000 equity shares of the Company.

RESOLVED FURTHER THAT such equity shares, upon allotment, shall rank *pari-pasu* in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to make all such changes as may be required for the purpose of making fair and reasonable adjustments to the number of options and/ or the exercise price consequent to any corporate action(s) such as right issue/ bonus issue/ merger/ de-merger/ subdivision/ splitting etc of shares of the Company.

RESOLVED FURTHER THAT the Board may, at its discretion, or in order to comply with any applicable rules or guidelines, add, amend or put restrictions or any other conditions as it may deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the shares allotted under the KEI ESOS-2015 on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S. Chander & Associates, Cost Accountants, appointed by the Board of Directors/ Audit Committee of the Company to conduct the audit of the cost records maintained by the Company for the financial year 2015-16, be paid the remuneration of ₹ 2,30,000/- plus applicable service tax thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose by the said Cost Auditors.

RESOLVED FURTHER THAT the Board of Directors / Audit Committee of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors
For **KEI INDUSTRIES LIMITED**

Place : New Delhi
Dated : August 6, 2015

(Kishore Kunal)
Company Secretary
M. No. : A18495

CIN : # L74899DL1992PLC051527
Regd. Office: D-90, Okhla Industrial Area,
Phase-I, New Delhi-110020

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXY FORM IS ATTACHED HERewith.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. 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.
3. 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.
4. 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.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books will remain closed from September 10, 2015 to September 16, 2015 (both days inclusive).
7. 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 16, 2015. 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 9, 2015, as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

8. Un-claimed / Unpaid Dividend for the Financial Year 2006-07 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. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Company) Rules, 2012, the Company uploaded the details of unpaid and unclaimed amounts lying with the Company as on 19th September, 2014 (date of last Annual General Meeting) on the website of the Company: www.kei-ind.com and also on the website of the Ministry of Corporate Affairs: 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.
9. In terms of Article 113 of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Mr. Rajeev Gupta retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The information or details about the director proposed to be re-appointed to be provided pursuant to the requirements of clause 49 of the Listing Agreement of Stock Exchanges on Corporate Governance is annexed herewith.
10. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses specified under Item No. 5, 6 and 7 is annexed hereto.
11. 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 .
12. 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 attendance slip and proxy form) and Annual Report in electronic form to all Members whose email Ids are registered with the Company/ Depository Participant(s) unless a specific request for hard copy has been requested.
13. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication 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 MAS SERVICES LTD., T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Ph:- 26387281/82/83, Fax:- 26387384, email:- info@masserv.com, website: www.masserv.com and / or the Company Secretary or to their respective depository participants if the shares are held in electronic form.
14. 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.
15. Members may also note that the Notice of Annual General Meeting and Annual Report 2014-15 is available on the website of the Company at www.kei-ind.com under Investor Relations Section.
16. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
17. 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.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement the Company is pleased to provide to its members facility to exercise their rights to vote on resolutions proposed to be passed by means of electronic means ("e-voting"). The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. The instructions for the shareholders for e-voting are contained in covering letter being sent to the shareholders.
19. The voting period begins on 13th September, 2015 (at

09.00 A.M (IST)) and ends on 15th September, 2015 (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) of 9th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

**By Order of the Board of Directors
For KEI INDUSTRIES LIMITED**

Place : New Delhi
Dated : August 6, 2015

(Kishore Kunal)
Company Secretary
M. No. : A18495

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.5

At 19th Annual General Meeting of the Company held on September 15, 2011, members of the Company had approved re-appointment of Mr. Rajeev Gupta as Executive Director (Finance) for a period of 5 years w.e.f. April 1, 2011 till March 31, 2016. Mr. Rajeev Gupta is working as Head of Accounts & Finance of the Company for approximately 22 years. His innovative guidance in managing the Finance of the Company has helped the Company to grow in a significant manner. His valuable contribution and guidance has helped the Company to achieve the future targets in sales and value. Presently he is working as Executive Director (Finance) & CFO of the Company. Considering his invaluable contribution & dedication in the management of the Company he has been proposed to be re-appointed as the Executive Director (Finance) & CFO for a fresh term of five years with effect from June 01, 2015 with an annual increment upto maximum of 35% from the last drawn salary w.e.f. April 01, 2015.

Subject to shareholders' approval, Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 28th May, 2015 have re-appointed Mr. Rajeev Gupta as Executive Director (Finance) & CFO of the Company for a period of 5 years w.e.f. 01st June, 2015 till 31st May, 2020 on the terms and conditions as set out in the resolution under Item No. 5.

The detailed terms and conditions of re-appointment of Mr. Rajeev Gupta and remuneration payable to him are set out in resolution under Item No. 5.

Except Mr. Rajeev Gupta, no other Director and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise in the passing of resolution set out at Item No. 5 of the Notice.

Your Board recommends the passing of Resolution as set out in the accompanying Notice as a Special Resolution with respect to re-appointment and revision in the terms and conditions of appointment of Mr. Rajeev Gupta, Executive Director (Finance) & CFO of the Company.

ITEM NO. 6

The human resource plays a vital role in growth and success of a Company. As a step towards substituting pure financial benefits with ownership and to enable employees to participate in the enhancement of shareholders value, the Company proposes to provide stock options to the employees. Stock option shall serve as a tool of aligning interests of employees with those of shareholders and the Company and enable the Company to attain growth in an environment that increasingly demands global competitiveness. This will also help the Company in attracting, motivating and retaining the best talent.

Further, in terms of the provisions of Section 62 of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, issue of shares to the persons other than the existing Members of the Company/ approval of Scheme to be offered to the employees of the Company requires an approval of the existing Members by way of a Special Resolution and accordingly, the Special Resolution at Item No. 6 seeks your approval for the issue of further Equity Shares under the KEI Employee Stock Options Scheme-2015, to the employees of the Company as may be determined by the Board.

The Board of Directors in their meeting held on 6th August, 2015, have approved the "KEI Employee Stock Options Scheme- 2015".

The main features and other details of the Scheme as per Regulation 6(2) of SEBI (SBEB) Regulations, 2014, are as under:

a) Brief description of the Scheme:

The Scheme shall be called as the 'KEI Employee Stock Options Scheme- 2015' and shall extend its benefits to the present and/or future permanent employees of the Company, in accordance with the applicable laws. The scheme will be implemented directly in which the Company shall make direct allotment of Equity Shares to the Employees pursuant to exercise of options by them.

b) Total number of Options to be granted under the Scheme:

The maximum number of options to be granted to the Employees under the KEI ESOS-2015 shall not exceed 5% of the expanded share capital of the Company.

c) Identification of classes of employees entitled to participate and be beneficiaries in KEI ESOS-2015:

Employees are the permanent Employees, including Executive Directors and Whole-time Directors of the

Company or as may be decided by the Committee from time to time on such parameters as may be decided by the Committee at its discretion.

d) Requirement of Vesting and period of Vesting:

The options granted under KEI ESOS-2015 shall vest, over a period of four years from the date of grant, so long as the option holder continues to be in the employment in the Company, as the case may be and further subject to the satisfaction of other conditions as stipulated under the KEI ESOS-2015.

e) Maximum period within which the options shall be vested:

All the options will get vested within maximum period of four (4) years from the date of grant.

f) Exercise Price/ Pricing formula:

The Exercise price of the shares will be based upon the Market Price of the shares one day before the date of grant of options. Suitable discount can be provided on a case to case basis, upon the discretion of Committee.

Provided that the Exercise Price shall not go below the PAR Value of the Equity Share, in any case.

However, as the shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

g) Exercise period and process of Exercise:

The Exercise Period will be 30 days from the date of vesting.

The options granted under the KEI ESOS-2015 would be exercisable by the employee by submitting Exercise Form, to the authorized representative of Company during the Exercise Period. After the expiry of exercise period, the options granted under KEI ESOS-2015 shall not be exercisable and shall lapse. The lapsed options shall be available for fresh grants.

h) Appraisal process for determining the eligibility of the employees to KEI ESOS-2015:

The appraisal process for determining the eligibility of the employees will be in accordance with the KEI ESOS-2015 or as may be determined by the Committee at its sole discretion.

The employees would be granted options under the KEI ESOS-2015 based on various parameters including but not limited to:

- (i) minimum period of service,
- (ii) the eligibility of the Employee in the Company, the present and potential contribution of the Employee to the success of the Company,

(iii) the criticality of the Employee,

(iv) high market value/difficulty in replacing the Employee and

(v) high risk of losing the Employee to competition.

i) The Maximum number of Options to be granted per employee and in aggregate:

The maximum number of Options that can be granted to any eligible employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of grant of Options. The Board may decide to grant such number of options equal to or exceeding 1% of the issued capital to any eligible employee as the case may be, subject to the approval of the shareholders in a general meeting.

j) The Maximum quantum of benefits to be provided per employee under the scheme:

The maximum quantum of benefits that will be provided to every eligible employee under the scheme will be the difference between the Exercise Price paid by the employee to the Company and the value of Company's share on the stock exchange on the date of exercise of options.

k) Implementation and administration of the scheme:

The scheme shall be implemented and administered directly by the Nomination and Remuneration Committee of the Company.

l) Whether the scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both:

New Issue of shares by the Company.

m) The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Not Applicable

n) The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme:

Not Applicable

o) Disclosure and accounting policies:

The Company will confirm to the disclosures and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulation, 2014 or as may be prescribed by regulatory authorities from time to time.

p) The method which the Company shall use to value its Options:

Intrinsic Value Method

As the Company is opting to expense its share based

employee benefit using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

In terms of Section 62 of the Companies Act, 2013 and SEBI (SBEB) Regulations, 2014, the approval of the Shareholders is sought by way of Special Resolution for the approval of the KEI ESOS-2015 and issuance of shares under this KEI ESOS-2015, therefore, your Directors recommend the Resolution as set out at Item No. 6 for your approval by way of Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and any relatives of such director, key managerial personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company.

2016 at a remuneration of ₹ 2,30,000/-plus Service Tax as applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as approved by the Board of Directors/ Audit Committee, is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No.7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2016.

None of the Directors/ Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

**By Order of the Board of Directors
For KEI INDUSTRIES LIMITED**

Place : New Delhi
Dated : August 6, 2015

(Kishore Kunal)
Company Secretary
M. No. : A18495

CIN : # L74899DL1992PLC051527
Regd. Office: D-90, Okhla Industrial Area,
Phase-I, New Delhi-110020

ITEM NO. 7

M/s. S. Chander & Associates, Cost Accountants, were re-appointed as Cost Auditors of the Company by the Board of Directors on the recommendation of the Audit Committee, to audit the cost records maintained by the Company in connection with manufacture of electrical cables, wires and stainless steel wires for the Financial Year ending 31st March,

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED UNDER ITEM NO. 3 & 5 IS FURNISHED AS BELOW:

| | |
|---|--|
| Name of Director | Mr. Rajeev Gupta |
| Date of Birth | 31.01.1964 |
| No. of Equity Shares held (face value of ₹ 2 each) | 18910 |
| Qualification | B.Com (Hons) and fellow member of the Institute of Chartered Accountants of India |
| Relationship with other Directors | Not related with any director of the Company |
| Nature of Expertise | Mr. Rajeev Gupta has been working as Head of Finance & Accounts of the Company for approximately 22 years. Presently he is working as ED (Finance) & CFO of the Company. He has been instrumental in raising funds for the Company for Expansion/Modernization of Projects of the Company. He looks after the Finance & Accounts Department of the Company. His innovative guidance in managing the Finance of the Company has helped the Company to grow in a significant manner. |
| Name of Companies in which he holds Directorship | None |
| Name of Committees of the Companies of which he holds Membership | KEI Industries Ltd - Finance Committee (Member) - Corporate Social Responsibility Committee (Member) |

ADDITIONAL INFORMATION AS REQUIRED PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEM NO. 5 OF THE NOTICE:

I. GENERAL INFORMATION:

| | |
|---|---|
| (1) Nature of Industry | The Company is engaged in manufacturing of Electrical Cables & Wires. |
| (2) Date or expected date of commencement of commercial production | The Company is already in existence and is in operation since December 31, 1992 |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable |
| (4) Financial Performance for last 3 years is given below: | |

(₹ In Crores)

| Particulars | FY 2015 | FY 2014 | FY 2013 |
|--|----------------|----------------|----------------|
| Revenue from Operations (Gross) | 2170.92 | 1753.47 | 1812.28 |
| Less: Excise Duty | 139.97 | 134.56 | 153.93 |
| Net Sales | 2030.95 | 1618.91 | 1658.35 |
| Other Income | 2.38 | 1.28 | 2.36 |
| Total Revenue | 2033.33 | 1620.19 | 1660.71 |
| Total Expenses | 1983.06 | 1598.37 | 1617.63 |
| Profit before tax | 50.27 | 21.82 | 43.08 |
| Exceptional Item- Keyman Insurance on Maturity | 2.61 | - | - |
| Tax Expenses (including Current tax, Deferred Tax, short/excess provision for earlier years) | 18.63 | 10.22 | 16.74 |
| Profit for the year | 34.25 | 11.60 | 26.34 |
| Appropriations | | | |
| Proposed Dividend on Equity Shares | 3.09 | 1.54 | 1.40 |
| Dividend Distribution Tax on Proposed Dividend | 0.63 | 0.26 | 0.24 |
| Paid up Share Capital | 15.45 | 14.75 | 14.05 |
| Reserves and Surplus | 288.40 | 253.91 | 241.52 |
| Money received against Share Warrants | - | 4.42 | - |
| Net Worth | 303.85 | 273.08 | 255.57 |

| | |
|--|--|
| (5) Foreign investments or collaborators, if any | Foreign Technical Collaboration Agreement with Brugg Kabel A.G, Switzerland for manufacturing of Extra High Voltage (EHV) cables ranging from 66kV to 220kV. |
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II. INFORMATION ABOUT THE APPOINTEE:

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

| | |
|------------------------|--|
| (1) Background details | Mr. Rajeev Gupta has been on the Board of Directors of the Company since April 21, 2006. He joined the Company in 1994. He is B.Com (Hons.) and fellow member of The Institute of Chartered Accountants of India and has about 22 years of experience in managing the financial affairs of the Company. He has been instrumental in raising funds for the Company for Expansion/ Modernization Projects of the Company. He looks after the Finance & Accounts Department of the Company. |
|------------------------|--|

| | | |
|-----|--|--|
| (2) | Past remuneration | Salary & Perquisites: ₹ 60,41,248 /- per annum during FY 2014-15. |
| (3) | Recognition or awards | None |
| (4) | Job profile and his suitability | Mr. Rajeev Gupta, being Executive Director (Finance) & CFO of the Company is entrusted with substantial powers of management in relation to financial matters, strategic planning and development of the Company. He looks after the Financial planning of the company and reporting to higher management. As Executive Director (Finance) & CFO of the Company, he is responsible for motivating the team of professional to implement the Financial Policies. |
| (5) | Remuneration proposed | As per resolution under Item No. 5 |
| (6) | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top level managerial persons having comparative qualifications and experience. |
| (7) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | There is no other pecuniary relationship of Mr. Rajeev Gupta with the Company except the remuneration payable to him as ED (Finance) & CFO and shares held by him and his relatives in the Company. |

III. OTHER INFORMATION:

| | | |
|-----|---|--|
| (1) | Reasons for loss or inadequate profits | The Company has been making profit since inception. The Company has also good dividend payment record. During the last two years Company has been able to improve operational performance but the profit may be inadequate due to margin pressure, low capacity utilization and competition in the Industry. |
| (2) | Steps taken or proposed to be taken for improvement | The Company has taken various steps to improve productivity and increase operational efficiency. Margin is slowly improving with the strong order book position and demand. |
| (3) | Expected increase in productivity and profits in measurable terms | The company is expected to close the current financial year with improved production and profits. |

IV. DISCLOSURES:

- (1) The Shareholders of the Company shall be informed of the remuneration package of Mr. Rajeev Gupta as per the provisions of applicable laws.
- (2) Requisite disclosure regarding remuneration, service contracts, stock options etc has been disclosed as a part of the Board of Directors' Report under the heading "Corporate Governance" attached to the Annual Report of the Company.

Dear Shareholders,

Sub: Electronic Clearing Service (ECS)/ Bank particulars for payment of dividend

We wish to inform you that from the last few years, your Company have extended the ECS facility to the members by which they can receive their dividend directly in their bank account through electronic clearing in order to provides protection against fraudulent interception and encashment of dividend warrants or damage of dividend warrants in transit or problem of revalidation/ issuance of duplicate dividend warrants.

We request all the members to provide / update the requisite details in the form given below and submit the same to MAS Services Limited (Registrar & Share Transfer Agent of the Company) in order to avail the ECS facility.

For KEI Industries Limited

(Kishore Kunal)

Company Secretary

M. No.: A18495

ECS MANDATE FORM

(For use by Shareholders holding Shares in physical mode only)

To

MAS Services Limited

T-34, 2nd Floor,

Okhla Industrial Area, Phase - II,

New Delhi - 110 020

Dear Sirs,

Sub: Payment of dividend (Electronic Clearing Service / Bank Particulars)

I wish to participate in the Electronic Clearing Services and give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below::

1. Folio No. :

[Folio No. Given in Equity Share Certificate(s)]

2. Name of the First Holder:

3. Member's Address:

• Particulars of the Bank Account:

• Bank Name:

• Branch Name & Address:

• mention the 9-digit code number of the bank and branch appearing on the MICR cheque issued by the bank
(Please attach a photocopy of a cheque or a blank cancelled cheque issued by your bank for verifying the accuracy of the code number)

• Account Type (Please ✓) ☐ Savings ☐ Current ☐ Cash Credit

• Account number (as appearing on the cheque book):

I do hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information for any reasons, I would not hold the Company/ RTA responsible.

I also undertake to advise changes, if any, in the particulars of my account to facilitate updation of records for the purposes of credit of Dividend amount through ECS.

.....
Signature of the first named/sole Member

Note:

1. Please complete the form and send it to Registrar & Share Transfer Agent at the above address if you are holding share certificate(s) in physical form.
2. In case your shares are in Dematerialized form, inform/update your information directly with the Depository Participant (DP) with whom you are maintaining Demat Account and not to the Company or its Registrars.
3. In case of more than one Folio, please complete the details on separate sheets.
4. Subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.

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.

Email: cs@kei-ind.com, Website: www.kei-ind.com

FORM NO. - MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L74899DL1992PLC051527

Name of the Company : KEI INDUSTRIES LIMITED

Registered office : D-90, Okhla Industrial Area, Phase – 1 New Delhi – 110020

| | |
|----------------------|---|
| Name of 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
- Name :
Address :
E-mail Id :
Signature :, or failing him
- Name :
Address :
E-mail Id :
Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on 16th September, 2015 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 |
|--------------------------|--|-----|---------|
| Ordinary Business | | | |
| 1. | Adoption of Audited Statement of Profit & Loss for the year ended on 31 st March, 2015 and Balance Sheet as at that date and report of the Board of Directors and the Auditors of the Company thereon | | |
| 2. | Declaration of Dividend for the Financial Year 2014-15 on Equity Shares of the Company | | |
| 3. | Re-appointment of Mr. Rajeev Gupta as Director, who retires by Rotation. | | |
| 4. | Re-appointment of M/s. Jagdish Chand & Co. as Statutory Auditors of the Company | | |
| Special Business | | | |
| 5. | Approval for Re-appointment of Mr. Rajeev Gupta as Executive Director (Finance) & CFO of the Company | | |
| 6. | Approval of KEI Employee Stock Options Scheme-2015 | | |
| 7. | Ratification of Remuneration of M/s. S. Chander & Associates, Cost Accountants appointed as Cost Auditors of the Company | | |

Signed this day of 2015.

Signature of Shareholder:

Signature of Proxy holder (s)

Affix
Revenue
Stamp

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 23rd Annual General Meeting.

KEI INDUSTRIES LIMITED

Form for updation of Email Address

To,
The Company Secretary
KEI INDUSTRIES LIMITED
D-90, Okhla Industrial Area,
Phase-I, New Delhi-110020

Date:

Dear Sir,

Sub : Updation of e-mail address

Please register my e-mail address for the purpose of sending Annual Report and other notices/documents in electronic mode:

Name :
Email Id :
Folio No. / DP Id :
Client Id :

.....
Signature of the First named Shareholder
Name:
Address:

KEI INDUSTRIES LIMITED

CIN: L74899DL1992PLC051527

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

Tel.: +91-11-26818840, 26818642, 26815558, 26815559. Fax: +91-11-26811959, 26817225.

Email: cs@kei-ind.com, Website: www.kei-ind.com

ATTENDANCE SLIP

Annual General Meeting: 16th September, 2015

Folio No./DP Id-Client Id : _____
Name and Address of First/ Sole Shareholder : _____
No. of Shares held : _____

I hereby record my presence at the 23rd Annual General Meeting of the Company being held on Wednesday, the 16th day of September, 2015 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:

- 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 23rd 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 annexed PDF file viz. "KEI e-Voting.pdf" with your Client ID or Folio No. as password containing your user ID and password for e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- c. Click on "Shareholder-Login".
- d. Put user ID and password as initial password noted in step (a) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on "e-voting: Active Voting Cycles".
- g. Select "EVEN" of "**KEI Industries Limited**".
- h. Now you are ready for 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 members (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 bskashtwal@gmail.com with a copy marked to evoting@nsdl.co.in.

II. In case of Members receiving Physical copy of Notice of 23rd Annual General Meeting of the Company (for members whose email IDs are not registered with the Company/Depository Participants(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.nsdl.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 i.e. 9th September, 2015.
- 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. 9th September, 2015, they may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. Mr. Baldev Singh Kashtwal, Practicing Company Secretary (Membership No. FCS-3616 & CP No. 3169), Partner, M/s. RSM & Co., Company Secretaries has been appointed as the 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.
- I. 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.
- J. The Scrutinizer shall 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 three 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.
- K. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.kei-ind.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange limited.



KEI

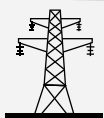
Wires and Cables

KEI INDUSTRIES
LIMITED

**EXPANDING
GROWING
PROGRESSING**

Annual Report 2014-15

WHAT'S INSIDE



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anil Gupta
Chairman-cum-Managing Director

Mrs. Archana Gupta
Director

Mr. Pawan Kumar Bholusaria
Director

Mr. K.G. Somani
Director

Mr. Vijay Bhushan
Director

Mr. Vikram Bhartia
Director

Mr. Rajeev Gupta
Executive Director (Finance) & CFO

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kishore Kunal

AUDITORS

M/s. Jagdish Chand & Co.,
Chartered Accountants,
New Delhi

BANKERS

Dena Bank
Punjab National Bank
State Bank of India
State Bank of Hyderabad
Kotak Mahindra Bank Ltd
Standard Chartered Bank
ICICI Bank Ltd
State Bank of Patiala
State Bank of Bikaner and Jaipur
Indian Overseas Bank
Corporation Bank
IDBI Bank Ltd
Bank of India
DCB Bank Ltd
The Lakshmi Vilas Bank Ltd

SHARE TRANSFER AGENT

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

KEY MANAGEMENT PERSONNEL

Mr. N.N. Suri
Executive Director (Corporate Strategy)

Mr. Arvind Shrowty
Executive Director (EHV)

Mr. Lalit Sharma
COO

Mr. S.L. Kakkar
President

Mr. Manoj Kakkar
Sr. Vice President (Marketing)

Mr. P.K. Aggarwal
Sr. Vice President (Corporate)

Mr. K.C. Sharma
Sr. Vice President (Operation)

Mr. Manish Mantri
Vice President (EPC)

Mr. Dilip Barnwal
Vice President (Operation-Silvassa)

Mr. Munishvar Gaur
Vice President (EHV)

Mr. N.K. Bajaj
*Vice President
(Marketing-Wires & Flexibles)*

Mr. Naval Singh Yadav
Vice President (Technical)

Mr. Keshav K. Mitra
Sr. GM-Sales & Marketing

Mr. Deepak Manchanda
Sr. GM (Business Development)

Mr. Alok Saha
GM (Marketing)

Mr. Umesh B. Kank
GM (Marketing)

Mr. M.V. Ganannath
GM-Sales & Marketing

Mr. Ajay Mehra
GM (Works-Bhiwadi)

Mr. Adarsh Jain
GM (Finance)

Mr. Gaurav Sahi
Head-Corporate Communication

Mr. Pawan Kumar Jain
GM (EPC)

Mr. K.D. Tamhankar
GM (International Marketing)

Mr. Kunal Gupta
GM (International Marketing)

Mr. Anand Kishore
GM (HR & Admin.)

WORKS OFFICE

- SP-919-920, 922 RIICO Industrial Area, Phase-III, Bhiwadi, Dist. Alwar (Rajasthan) - 301 019.
- 99/2/7 Madhuban Industrial Estate, Village Rakholi, Silvassa (D&H) - 396 240.
- Plot No. A- 280-284, RIICO Industrial Area, Chopanki, Dist. Alwar (Rajasthan) - 301 019.





EXPANDING. GROWING. PROGRESSING.

Expanding across geographies, growing across business segments and progressing holistically, we continue to chart new milestones of success as we surge towards the future.

- In the transforming realty of today, we are mapping the world of tomorrow's infrastructure and real estate to create icons of excellence across the global landscape.
- With strengthening brand equity and expanding distribution network, we are progressively delivering greater value to our stakeholders.
- Connecting geographies, across borders, we are bringing the world closer to build a global market for our high-quality basket of diversified cables.

At KEI, we believe in nurturing a collaborative spirit to make growth a byword of our future-focused strategy. We believe in aligning our R&D capabilities and manufacturing capacities to global benchmarks of distinction.

From retail to institutional, from homes to commercial spaces and from EPC to EHV, we are concertedly developing a strong niche presence that will steer our growth for years to come.

What we see ahead is a plethora of opportunities waiting to unfold and our own intrinsic strengths enabling us to leverage the same to ensure long-lasting and meaningful progress.



GROWING FROM STRENGTH TO STRENGTH



KEI Industries Limited (KEI, or the Company) is one of the top three manufacturers of cables in India, with a diversified portfolio to meet the complete gamut of cable needs of clients across sectors. Headquartered at New Delhi, India, KEI is a leading player in manufacturing and marketing of EHV, MV and LV power cables segments. The Company is the preferred supplier of cables for a large number of clients in the private and the public sectors.

Established in 1968 as a partnership firm, under the name Krishna Electrical Industries, KEI is listed on the National Stock Exchange of India Ltd (NSE), the BSE Ltd (BSE) and the Calcutta Stock Exchange Ltd (CSE). It is also listed internationally on the Luxembourg Stock Exchange.

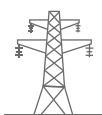
“ KEI is growing its business in Engineering, Procurement and Construction (EPC) segment, in which it has recently forayed ”

KEI has a diversified and de-risked business model characterized by significant presence in the domestic and international markets. The Company services the retail as well as the institutional segments, offering both one-stop products basket and services.

A broad-based product portfolio

- Extra High Voltage (EHV) Cables up to 220kV
- High & Medium Voltage Cables
- Low Tension Cables
- Control and Instrumentation Cables
- Specialty Cables
- Rubber Cables
- Flexible & House Wires
- Submersible Cables
- PVC/Poly Wrapped Winding Wires
- Stainless Steel Wires
- Engineering, Procurement and Construction (EPC)

Wide sectoral presence



Power



Oil Refineries



Railways



Automobiles



Cement



Steel



Fertilizers



Textile



Real Estate



The EHV value proposition

The Company forayed into manufacturing of EHV cables up to 220kV in FY10, in collaboration with Brugg Kabel, AG, a century-old Swiss company. Through EHV Cables, KEI is geared to service mega power plants, transmission companies, metro cities where underground cabling is underway, large realty projects – IT Parks, residential townships, metro rail projects etc.



R&D strength

Our R&D capabilities are focused on development of products customized to the client's specific requirements. We have in place, a state-of-the-art in-house R&D facility & laboratory, which is accredited by NABL. To ensure high quality standards, third party inspection of the products, by an inspector appointed by the client, is done before supplies. We are continuously investing in upgrading our R&D capabilities to deliver excellence in all our offerings.

Manufacturing prowess

We have a strong manufacturing base, with our plants located at Bhiwadi & Chopanki (Rajasthan) and Silvassa (Dadra and Nagar Haveli). We have, over the years, invested in building flexible manufacturing facilities, followed by expansion of our capacities to address the growing opportunities in Power, Core Infrastructure, Industrial, Building & Construction segments across India.



Quality certifications

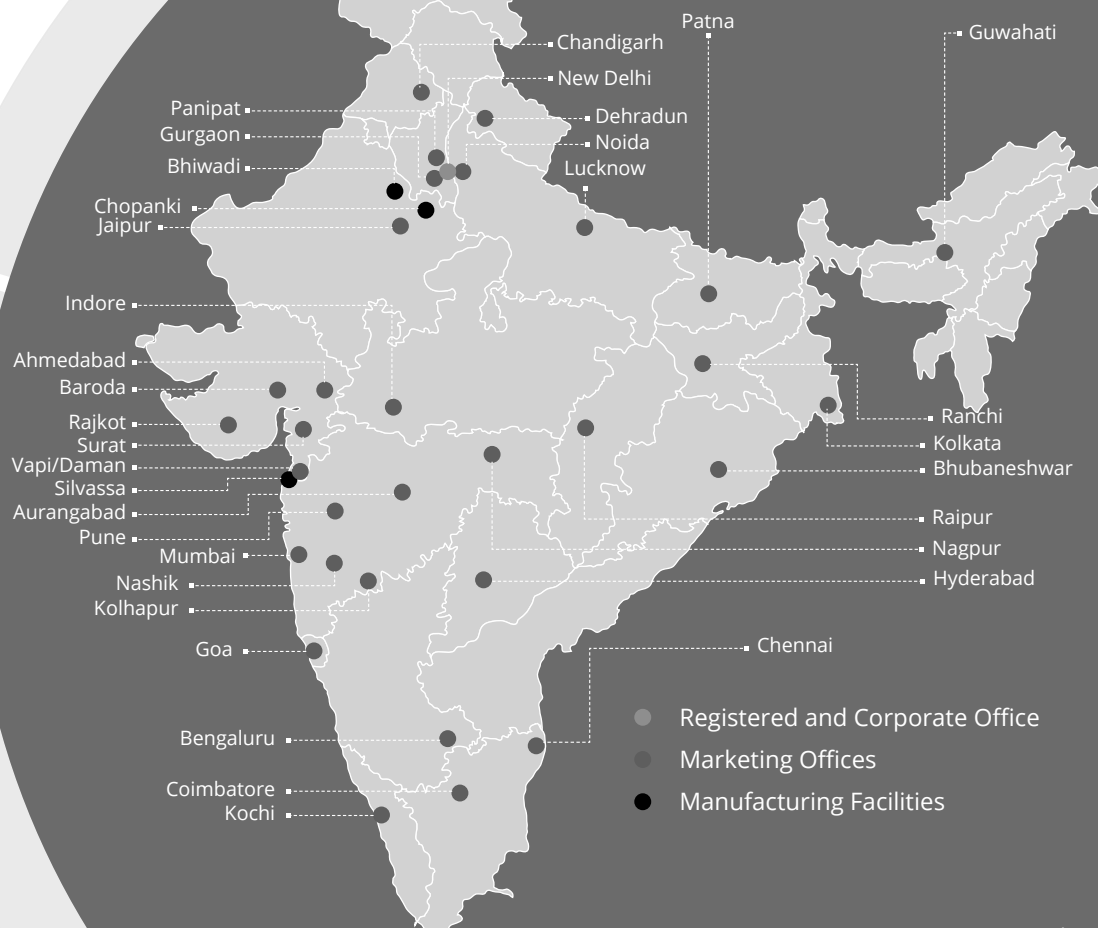
Our products are tested as per international standards by: KEMA (Netherlands), FGH (Germany), TUV (Rheinland), SGS, IRS, ABS, CEIL, BRE (UK), LLOYDS REGISTER, BVQI, DNV, KVERNER POWERGAS, CPRI, SRIRAM TEST HOUSE, ERDA, IDEMI, EIL, PDIL and MECON.

Our quality standards are also certified by ISO 9001:2000, ISO 9001:2008, OHSAS 18001:2007, OHSAS 14001:2004, ISO / IEC 17025:2005.

Our manufacturing capacities

- 500 km of EHV cables
- 5,100 km of HT cables
- 67,000 km of LT cables, control cables, power cables, instrumentation cables, rubber cables
- 2,80,000 km of winding, flexibles & house wires
- 4,800 MT of stainless steel wire

Our India Presence





GROWING THE RETAIL FOCUS

“ Our retail sales currently account for 27% of the total sales, and are expected to go up significantly with vigorous dealer additions ”

As major growth opportunities opened up in the construction sector, led by several key budgetary interventions by the Indian government, our Retail business witnessed remarkable growth during FY15.

The Retail division, comprising household wires as well as LT and HT cables, is continuously scaling new levels of excellence, on the strength of our brand equity and wide distribution network in India and abroad.

Seeing the huge prospects for growth in this segment, which caters mainly to the domestic house wires demand, we invested significantly in building on our key strengths during the year. We added more than 300 distributors/dealers to expand our nationwide network to 900. Our new Business Head for Retail, who took over in FY14, has infused fresh energy into the business. We have also set up exclusive depots at key locations to deepen our customer connect by reaching out to the far-flung areas of the country.

Strengthening the dealer connect

Our dealers have emerged as a major driver of our growth in this business segment and we expanded our dealer network by 30% during the year. The expansion has not only helped us grow our customer reach but also ensured better cash flow for the Company. Besides steering our growth in new markets, the dealers are strengthening our business in the existing markets, mainly in North and West India. With our expanded dealer network, which now covers most of India (metros, tier-I and tier-II cities), we are well positioned to take on the growth opportunities of the future.

Building on our brand strength

Our brand strategy is a strong facilitator of our growth as we move towards increasing our market share of the retail business. To ensure greater reach and further strengthen our relationships with our customers, we have decided to expand our marketing strategy to encompass Television advertising. We have earmarked an additional ₹ 5 crores for TV advertising in FY16, apart from other ongoing marketing initiatives, such as print advertising, hoardings, seminars for consultants and dealers etc. We also conduct regular seminars for electricians, who we see as brand ambassadors of our products in the consumer-driven Retail segment.

The opportunity outlook

The Retail business offers considerable opportunity for growth and we are looking at increasing its revenue share to 40% of the total.

The wire and cables market in India comprises nearly 40% of the electric industry and is expected to double in size in the next five years. Increased per capita income is further expected to boost demand for cables, going forward. Government investments in power and telecommunication, coupled with rapid industrialization and urbanization, will also contribute in a big way to growth in this segment.

Major expansion in steel, cement, oil & gas, energy, automobiles, highways, ports, airports, SEZs, housing, IT parks, hotels, shopping malls and BPOs would increase the demand for cables. As the consumer real estate and consumer houses witness massive expansion in the coming years, this will have a cascading positive effect on the retail market.

Our dealer strength, which we plan to grow by another 30% in the coming fiscal, will help us leverage these opportunities to strengthen our position as a specialist cable manufacturer.





SEEING GROWTH IN OPPORTUNITY

Having completed building our eligibility criteria in the EHV cables segment, we are now well placed to capitalize on the immense growth opportunities in the Institutional segment. Our robust presence across the power value chain, backed by our specialty cables and value additions, has created for us a niche position in this business.

Our product portfolio in Institutional business is led by EHV power cables and we have successfully secured several important Institutional tenders, with many more in the pipeline. Our technological collaboration with Switzerland-based Brugg Kabel AG has helped us move fast in this segment. With more than 100 years of experience, Brugg gives us support in design, process back-up services etc.

As a natural extension of our EHV cables business, the EPC segment has also emerged as a major growth engine for the Company. With several EPC contracts (including many from several discoms in Uttar Pradesh), our EPC business witnessed a huge jump during the year under review. The various turnkey projects that we have secured in the EPC segment have helped ensure better inventory

“ Our robust presence across the power value chain, backed by our specialty cables and value additions, has created for us a niche position in this business ”

management and higher margin growth in this business, while maintaining better cash flows.

Our main services in EPC consist of execution of power transmission projects (of 66kV to 400kV sub-stations) on a turnkey basis, EPC of EHV and HV cable systems, electrical balance-of-plant for power plants and electrical industrial projects. In-house manufacturing of EHV/HV cables gives us an added advantage as these cables comprise almost 30% of an EPC project value.

New orders in EPC, particularly in the EHV segment, augmented our institutional business during the year under review.



The opportunity outlook

The boom in infrastructure, power, transmission and distribution are key positives for growth in this segment.

The EPC sector is projected to be a multi-billion-dollar industry with infrastructure projects, especially the metro rail projects, witnessing substantial demand uptick. The government's plan to spend \$1trn on infrastructure in the next five years will contribute immensely to steering growth in this segment. As a leading supplier to DMRC, Chennai Metro, Bengaluru Metro and Hyderabad Metro for the last three years, we are ideally equipped to take on the new, emerging opportunities in this area.

Increased investments in power sector, as manifest in the large number of orders currently being finalized by Power Grid Corporation in the transmission sector, augur well for the Company. Additionally, discoms/ distribution companies are also placing significant orders in the underground cabling, R-APDRP schemes and rural electrification program.

Given the demand scenario, and our existing visibility in EHV and EPC, we expect major growth in the Institutional business, going forward. As one of the only three companies in this high-margin business, we see this segment translating into a significant revenue earner for us as we get ready to utilize our manufacturing capacities to the full.



GROWTH BEYOND BORDERS

Though strong headwinds pulled down our exports business during FY15, things are already looking up since the first quarter of FY16. A big ticket order from Australia and another bagged from Singapore (carried forward from the quarter ending March, 2015) indicate the positivity that is clearly visible in the exports market.

Though volatility in crude oil prices and disturbances in the target markets caused exports to slip, from ₹ 197 crores in FY14 to ₹ 147 crores in FY15, the segment has inherent strengths that shall continue to propel its growth.

As a strong and established player in the domestic cables sector, KEI has successfully secured a decent share of the export market, selling to more than 47 countries. Our exports business operates through offices in Singapore, Nigeria and Kazakhstan, besides offices in Dubai/Abu Dhabi. We are also doing business in Australia through agents.

“ Our exports portfolio spans a wide range of cables: EHV (66kV to 220kV), MV (6.6kV to 33kV) and LV (<6.6kV) ”

On an operational front, our new branch office in Singapore commenced operations during last year, positioning us well to take on the growth opportunities in the region. Though Australia did not see any addition of branch offices, expansion in the dealer network promises to bring in greater traction, going forward.

CHAIRMAN'S COMMUNIQUE



Dear Stakeholders,

Growth was the agenda with which we embarked on our journey through FY15 and we are pleased to share that we have more than achieved it. Amid a stable domestic political and economic scenario and a noticeable revival in consumer sentiment, we have concluded FY15 on a buoyant note, with great optimism for the future. The roadmap for future growth is clearly charted and we are strategically poised to capitalize on the immense opportunities that are unfolding across the segments we service.

As we look back at the year, we do so with a great sense of satisfaction. Not only have we grown our numbers to post an excellent financial performance, we have grown across the key parameters which defined our strategic outlook for the future.

So let's take a look at those parameters that steered our growth story during the year.

Macroeconomic overview

As mentioned, stability in the overall macroeconomic conditions played a crucial role in ensuring positivity for the business during FY15. Even as global turbulences in the target markets negatively impacted our exports business, the Indian economy showed strong signs of revival to boost demand. Economic as well as consumer sentiment recovered on the back of key government initiatives and a stable political dispensation. Current

account deficit and exchange rates were on firm ground and interest rates came down during the year. The environment is expected to improve further, given the strong indicators of higher growth from global and domestic.

Financial and operational performance

The economic revival had a significant impact on your Company's business, which showed marked growth across the major business segments. With an all-time record net sales of ₹ 634 crores in the 4th quarter, the total net sales for the year touched ₹ 2,031 crores. Operating profit went up by 28% in the current year. PAT for full year stood at ₹ 34 crores.

Overall, the cables and wires business achieved 17% growth in value terms, with the turnkey project division contributing to the maximum growth. EPC performed remarkably well, growing almost four times over the previous fiscal.

Exports, however, took a dip due to multiple constraints, but with many of the projects that could not be executed in the last quarter subsequently moving into the execution stage, the business in this segment is getting back on track.

Steering growth in Retail

Retail has always been a key focus area for your Company and we continued to invest in expanding the business

“ It has been a good year for your Company’s EHV and EPC segments, which have both shown considerable growth on account of overall macroeconomic positivity and revival in demand ”

during the year. More than 30% dealer additions helped in significant expansion of our nationwide dealer network and we shall continue with this pace of expansion in the coming year to further push growth in this segment. With 50% revenue growth in FY15, our retail sales currently account for 27% of the total sales, which we expect to push up significantly on the back of our expanded dealer network, coupled with our aggressive branding and marketing strategy. Our aim is to connect with customers across the length and breadth of the country.

With increased government investments in power and telecommunication, as well as rapid industrialization and urbanization, we see substantial demand potential in house wires business in the coming years. With our core strengths, we are confident that we shall successfully leverage these opportunities to deliver higher growth, going forward.

Creating new Institutional growth avenues

It has been a good year for your Company’s EHV and EPC segments, which have both shown considerable growth on account of overall macroeconomic positivity and revival in demand. Having finally cleared the pre-qualification requirements, we have secured several key institutional tenders in EHV power cables, with more expected to come in the next few quarters. EHV cables contributed 2.7% to our revenue during FY15 and we expect this to go up to 8.2% over the next two years.

The turnkey EPC projects that we have bagged from various discoms have given a huge fillip to this business. We have created a clear edge in the EPC segment and see significant growth emerging from it during FY16. We are continuously scaling up our presence in the EPC value chain and see greater robustness in this business, given the government thrust on developing infrastructure, power, transmission and distribution networks in the country.

Ready for the next growth wave in Exports

Though exports dipped during FY15 as project execution got delayed due to lower demand, capex and expansion activity in overseas market; however, the potential for expanding this business remains intact. FY14 had seen your Company almost double its exports business and, going by the Q1 performance in FY16, we see the growth trend again strengthening. With our wide and diversified product portfolio, we continued to reach out to more customers across the 45 countries of our presence. Our competitive edge in this segment lies in offering customized solutions at the right price. Given this edge, we see our exports to revenue ratio going up in the next fiscal. With more exports, profitability and working capital are also likely to improve, auguring well for your Company’s future growth.

Powered for future growth

The growth prospects for the future are bright and we are ready to embark on the next phase of progress. The increased focus on infrastructure development of which the housing sector is a key beneficiary, along with the mega power projects that are waiting for roll-out, promises to escalate growth in the cables and wires market in India.

With the power sector now open to 100% FDI permitted under the automatic route and the government targeting capacity addition of 88.5 GW during FY12-17 and 86.4 GW during FY17-22, cable demand in the country is expected to grow exponentially in the coming years. Our large product portfolio, presence across the power and EPC value chains, expanding retail distribution network and robust R&D core have catapulted us to an enviable position on the competitive landscape.

We shall further strengthen our focus in Retail through our branding and marketing initiatives to chart greater profitability in this business. Exports also promise greater traction for the Company in the coming years.

On a concluding note

The stage is set for us to open new vistas of growth with the invaluable support of our stakeholders, including our vendors, customers, bankers, financial institutions, Central and State government bodies, dealers, business associates and employees. I take this opportunity to thank them all, on behalf of the Board of Directors.

Sincerely,

Anil Gupta
Chairman-cum-Managing Director

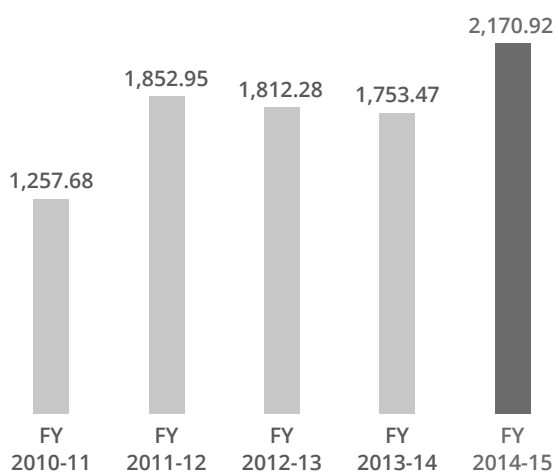
FINANCIAL HIGHLIGHTS

(₹ in Crores)

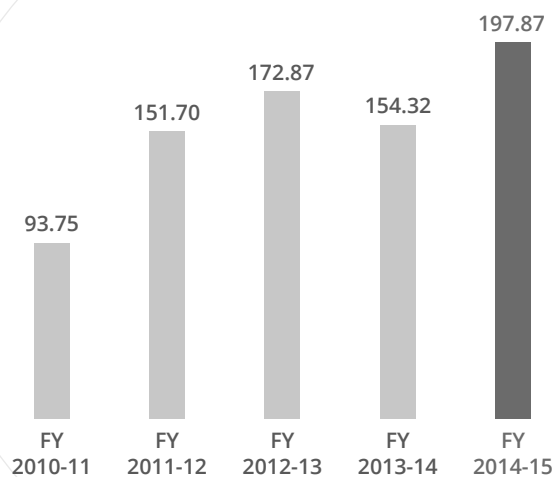
FIVE-YEAR SUMMARY

| PARTICULARS | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---------------------------------------|----------|----------|----------|----------|----------|
| PAID-UP CAPITAL | 13.39 | 13.39 | 14.05 | 14.75 | 15.45 |
| CAPITAL EMPLOYED | 455.70 | 420.37 | 441.75 | 455.57 | 498.84 |
| SALES | 1,257.68 | 1,852.95 | 1,812.28 | 1,753.47 | 2,170.92 |
| LESS: EXCISE DUTY | 94.57 | 130.65 | 153.93 | 134.56 | 139.97 |
| NET SALES | 1,163.11 | 1,722.30 | 1,658.35 | 1,618.91 | 2,030.95 |
| PBDIT | 93.75 | 151.70 | 172.87 | 154.32 | 197.87 |
| PBIT | 77.14 | 132.16 | 152.43 | 133.35 | 173.28 |
| PBT | 17.82 | 36.00 | 43.08 | 21.82 | 52.88 |
| NET PROFIT | 10.56 | 24.33 | 26.34 | 11.60 | 34.25 |
| Profitability Ratios (Percent) | | | | | |
| PBDIT | 8.06 | 8.81 | 10.42 | 9.53 | 9.74 |
| PBIT | 6.63 | 7.67 | 9.19 | 8.24 | 8.53 |
| PBT | 1.53 | 2.09 | 2.60 | 1.35 | 2.60 |
| NET PROFIT | 0.91 | 1.41 | 1.59 | 0.72 | 1.69 |
| ROCE (PAT / CAPITAL EMPLOYED) | 2.32 | 5.79 | 5.96 | 2.55 | 6.87 |
| Growth Ratios (Percent) | | | | | |
| NET SALES | 27.92 | 48.08 | -3.71 | -2.38 | 25.45 |
| PBDIT | 22.82 | 61.81 | 13.96 | -10.73 | 28.22 |
| PBIT | 25.11 | 71.32 | 15.34 | -12.52 | 29.94 |
| PBT | 3.24 | 102.02 | 19.67 | -49.35 | 142.35 |
| NET PROFIT | -25.79 | 130.40 | 8.26 | -55.96 | 195.26 |
| Capital Employed | | | | | |
| FIXED ASSETS | 312.00 | 319.15 | 314.15 | 314.38 | 304.21 |
| CURRENT ASSETS | 613.87 | 871.68 | 859.92 | 926.04 | 1,034.39 |
| LESS: CURRENT LIABILITIES | 326.18 | 477.92 | 437.40 | 443.75 | 561.85 |
| LESS: BANK BORROWING | 140.32 | 290.20 | 284.36 | 325.07 | 254.37 |
| LESS: DEFERRED TAX LIABILITY | 3.67 | 2.34 | 10.56 | 16.03 | 23.54 |
| CAPITAL EMPLOYED | 455.70 | 420.37 | 441.75 | 455.57 | 498.84 |
| NET WORTH | 237.92 | 227.09 | 255.57 | 273.08 | 303.85 |

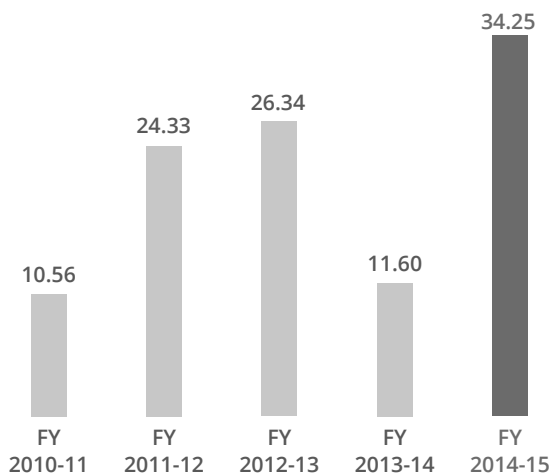
SALES (₹ in Crores)



PBDIT (₹ in Crores)



PAT (₹ in Crores)



Directors' Report

To The Members

Your Directors have pleasure in presenting their 23rd Annual Report, together with the Audited Annual Financial Statements of the Company for the year ended March 31, 2015.

FINANCIAL SUMMARY

The Company's financial performance for the year ended March 31, 2015 alongwith previous year's figures are summarized below:

(₹ in Millions)

| Particulars | Year ended March 31, 2015 | Year ended March 31, 2014 |
|--|------------------------------|------------------------------|
| Revenue from Operations (Gross) and Other Income | 21,733.05 | 17,547.50 |
| Profit before Finance Costs, Depreciation and Amortisation Less: Expenses and Tax Expenses | 1,952.54 | 1,543.21 |
| Less: Finance Cost | 1,203.98 | 1,115.30 |
| Depreciation and Amortisation Expenses | 245.85 | 209.74 |
| Profit before Exceptional Items and Tax | 502.71 | 218.17 |
| Add: Exceptional Item- Keyman Insurance on Maturity | 26.09 | - |
| Profit before Tax | 528.80 | 218.17 |
| Tax Expenses | | |
| — Current Tax | 111.33 | 46.00 |
| — Deferred tax | 75.01 | 54.71 |
| Short/(Excess) Provision -Earlier Years | (0.04) | 1.45 |
| Profit for the Year | 342.50 | 116.01 |
| Add: Balance brought forward from last year's account | 1,823.24 | 1,725.30 |
| Amount available for Appropriations | 2,165.74 | 1,841.31 |
| Appropriations: | | |
| Proposed Dividend on Equity Shares | 30.89 | 15.45 |
| Dividend Distribution Tax on Proposed Dividend | 6.29 | 2.62 |

REVIEW OF BUSINESS OPERATIONS

During the year, your Company's turnover increased to ₹ 21,709.22 millions as against ₹ 17,534.73 millions in FY 2013-14 showing a strong growth of 23.81%. During the year under review, turnover from Cables stood at ₹ 14,079.82 millions as compared to ₹ 12,718.20 millions in FY 2013-14, showing a growth of 10.71%. Stainless Steel Wire Products contributed a turnover of ₹ 1,133.31 millions as compared to ₹ 1,003.06 millions in FY 2013-14, showing a growth of 12.99%. Winding Wires, Flexible & House Wires contributed a turnover of ₹ 3,365.81 millions as compared to ₹ 2,940.68 millions in FY 2013-14, showing a growth of 14.46% and Income from Turnkey Projects also had a great contribution in the total turnover of the Company showing a strong growth of 341.66 % i.e. from ₹ 675.54 millions in FY 2013-14 to ₹ 2,983.62 millions in FY 2014-15. During the year under review, Profit before Tax stood at ₹ 528.80 millions as compared to ₹ 218.17 millions in the preceding year and Net Profit stood at ₹ 342.50 millions as compared to ₹ 116.01 millions in the preceding year.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company doesn't have any subsidiary. However during the year (w.e.f. 24.06.2014), your Company has formed a Joint Venture under the name of Joint Venture of M/s KEI Industries Ltd. New Delhi & M/s Brugg Kabel AG, Switzerland (JV) for the execution of contract awarded by Delhi Metro Rail Corporation Ltd. (DMRC), in which your Company i.e. KEI is the Lead Partner having 75% participation and Brugg Kabel AG being other partner having 25 % participation. This JV is a Jointly Controlled Entity within the meaning of Accounting Standard - 27 on "Financial Reporting of Interests in Joint Ventures" and covered under Associate Company in accordance with Section 2(6) of the Companies Act, 2013. No share capital is invested in the Joint Venture by the respective members of JV.

Further, during the financial year ended 31st March, 2015, M/s. KEI International Limited ceased to become Associate Company of KEI (w.e.f. 20th June, 2014).

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 ₹ 0.40/- per equity share (i.e. @ 20%) on the Equity Shares of face value of ₹ 2/- each for the Financial Year ended March 31, 2015, subject to the approval of shareholders at the ensuing Annual General Meeting which would result in appropriation of ₹ 37.18 millions (including Corporate Dividend Tax of ₹ 6.29 millions) out of profits of the Company. 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 16, 2015 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 9, 2015.

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 CARE

Credit Analysis & Research Ltd (CARE) has upgraded / revised the rating assigned to the Long Term Bank Facilities availed by the Company from 'CARE BBB' (Triple B) to 'CARE BBB+' (Triple B Plus) and also upgraded / revised the rating assigned to the Medium Term Instrument i.e. Fixed Deposits Scheme of the Company from 'CARE BBB (FD)' [Triple B (Fixed Deposit)] to 'CARE BBB+ (FD)' [Triple B Plus (Fixed Deposit)]. This rating is applicable to facilities having tenure of more than one year. Facilities with these ratings are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such facilities carry moderate credit risk.

Further, CARE has re-affirmed the rating 'CARE A3+' (A Three plus) assigned to Commercial Paper (CP) and the Short Term Bank Facilities availed by the Company. This rating is applicable to facilities having tenure up to one year. Facilities with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations.

CARE has also re-affirmed its rating "CARE CGR 3" to the Corporate Governance practice of the Company.

CARE has upgraded / re-affirmed the rating after taking into account KEI's long track record of operations, improved Financial performance, healthy order-book position, strong dealership network, experience of Promoters and their demonstrated financial support, its established market position in cable industry, its wide variety of products, its diversified and reputed clientele as well as technological tie-up with Brugg Kabel AG, (Switzerland) for Extra High Voltage (EHV) cables.

UNPAID / UNCLAIMED DIVIDEND

Pursuant to the circular issued by Ministry of Corporate Affairs (MCA) with respect to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012 vide G.S.R. 342 (E) dated May 10, 2012, your Company has uploaded on its website www.kei-ind.com under Investor Relations Section as well as on the Ministry's website the information regarding Unpaid/ Unclaimed Dividend amount lying with the Company as on 19th September, 2014 (date of last Annual General Meeting).

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, your Company has transferred unclaimed/unpaid dividend in respect of financial year 2006-07 to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to the provisions of Section 205A of the Companies Act, 1956.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

a) Composition

- i) During the year under review, no change has occurred in the total strength of Board of Directors of the Company. The Company has 7 Directors with an Executive Chairman. Of the 7 Directors, 2 are Executive Directors and 5 are Non-Executive Directors including one Woman Director and 4 Independent Directors. The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- ii) None of the Director on the Board is a director in more than 10 public Companies or a member of more than 10 Committees or a Chairman of more than 5 Committees across all the companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on 31st March, 2015 have been made by all the Directors of the Company.

- iii) None of the Whole-time Key Managerial Personnel (KMP) of the Company holding office in any other Company as a Key Managerial Personnel.

Further, none of the Directors/KMP of the Company is disqualified under any of the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement.

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

- a. As per Section 152 of the Companies Act, 2013 and other applicable provisions of the Act, Mr. Rajeev Gupta (holding DIN:00128865), Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its Meeting held on 28th May, 2015 has re-appointed Mr. Rajeev Gupta (holding DIN: 00128865) as Whole-time-Director of the Company (designated as Executive Director (Finance) & CFO) for a further term of 5 (Five) years w.e.f. 1st June, 2015 to 31st May, 2020 in accordance with the provisions of Section 196 and 197 of the Companies Act, 2013 read Schedule V and rules made thereunder and other applicable provisions of the Companies Act, 2013, if any. His re-appointment requires the approval of the shareholders at the ensuing Annual General Meeting.

- b. During the year, Mr. Anil Gupta, Chairman-cum-Managing Director, Mr. Kishore Kunal, Company Secretary and Mr. Rajeev Gupta, Executive Director (Finance) and CFO of the Company were designated as Key Managerial Personnel of the Company in accordance with the provisions of Section 203 of the Companies Act, 2013 and rules made thereunder.

The details of Director being recommended for re-appointment as required in clause 49 of the Listing Agreement 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 2014-15 that they continue to meet all the criteria as specified under Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement 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 1st April, 2014 to 31st March, 2015 on 15th May, 2014, 08th August, 2014, 06th November, 2014, 24th November, 2014, 22nd December, 2014 and 10th February, 2015.

Further, during the year, a separate meeting of the Independent Directors of the Company was also held on 10th February, 2015 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 clause 49 of the Listing Agreement.

CHANGE IN CAPITAL STRUCTURE

During the financial year under review, the paid-up share capital of the Company has increased from 73,737,438 equity shares of face value of ₹ 2/- each to 77,237,438 equity shares of face value of ₹ 2/- each, pursuant to allotment of 35,00,000 (Thirty Five Lakhs) equity shares of face value of ₹ 2/- each to promoters' group entity upon conversion of Share Warrants, in the Share Capital of the Company and the same has been listed with NSE, BSE and CSE.

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 is through an objective stock taking by the Board of its own performance.

The Companies Act, 2013 not only mandates Board and Directors evaluation, but also requires the evaluation to be formal, regularised and transparent. SEBI has also revised the Equity Listing Agreement, to bring the requirements on this subject in line with the Act.

In accordance with the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 28th May, 2015 undertook an annual evaluation of its own performance, 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 organisation.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

NOMINATION AND REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013, on recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on 08th August, 2014 had approved the policy on selection and appointment of Directors, Senior Management and other employees of the Company and their remuneration, positive attributes, Directors' qualifications, Independence of Directors and other related matters. The detailed Nomination & Remuneration Policy is annexed as **Annexure A** and forms part of this Report and is also available on the website of the Company at www.kei-ind.com under Investor Relations Section.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 the extract of the Annual Return in Form MGT-9 as per the provisions of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure B** and forms part of this Report.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

FIXED DEPOSITS

During the year, your Company repaid all the outstanding fixed deposits aggregating to ₹ 42.48 millions as per the provisions of the Companies Act, 2013 and obtained fresh approval from the shareholders at the 22nd Annual General Meeting of the Company held on 19th September, 2014 in accordance with Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and other applicable provisions, if any making the Company eligible to invite/accept/renew/receive money by way of unsecured or secured deposit, or in any other form, from public and/or members of the Company. As on 31st March, 2015 fixed deposit aggregating to ₹ 4.70 millions are outstanding. There are no fixed deposits remaining unpaid or unclaimed as at the end of the year.

LISTING OF SHARES

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

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROL

In the opinion of the Board, your Company has in place an adequate system of internal control commensurate with its size and nature of business. This system provide 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 Pawan Shubham & Co., Chartered Accountants as Internal Auditors of the Company and its audit reports are submitted directly to Audit Committee of Board which reviews and approves performance of internal audit function and ensures the necessary checks and balances that may need to be built into the control system.

HUMAN RESOURCES

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year, the Company has not entered into any materially significant related party contracts/ arrangements or transactions with the Company's promoters, Directors, management or their relatives, which could have had a potential conflict with the interests of the Company. All the contracts/arrangements or transactions entered into by the Company with Related party(ies) are in conformity with the provisions of Companies Act, 2013, clause 49 of the Listing Agreement and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and clause 49 of Listing Agreement.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable. The Company presents a statement of all related party contracts / arrangements or transactions entered into by the Company before the Audit Committee for its consideration and review on quarterly basis.

Further, the Policy on materiality of Related Party Transactions as formed and approved by the Audit

Committee and the Board of Directors as per clause 49 of the Listing Agreement is available on the website of the Company at www.kei-ind.com under Investor Relations Section.

POLICY ON MATERIAL SUBSIDIARY

In line with the requirements of clause 49 of Listing Agreement, the Company has formulated a Policy for determining 'material subsidiaries' which is available on the website of the Company at www.kei-ind.com under Investor Relations Section.

AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and clause 49 of the Listing Agreement, the composition of the Audit Committee is as under:

| Sl. No. | Name of the Directors | Category | Profession |
|---------|----------------------------|---------------------------------|----------------------|
| 1. | Mr. Pawan Kumar 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 as per clause 49 of the Listing Agreement, the Company has established a Vigil Mechanism/ Whistle Blower Mechanism and overseas 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 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 under review, the Company has not issued shares / provided any Employee Stock Option to the employees.

AUDITORS

a) Statutory Auditors:

M/s. Jagdish Chand & Co., Chartered Accountants (Firm Registration Number: 000129N), auditors of the Company will retire at the conclusion of the ensuing AGM of the Company and are recommended for re-appointment based on consent and certificate furnished by them under Section 139, 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Statutory Auditors' Report

The observations/comments of Statutory Auditors in their 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. Chander & Associates, Cost Accountants (Membership No.: M/9455) as Cost Auditor of the Company to conduct audit of Cost Records maintained by the Company for the financial year 2015-16 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. Further, the Cost Audit Report for the FY 2013-14 was filed on October 17, 2014 (before due date).

c) Secretarial Auditors

The Board of Directors has re-appointed Mr. Baldev Singh Kashtwal, Practicing Company Secretary (Membership No. FCS-3616 & CP No. 3169), Partner, M/s. RSM & Co., 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 2015-16.

Secretarial Audit Report

The Secretarial Audit Report for the FY 2014-15 as submitted by Secretarial Auditors in Form MR-3 is annexed to this Report as **Annexure - C**.

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

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has adopted the CSR Policy as approved by the Corporate Social Responsibility Committee and the same is available on the website of the Company at www.kei-ind.com under Investor Relations Section.

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

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

During the year, your Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 and no loan was granted by the Company under Section 186 of the Companies Act, 2013. The particulars of Corporate Guarantees provided and investment made by the Company during the year are as follows:

| Sl. No. | Particulars of Corporate guarantees and Investment made u/s 186 of the Companies Act, 2013 | Amount (₹ in Millions) |
|---------|---|------------------------|
| 1. | First Loss Default Guarantee in favour of IDBI Bank Limited against Channel Financing Facility provided to the Dealers of the Company for a period of one year. | 150.00 |
| 2. | Corporate Guarantee in favour of AXIS Bank Limited against Channel Financing Facility provided to the Dealer of the Company for a period of one year. | 350.00 |
| 3. | Investment in 50 equity shares of ₹ 10/- each of "The Saraswat Co-operative Bank Limited" for availing Bill Discounting Facility. | 0.00 |
| | Total | 500.00 |

PREVENTION OF SEXUAL HARASSMENT

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company. Your Company always endeavors to create

and provide an environment that is free from discrimination and harassment including sexual harassment.

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

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

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

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

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

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

CORPORATE GOVERNANCE

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

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate Section titled Report on Corporate Governance has been included in this Annual Report and the certificate of M/s Jagdish Chand & Co., Chartered Accountants, the statutory auditors of the Company certifying compliance with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement with stock exchanges 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 clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section and 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

Place: New Delhi

Date : August 6, 2015

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 Director's 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 and disclosure of such appointment in the Board's Report.

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

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

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

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

ii) RETIREMENT/ REMOVAL

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

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

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

I) Remuneration to Directors, KMP and other Employees:

1. Fixed pay:

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

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

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

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

Apart from the Directors, Key Managerial Personnel and Senior Management, the remuneration for rest of the employees will be determined on the basis of role and position of an individual employee, including professional experience, performance, responsibility, job complexity and local market conditions. The annual

increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the Human Resource Department and HODs of various departments.

Pursuant to the provisions of Companies Act 2013 and Listing Agreement, all the Executive Director(s), Managerial Personnel (except promoters), KMP, Senior Management, and Employees of the Company shall be entitled to any Employee Stock Options under ESOS/ ESPS of the Company, in accordance with the provisions of Companies Act 2013, Listing Agreement and other Act(s), 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 the Companies Act, 2013 for each meeting of the Board/ Committee or such amount as may be prescribed by the Central Government from time to time.

b. Limit of Remuneration / Profit Linked Commission:

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

c. Stock Options:

Non-Executive Director(s) shall be entitled to any Employee Stock Options under ESOS/ ESPS of the Company, in accordance with the provisions of Companies Act 2013, Listing Agreement and other Act(s), 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 an 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 31st March, 2015**

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

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|--|
| i) | CIN | L74899DL1992PLC051527 |
| ii) | Registration Date | 31/12/1992 |
| iii) | Name of the Company | KEI INDUSTRIES LIMITED |
| iv) | Category / Sub-Category of the Company | Public Listed Company/ Limited by shares |
| v) | Address of the Registered office and contact details | D-90, Okhla Industrial Area, Phase-1, New Delhi-110020 Tel: 011-26818840/ 8642/ 0242 Fax: 011-26817225, 26811959 E-mail: info@kei-ind.com / cs@kei-ind.com |
| vi) | Whether listed company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent | Mas Services Limited T-34, II nd Floor, Okhla Industrial Area, Phase-II, New Delhi -110020 Tel: 011- 26387281/82/83 Fax: 011- 26387384 E-mail: info@masserv.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| Sl. No. | Name and Description of main products/ services | NIC Code of the Product/ Service* | % to total turnover of the Company # |
|---------|---|-----------------------------------|--------------------------------------|
| 1 | Cables | 27320 | 64.86 |
| 2 | Winding Wires, Flexible & House Wires | 27320 | 15.50 |
| 3 | Turnkey Projects | 42202 | 13.74 |

* 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 | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|--|-----------------------|--------------------------------|------------------|---------------------------------|
| 1 | KEI International Limited * (N-2, Kailash Colony, New Delhi-110048) | U74899DL1994PLC061674 | Associate | 40.19 | 2(6) of the Companies Act, 2013 |
| 2 | 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 |

* KEI International Limited ceased to become associate company of KEI Industries Limited w.e.f. 20/06/2014.

The Company has formed a Joint Venture 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 JV. Company has not invested any amount as capital in JV.

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (as on 01/04/2014) | | | | No. of Shares held at the end of the year (as on 31/03/2015) | | | | % Change during the year* |
|---|---|----------|----------|-------------------|---|----------|----------|-------------------|---------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individuals/ HUF | 21068466 | 0 | 21068466 | 28.57 | 21068466 | 0 | 21068466 | 27.28 | -1.29 |
| 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 | 13580000 | 0 | 13580000 | 18.42 | 17080000 | 0 | 17080000 | 22.11 | 3.69 |
| e) Banks/ FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub- Total (A) (1) | 34648466 | 0 | 34648466 | 46.99 | 38148466 | 0 | 38148466 | 49.39 | 2.40 |
| (2) Foreign | | | | | | | | | |
| a) NRIs -Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub- Total (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter (A) = (A)(1)+(A)(2) | 34648466 | 0 | 34648466 | 46.99 | 38148466 | 0 | 38148466 | 49.39 | 2.40 |

| Category of Shareholders | No. of Shares held at the beginning of the year (as on 01/04/2014) | | | | No. of Shares held at the end of the year (as on 31/03/2015) | | | | % Change during the year* |
|--|---|----------|----------|-------------------|---|----------|----------|-------------------|---------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks / Financial Institutions | 2850 | 0 | 2850 | 0.00 | 98673 | 0 | 98673 | 0.13 | 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) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FII | 800969 | 0 | 800969 | 1.09 | 991369 | 0 | 991369 | 1.28 | 0.19 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-Total (B) (1) | 803819 | 0 | 803819 | 1.09 | 1090042 | 0 | 1090042 | 1.41 | 0.32 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 14537467 | 30500 | 14567967 | 19.76 | 16326134 | 30500 | 16356634 | 21.18 | 1.42 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 17622947 | 334284 | 17957231 | 24.35 | 13858157 | 296209 | 14154366 | 18.33 | -6.02 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 4254694 | 0 | 4254694 | 5.77 | 5781612 | 0 | 5781612 | 7.49 | 1.72 |
| c) Others | | | | | | | | | |
| (i) NRIs / OCBs | 529999 | 52000 | 581999 | 0.79 | 399778 | 52000 | 451778 | 0.58 | -0.21 |
| (ii) Clearing Members | 802652 | 0 | 802652 | 1.09 | 943430 | 0 | 943430 | 1.22 | 0.13 |
| (iii) Trust | 100 | 500 | 600 | 0.00 | 200100 | 500 | 200600 | 0.26 | 0.26 |
| (iv) Director's & their relatives | 120010 | 0 | 120010 | 0.16 | 110510 | 0 | 110510 | 0.14 | -0.02 |
| Sub-Total (B) (2) | 37867869 | 417284 | 38285153 | 51.92 | 37619721 | 379209 | 37998930 | 49.20 | -2.72 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 38671688 | 417284 | 39088972 | 53.01 | 38709763 | 379209 | 39088972 | 50.61 | -2.40 |
| C. Shares held by Custodians for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 73320154 | 417284 | 73737438 | 100 | 76858229 | 379209 | 77237438 | 100 | 0.00 |

* One of the reason for change in % of shareholding is - increase in share capital due to allotment of fresh equity shares during FY 2014-15.

(ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year (as on 01/04/2014) | | | Shareholding at the end of the year (as on 31/03/2015) | | | % change in during the shareholding 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 | Anil Gupta | 15580776 | 21.13 | 0.00 | 15580776 | 20.17 | 0.00 | -0.96 |
| 2 | Anil Gupta (HUF) | 4650375 | 6.31 | 0.00 | 4650375 | 6.02 | 0.00 | -0.29 |
| 3 | Archana Gupta | 837315 | 1.14 | 0.00 | 837315 | 1.08 | 0.00 | -0.05 |
| 4 | Shubh Laxmi Motels & Inns Pvt. Ltd. | 3480000 | 4.72 | 0.00 | 3480000 | 4.51 | 0.00 | -0.21 |
| 5 | Soubhagya Agency Pvt. Ltd. | 3125000 | 4.24 | 0.00 | 3125000 | 4.05 | 0.00 | -0.19 |
| 6 | KEI Cables Pvt. Ltd | 1575000 | 2.14 | 0.00 | 1575000 | 2.04 | 0.00 | -0.10 |
| 7 | Projection Financial & Management Consultants Pvt. Ltd. | 4400000 | 5.97 | 0.00 | 7900000 | 10.23 | 0.00 | 4.26 |
| 8 | Dhan Versha Agency Pvt. Ltd. | 1000000 | 1.36 | 0.00 | 1000000 | 1.29 | 0.00 | -0.06 |
| | Total | 34648466 | 46.99 | 0.00 | 38148466 | 49.39 | 0.00 | 2.4 |

* One of the reason for change in % of shareholding is - increase in share capital due to allotment of fresh equity shares during FY 2014-15.

(iii) Change in Promoters' Shareholding

| Sl No. | Promoters' Name | Shareholding at the beginning of the year (01/04/2014) | | As on Benpos Date | Increase (+)/Decrease (-) in No. of Shares | Reason [for Increase (+) / Decrease (-) in No. of Shares] | Cumulative Shareholding during the year (01/04/2014 to 31/03/2015 / end of the year 31/03/2015) | |
|--------|---|--|---|-------------------------|---|--|---|--|
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the Company |
| 1 | Projection Financial & Management Consultants Pvt. Ltd | 4400000 | 5.97 | 01-Apr-14 | | | | |
| | | | | 15-May-14 | +3500000 | Allotment of Equity Shares upon conversion of warrants issued on preferential basis | 7900000 | 10.23 |
| | | | | 31-Mar-15 | | | 7900000 | 10.23 |
| 2. | Promoters (other than above) | 30248466 | 41.02 | 01-Apr-14 | | | | |
| | | | | | | # | | |
| | | | | 31-Mar-15 | | | 30248466 | 39.16 |

During the year, except Projection Financial & Management Consultants Pvt. Ltd., no change occurred in the total shareholding of the Promoters. Further, the change in % of shareholding is on account of fresh allotment of 3500000 equity shares during FY 2014-15.

(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 (01/04/2014) | | As on Benpos Date | Increase (+) / Decrease (-) in No. of Shares | Reason for Increase (+) / Decrease (-) in No. of shares] | Cumulative Shareholding during the year (01/04/2014 to 31/03/2015 / end of the year 31/03/2015) | |
|---------|---|--|----------------------------------|-------------------|--|--|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the company |
| 1 | Surya Laxmi Contractors Private Limited | 2250000 | 3.05 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 2250000 | 2.91 |
| 2 | Thadhani Investments Private Limited | 2120903 | 2.88 | 01-Apr-14 | | | | |
| | | | | 12-Sep-14 | -100 | Sell | 2120803 | 2.75 |
| | | | | 31-Mar-15 | | | 2120803 | 2.75 |
| 3 | Pickup Electronics Private Limited | 2000000 | 2.71 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 2000000 | 2.59 |
| 4 | Ananta Chit Fund Pvt. Ltd. | 1916488 | 2.60 | 01-Apr-14 | | | | |
| | | | | 12-Sep-14 | -100 | Sell | 1916388 | 2.48 |
| | | | | 31-Mar-15 | | | 1916388 | 2.48 |
| 5 | Kotak Mahindra Investments Ltd * | 0 | 0.00 | 01-Apr-14 | | | | |
| | | | | 09-May-14 | +57195 | Buy | 57195 | 0.08 |
| | | | | 16-May-14 | +4911 | Buy | 62106 | 0.08 |
| | | | | 01-Aug-14 | -57778 | Sell | 4328 | 0.01 |
| | | | | 08-Aug-14 | -3888 | Sell | 440 | 0.00 |
| | | | | 15-Aug-14 | +1906 | Buy | 2346 | 0.00 |
| | | | | 22-Aug-14 | +2886 | Buy | 5232 | 0.01 |
| | | | | 05-Sep-14 | -962 | Sell | 4270 | 0.01 |
| | | | | 19-Dec-14 | +645730 | Buy | 650000 | 0.84 |
| | | | | 16-Jan-15 | +100000 | Buy | 750000 | 0.97 |
| | | | | 06-Mar-15 | -100000 | Sell | 650000 | 0.84 |
| | | | | 20-Mar-15 | +511500 | Buy | 1161500 | 1.50 |
| | | | | 27-Mar-15 | +1016 | Buy | 1162516 | 1.51 |
| | | | | 31-Mar-15 | | | 1162516 | 1.51 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (01/04/2014) | | As on Benpos Date | Increase (+) / Decrease (-) in No. of Shares | Reason [for Increase (+) / Decrease (-) in No. of shares] | Cumulative Shareholding during the year (01/04/2014 to 31/03/2015 / end of the year 31/03/2015) | |
|---------|--|--|----------------------------------|-------------------|--|---|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the company |
| 6 | Ajay Upadhyaya * | 0 | 0.00 | 01-Apr-14 | | | | |
| | | | | 12-Dec-14 | +500000 | Buy | 500000 | 0.65 |
| | | | | 02-Jan-15 | +62500 | Buy | 562500 | 0.73 |
| | | | | 09-Jan-15 | +39912 | Buy | 602412 | 0.78 |
| | | | | 16-Jan-15 | +111588 | Buy | 714000 | 0.92 |
| | | | | 23-Jan-15 | +186000 | Buy | 900000 | 1.17 |
| | | | | 06-Feb-15 | +45000 | Buy | 945000 | 1.22 |
| | | | | 13-Feb-15 | +55000 | Buy | 1000000 | 1.29 |
| | | | | 31-Mar-15 | | | 1000000 | 1.29 |
| 7 | Rakesh S Kathotia * | 0 | 0.00 | 01-Apr-14 | | | | |
| | | | | 01-Aug-14 | +700000 | Buy | 700000 | 0.91 |
| | | | | 31-Mar-15 | | | 700000 | 0.91 |
| 8 | Subhkam Ventures (I) Pvt Ltd * | 0 | 0.00 | 01-Apr-14 | | | | |
| | | | | 18-Apr-14 | +455532 | Buy | 455532 | 0.62 |
| | | | | 25-Apr-14 | +360249 | Buy | 815781 | 1.11 |
| | | | | 02-May-14 | +1774 | Buy | 817555 | 1.11 |
| | | | | 09-May-14 | +182445 | Buy | 1000000 | 1.36 |
| | | | | 20-Jun-14 | -300000 | Sell | 700000 | 0.91 |
| | | | | 31-Mar-15 | | | 700000 | 0.91 |
| 9 | Subhkam Ventures (I) Pvt Ltd * | 0 | 0.00 | 01-Apr-14 | | | | |
| | | | | 30-Jun-14 | +600000 | Buy | 600000 | 0.78 |
| | | | | 31-Mar-15 | | | 600000 | 0.78 |
| 10 | Authum Investment And Infrastructure Limited * | 0 | 0.00 | 01-Apr-14 | | | | |
| | | | | 31-Dec-14 | +337925 | Buy | 337925 | 0.44 |
| | | | | 09-Jan-15 | +162075 | Buy | 500000 | 0.65 |
| | | | | 31-Mar-15 | +47484 | Buy | 547484 | 0.71 |
| | | | | 31-Mar-15 | | | 547484 | 0.71 |
| 11 | Alchemist Holdings Limited # | 665000 | 0.90 | 01-Apr-14 | | | | |
| | | | | 12-Dec-14 | -323000 | Sell | 342000 | 0.44 |
| | | | | 19-Dec-14 | -206752 | Sell | 135248 | 0.18 |
| | | | | 31-Dec-14 | -135248 | Sell | 0 | 0.00 |
| | | | | 31-Mar-15 | | | 0 | 0.00 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (01/04/2014) | | As on Benpos Date | Increase (+) / Decrease (-) in No. of Shares | Reason [for Increase (+) / Decrease (-) in No. of shares] | Cumulative Shareholding during the year (01/04/2014 to 31/03/2015 / end of the year 31/03/2015) | |
|---------|--|--|----------------------------------|-------------------|--|---|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the company |
| 12 | Elara Capital Mauritius Ltd # | 614225 | 0.83 | 01-Apr-14 | | | | |
| | | | | 31-Mar-15 | -90000 | Sell | 524225 | 0.68 |
| | | | | 31-Mar-15 | | | 524225 | 0.68 |
| 13 | Maryada Commercial Enterprises And Investment Co. Ltd. # | 501000 | 0.68 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 501000 | 0.65 |
| 14 | Ajay Upadhyaya # | 500000 | 0.68 | 01-Apr-14 | | | | |
| | | | | 12-Dec-14 | -500000 | Sell | 0 | 0.00 |
| | | | | 31-Mar-15 | | | 0 | 0.00 |
| 15 | Ruia Industries Pvt. Ltd. # | 405947 | 0.55 | 01-Apr-14 | | | | |
| | | | | 14-Nov-14 | -105947 | Sell | 300000 | 0.39 |
| | | | | 16-Jan-14 | -102500 | Sell | 197500 | 0.26 |
| | | | | 23-Jan-15 | -75000 | Sell | 122500 | 0.16 |
| | | | | 30-Jan-15 | -47500 | Sell | 75000 | 0.10 |
| | | | | 06-Feb-15 | -57164 | Sell | 17836 | 0.02 |
| | | | | 13-Feb-15 | -17836 | Sell | 0 | 0.00 |
| | | | | 31-Mar-15 | | | 0 | 0.00 |
| 16 | Spot Light Securities Pvt Ltd # | 370000 | 0.50 | 01-Apr-14 | | | | |
| | | | | 31-Mar-15 | -17000 | Sell | 353000 | 0.46 |
| | | | | 31-Mar-15 | | | 353000 | 0.46 |

* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

Ceased to be in the Top 10 shareholders as on 31-03-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Director and KMP | Shareholding at the beginning of the year (01/04/2014) | | As on Benpos Date | Increase (+) / Decrease (-) in No. of Shares | Reason [for Increase (+) / Decrease (-) in No. of shares] | Cumulative Shareholding during the year (01/04/2014 to 31/03/2015 / end of the year 31/03/2015) | |
|---------|-----------------------------------|--|----------------------------------|-------------------|--|---|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | | | | No. of shares | % of total shares of the company |
| 1 | Anil Gupta (Director and KMP) | 15580776 | 21.13 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 15580776 | 20.17 |
| 2 | Rajeev Gupta (Director and KMP) | 18910 | 0.03 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 18910 | 0.02 |
| 3 | Kishore Kunal (KMP) | 2045 | 0.00 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 2045 | 0.00 |
| 4 | Archana Gupta (Director) | 837315 | 1.14 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 837315 | 1.08 |
| 5 | Vijay Bhushan (Director) | 0 | 0.00 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 0 | 0.00 |
| 6 | Vikram Bhartia (Director) | 10000 | 0.01 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 10000 | 0.01 |
| 7 | Pawan Kumar Bholusaria (Director) | 7500 | 0.01 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 7500 | 0.01 |
| 8 | Kishan Gopal Somani (Director) | 1000 | 0.00 | 01-Apr-14 | | Nil Movement during the year | | |
| | | | | | 0 | | | |
| | | | | 31-Mar-15 | | | 1000 | 0.00 |

No change has occurred in the total shareholding of Directors and KMP during the FY 2014-15. The change in % of shareholding is only on account of allotment of 3500000 equity shares to promoters' group upon conversion of share warrants during the year.

V. INDEBTEDNESS:

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

(₹ in Millions)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|---------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 5,052.20 | 11.80 | 42.49 | 5,106.49 |
| ii) Interest due but not paid | 13.58 | - | - | 13.58 |
| iii) Interest accrued but not due | 0.01 | - | - | 0.01 |
| Total (i+ii+iii) | 5,065.79 | 11.80 | 42.49 | 5,120.08 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 998.46 | - | 4.70 | 1,003.16 |
| • Reduction | -1,535.84 | -6.30 | -42.49 | -1,584.63 |
| Net Change | -537.38 | -6.30 | -37.79 | -581.47 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 4,514.82 | 5.50 | 4.70 | 4,525.02 |
| ii) Interest due but not paid | 15.76 | - | - | 15.76 |
| iii) Interest accrued but not due | 0.39 | - | - | 0.39 |
| Total (i+ii+iii) | 4,530.97 | 5.50 | 4.70 | 4,541.17 |

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. Rajeep Gupta (ED (Finance) & CFO) | |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 16.22 | 6.02 | 22.24 |
| | (b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961 | 2.55 | 0.02 | 2.57 |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| | - as % of profit | 9.15* | - | 9.15 |
| | - others | - | - | - |
| 5. | Others | | | |
| | Total (A) | 27.92 | 6.04 | 33.96 |
| | Ceiling as per the Act | 10% of Net Profit for all the Executive Directors - Managing and Whole-time Directors. 5 % of Net Profit to any one Managing or Whole-time Director | | |

*The shareholders' approval in the 22nd Annual General Meeting of the Company has been accorded for payment of Commission to Mr. Anil Gupta upto 5 % of the net profit of the Company after deducting his salary and 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 Kumar Bholusaria (ID) | Mr. Kishan Gopi Somani (ID) | Mrs. Archana Gupta (NED) | |
| 1 | Independent Directors (ID) | | | | | | |
| | • Fee for attending board committee meetings (including board meetings) | 0.18 | 0.32 | 0.34 | 0.12 | N.A | 0.96 |
| | Commission | - | - | - | - | - | - |
| | Others | - | - | - | - | - | - |
| | Total (1) | 0.18 | 0.32 | 0.34 | 0.12 | - | 0.96 |
| 2 | Other Non-Executive Directors (NED) | | | | | | |
| | • Fee for attending board committee meetings (including board meetings) | - | - | - | - | 0.26 | 0.26 |
| | Commission | - | - | - | - | - | - |
| | Others | - | - | - | - | - | - |
| | Total (2) | 0.00 | 0.00 | 0.00 | 0.00 | 0.26 | 0.26 |
| | Total (B)=(1+2) | 0.18 | 0.32 | 0.34 | 0.12 | 0.26 | 1.22 |
| | Total Managerial Remuneration | | | | | | 35.18 # |
| | Overall Ceiling as per the Act | 11 % of Net Profits of the Company. * | | | | | |

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

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

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

(₹ in Millions)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|---------|---|-------------------------------|--|----------------------------|--------------|
| | | MD / CEO* (Mr. Anil Gupta) | Company Secretary (Mr. Kishore Kunal) | CFO* (Mr. Rajeev Gupta) | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | | 1.45 | | 1.45 |
| | (b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961 | | 0.02 | | 0.02 |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | | 0.00 | | 0.00 |
| 2 | Stock Option | | 0.00 | | - |
| 3 | Sweat Equity | | 0.00 | | - |
| 4 | Commission | | 0.00 | | - |
| | - as % of profit | | 0.00 | | - |
| | - others, specify | | 0.00 | | - |
| 5 | Others | | 0.00 | | - |
| | Total | | 1.47 | | 1.47 |

* Particulars of remuneration of MD/CEO (Mr. Anil Gupta, Chairman-cum-Managing Director) and CFO (Mr. Rajeev Gupta, ED (Finance) & CFO) 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 / NCL1 / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | NIL | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Date : August 6, 2015

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

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015**

*[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]*

To
The Members
KEI Industries Limited

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 Company’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, 2015 complied with the statutory provisions listed hereunder and also that the company has proper Board - processes and compliance – 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 the Company for the financial year ended on 31st March, 2015 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 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Financial Year 2014-2015**) ;
 - (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 2014-2015**) ;
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the Financial Year 2014-2015**);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; (**Not applicable to the Company during the Financial Year 2014-2015**); and
- (vi) Employees Provident Fund and Miscellaneous Act, 1952;
- (vii) The Employees State Insurance Act, 1948;
- (viii) Environment Protection Act, 1986 and other Environmental Laws;
- (ix) Factories Act, 1948;
- (x) The Indian Contract Act, 1872;
- (xi) Income Tax Act, 1961 and indirect tax laws;

- (xii) Indian Stamp Act, 1999;
- (xiii) Industrial Dispute Act, 1947;
- (xiv) Central Excise Act and Service Tax Laws;
- (xv) Central & State Sales Tax / Value Added Tax Laws;
- (xvi) Minimum Wages Act, 1948;
- (xvii) Negotiable Instrument Act, 1881;
- (xviii) Payment of Bonus Act, 1965;
- (xix) Payment of Gratuity Act, 1972;
- (xx) Payment of Wages Act, 1936;
- (xxi) Apprentices Act, 1961;
- (xxii) Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
- (xxiii) 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 issued by the Institute of Company Secretaries of India.
(Not applicable for the Financial Year 2014-2015).
- (ii) The Listing Agreement entered into by the Company with the stock exchanges i.e. BSE Limited, The National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.

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 Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the Financial Year, there was no Change in the composition of Board of Directors of the Company;
- 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 preferential issue of 3500000 equity shares which were allotted to one of the promoters' group entity on 15.05.2014 upon conversion of 3500000 share warrants;
- (ii) The Company has passed a special resolution under Section 180(1)(c) of the Companies Act, 2013 at the annual general meeting held on 19th September, 2014 to keep the borrowing limit of ₹ 1000 Crore; and
- (iii) The company has also passed a special resolution under Section 180(1)(a) of the Companies Act, 2013 at the annual general meeting held on 19th September, 2014 to secure the borrowings of the company by suitable mortgage/charge/hypothecation and / or other encumbrances on all or any part of the immoveable and / or moveable assets of the Company.

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

- (i) Redemption / Buy-back of Securities;
- (ii) Merger / Amalgamation / Reconstruction;
- (iii) Foreign technical collaborations etc.;

CS BALDEV SINGH KASTHWAL
PARTNER
RSM & CO.

Company Secretaries
FCS NO. 3616, C. P. NO. 3169

Place : New Delhi
Date : July 28, 2015

ANNEXURE - D**ANNUAL REPORT ON CSR ACTIVITIES (FY: 2014-15)**

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 August 08th, 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 under Investor Relations 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 Kumar Bholusaria | Independent Director (Chairman) | Chartered Accountant |
| 2 | Mr. Anil Gupta | CMD (Member) | Business |
| 3 | Mr. Rajeev Gupta | ED (Finance) & CFO (Member) | Chartered Accountant |

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

(₹ in Millions)

- | | |
|---|--------|
| 3. Average net profit of the company for last three financial years: | 340.86 |
| 4. Prescribed CSR Expenditure (2 % of the amount as in item 3 above): | 6.82 |
| 5. Details of CSR spent during the financial year : | |
| a) Total amount to be spent for the financial year: | 6.82 |
| b) Amount unspent | 4.68 |

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 project or programs ii) Overheads (₹ in millions) | Cumulative Expenditure upto to the reporting period (₹ in millions) | Amount spent : Direct or through implementing agency |
|---------|---|---|--|---|--|---|--|
| 1 | Mid-Day Meal Programme | Cl. (i) | Delhi & NCR | 5.62 | 0.94 | 0.94 | Through International Society For Krishna Consciousness (ISKCON) |
| 2 | Contribution to eligible institutions, universities for promoting education of underprivileged children | Cl. (ii) | Noida & Assam | 1.20 | 1.10 | 1.10 | Through International Society For Krishna Consciousness (ISKCON) |
| | | | | | 0.10 | 0.10 | Through Centre for North East Studies And Policy Research: |
| | Total | | | 6.82 | 2.14 | 2.14 | — |

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

The Company shall find out ways and means to spend the remaining required amount on CSR activities in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend the money before finalising this report as the time was too short to identify suitable projects for spending the same.

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.

Date: August 6, 2015
Place: New Delhi

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

(PAWAN KUMAR BHOLUSARIA)
Chairman of CSR Committee
DIN: 00092492

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) & (vi) | | | |
|---|---|--|--|
| Name of Director/ KMP and Designation | Ratio of remuneration of each Director/ to median remuneration of employees | % increase in Remuneration in the FY 2014-15 | Comparison of the Remuneration of the KMP against the performance of the Company |
| Mr. Anil Gupta (Chairman-cum-Managing Director) | 37:1 | 69% | Revenue from operations increased from ₹17,534.73 millions in FY 2013-14 to ₹ 21,709.22 millions in FY 2014-15 by 23.81% and Profit before Tax (PBT) increased by 142.38%. |
| Mr. Rajeev Gupta (Executive Director (Finance) & CFO) | 14:1 | 11% | |
| Mr. Kishore Kunal (Company Secretary & Compliance Officer) | N.A | 15% | |

| Clause under Rule 5(1) | Prescribed Requirement | Particulars | | | | | |
|------------------------|---|---|----------------|------------------|-------------------|------------------------|--------|
| (iii) | Percentage increase in the median remuneration of employees in the financial year | 12% | | | | | |
| (iv) | Number of permanent employees on the rolls of Company | 812 | | | | | |
| (v) | Explanation on the relationship between average increase in remuneration and company performance | Average increase in remuneration – 12% Average increase in Revenue from Operations – 23.81% Average increase in Profit before Tax – 142.38% | | | | | |
| | | (₹ in Millions) | | | | | |
| (vii) | Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company | FY | Mr. Anil Gupta | Mr. Rajeev Gupta | Mr. Kishore Kunal | Revenue from operation | PBT |
| | | 2013-14 | 9.60 | 5.48 | 1.38 | 17,534.73 | 218.17 |
| | | 2014-15 | 16.20 | 6.10 | 1.59 | 21,709.22 | 528.80 |
| (viii) | Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the | i) Market Capitalization(*) as on March 31, 2015 was ₹ 4,808.03 millions and ₹ 925.40 millions as on March 31, 2014. ii) Price Earnings Ratio(*) of the Company was 13.96 as on March 31, 2015 and 7.89 as on March 31, 2014. iii) The Company had come out with Initial Public Offer (IPO) in 1995. There is increase of 1145% in the market price of the shares in comparison to the market price at which the Company came out with IPO. | | | | | |

| | | |
|--------|--|--|
| | company as at the close of the current financial year and previous financial year. | |
| (ix) | 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 - 11% ii) Average percentage increase in the salaries of managerial personnel — 45% |
| (x) | Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company | Covered above under clause 5(1): (vi) |
| (xi) | Key parameters for any variable component of remuneration availed by the directors | The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. |
| (xii) | Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year | N.A (None of the employee of the Company received remuneration in excess of the highest paid Director during the FY 2014-15). |
| (xiii) | 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. |

(*) During the year, number of equity shares increased by 3500000 equity shares due to allotment upon conversion of warrants to promoter's group, therefore the Market Capitalisation as on 31-03-2015 calculated on the basis of 77237438 equity shares and on 31-03-2014 calculated on the basis of 73737438 equity shares on the basis of closing price available at NSE.

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:

| Name and Designation | Gross Remuneration (₹ in Million) | Nature of Employment | Qualification | Experience | Date of commencement of employment | Age |
|--------------------------------------|------------------------------------|----------------------|---------------|------------|------------------------------------|--------|
| Mr. Anil Gupta, CMD | 27.92 | Permanent | B.Com | 34 Years | 31/12/1992 | 56 yrs |
| Mr. Rajeev Gupta, ED (Finance) & CFO | 6.04 | Permanent | C.A | 22 Years | 21/04/2006 | 51 yrs |

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

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:

A. CONSERVATION OF ENERGY:

Steps taken or impact on conservation of energy, steps taken by the Company for utilising alternate sources of energy and capital investment on energy conservation equipments:

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:

- Use of latest energy efficient technology like solar powered systems, high efficiency VFD based motors, inverter base air conditioner and drives.
- Cooling tower pump replaced with energy efficient pump.
- Use of higher efficiency lighting solutions such as LED.
- Replacement of MH lamps with CFLs.
- Maximum use of natural light in day time by placing transparent roof and side glass windows.
- Re-sizing of motors and pumps rating as per process requirement.
- Installation of Variable Frequency Drives based Motors.
- Waste generation minimisation through the application of reduce, reuse and recycle principles across units.

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

B. TECHNOLOGY ABSORPTION:**i) Efforts made towards technology absorption:**

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

ii) The benefits derived like product improvement, cost reduction, product development or import substitution:**a) New Product Development**

Flexible aluminium cables, Aluminium FS cables, Fire rated cables, Ceramified
Silicone FS wires, Cables suitable for -60 deg.c, Solar cables.

b) Product Improvements

- Diamond dies introduced for manufacturing compacted conductor.
- Started using semi conducting taper over conductor of HT/EHV cables from 400 sq.mm and above.

c) Process Improvement

- New high speed multi wire drawing machine installed from Niehoff.
- Driven pay off installed on bunching machines.

d) Benefits as a result of R & D Activities

Reduction of manpower, productivity and quality enhancement.

e) Future Plan of Action

- Facility generation for flexible house wire in Bhiwadi.
- Enhancing product range up to 400 kV.

- Strengthening of EPC division.
- Development of loca proof cables, elastomeric locomotive cables.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has imported plants and machineries during last three years and the same have been used for manufacturing of products and fully absorbed in the manufacturing process and design of products.

iv) The expenditure incurred on Research and Development:

During the year, your Company has made capital expenditure of ₹ 8.95 millions towards Research & Development expenses.

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 2014-15, export sales of the Company declined to ₹ 1474.34 millions from ₹ 1,975.35 millions in the financial year 2013-14. 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. The concentrated efforts of the management on the territories of Africa, Middle East, Singapore and other emerging markets will result in growth of exports in the coming years. Amongst the various initiatives taken by the Company towards its export sales, few major initiatives are highlighted herein below:

- Promotional activities for strengthening of KEI brand;
- Participated in exhibitions in foreign countries for promotion of its products;
- Procurement of certifications from various local utilities and authorities for various markets in Africa, Middle East, Singapore, Europe and Asia Pacific;
- Tapping of business potential in emerging markets of Africa, Middle East and Asia.

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 | ₹ 1,474.34 millions |
| Outgo | ₹ 1,287.43 millions |

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Date : August 6, 2015

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

Management Discussion and Analysis

COMPANY OVERVIEW

KEI Industries Limited (hereinafter “the Company” / “KEI”) is a leading Indian cable manufacturer, with strong brand equity and a robust business model that has continuously steered its growth over the years. The Company has a well-balanced nucleus of strengths, spanning a diversified product mix and a wide distribution network.

KEI's 400-strong product portfolio comprises a healthy mix of Extra High Voltage (EHV) cables (upto 220 kV), Low Tension (LT) and High Tension (HT) cables, Control and Instrumentation cables, Specialty and Rubber cables, Stainless Steel wires and winding, Flexible and Housing wires, Submersible cables. Its diverse range of products is designed to address the complete cabling needs of private and public sector customers across Power, Oil Refineries, Railways, Automobiles, Cement, Steel, Fertilizers, Textiles and Real Estate. The Company's products find utility in the domestic and overseas markets, lending it a distinctive position as one of the top three cable manufacturing companies in India.

The Company has strengthened its competitive edge through its foray into the Engineering, Procurement and Construction (EPC) business since 2008. In the EPC segment, KEI's offerings include execution of power transmission projects (of 66kV to 400kV sub-stations) on a turnkey basis, EPC of EHV and HV cable systems, electrical balance-of-plant for power plants and electrical industrial projects.

Having commenced production of EHV cables in 2010, KEI is today the third largest producer of these cables in India. The Company has a technical collaboration with Switzerland-based Brugg Kabel AG to manufacture EHV cables (ranging from 66kV to 220kV) at its Chopanki (Rajasthan) facility. KEI's state-of-the-art manufacturing facilities are located at Bhiwadi, Chopanki and Silvassa.

The Company is well positioned to harness the plethora of possibilities it sees opening up across its business segments, domestically and globally, as it continues to deliver on its promises to its customers.

ECONOMIC REVIEW

Calendar Year (CY) 2014 was a year of modest global economic growth. As per data released by the International Monetary Fund's April, 2015 World Economic Outlook, world output grew by 3.4% - similar to the levels achieved in CY2013. Advanced economies, in particular the US, led the growth - US economy grew 2.4% in CY2014 compared to 2.2% in CY2013. Growth in consumption expenditure, backed steady job creation and income growth, boosted US economy, which got a further fillip due to decline in crude oil prices and improved consumer confidence. The Euro area also witnessed recovery, albeit subdued, to grow by 0.9% during CY2014 vis-à-vis contraction of 0.5% in the previous year. Lower oil prices, increase in exports and financial repair were the key drivers of growth in this region. However, risks of low inflation and stagnation persist in the Euro area. Growth was also subdued in Japan, where structural bottlenecks continue to plague the economy. The emerging markets and developing economies witnessed slowdown in economic growth - from 5% in CY2013 to 4.6% in CY2014, due to region-specific factors in China, Brazil and Russia. China's economy recorded a deceleration in growth from 7.8% in CY2013 to 7.4% in CY2014.

Though global growth is expected to increase in 2015 and 2016, the growth will remain modest relative to the pre-global crisis. As per IMF estimates, world GDP is projected to grow from 3.4% in CY2014 to 3.5% in CY2015 and 3.8% in CY2016. Growth, going forward, will largely be driven by advanced economies, where growth is expected to increase from 1.8% in CY2014 to 2.4% in 2015 and 2016. The US economy is once again projected to clock the strongest growth at 3.1% in CY2015, driven by lower oil prices, fiscal consolidation and benign inflation. In the Euro area, efforts by the European Central Bank to bring back the region on a faster growth trajectory through supportive monetary measures is expected to boost growth to 1.5% in CY2015. In contrast, the emerging and developing economies are likely to witness decelerating growth in the absence of structural reforms to remove the existing bottlenecks. Growth is expected to slip from 4.6% in CY2014 to 4.3% in CY2015, before making a recovery to 4.7% in CY2016. While GDP growth in China is projected

to slow down below 7% in CY2015 due to decline in investment growth, Russian economy is expected to shrink mainly on account of the declining oil prices. On the other hand, the falling oil prices are expected to benefit India, South Africa, South America and some other economies in emerging markets.

Indian economic scenario

Aided by the sharp decline in global crude oil prices, domestic macro-economic variables showed recovery during the FY15. Inflation, measured by the Consumer Price Index (CPI), eased from 8.3% in March, 2014 to 5.2% in March 2015. Fiscal consolidation efforts narrowed the fiscal deficit in India to 3.99% of GDP in FY15 to ₹ 5.01 lakh crores, exchange rates remained stable and interest rates came down during the year. However, despite the improvement in market sentiment following the installation of a stable government with a strong electoral mandate, and notwithstanding recovery in key parameters, the Indian economy witnessed only a marginal pick-up in growth. As per the new data, rebased to 2011-12, released by the Central Statistics Office (CSO), GDP growth was at 7.3% in FY15 compared to 6.9% in FY14.

While economic revival has been moderate, there have been plenty of positives during FY15 which augur well for the economy, going forward. The oil price decline has kept inflationary levels within manageable limits and provided comfort in budgetary and fiscal management. The gradual reforms undertaken in India have enhanced business and investor confidence, encouraging capital inflows. FDI inflows are gaining traction, mirroring the increased confidence of foreign investors in the Indian economy. As per recent statistics, FDI inflows are likely to be around US\$ 34.9 billion in FY 2015 – accounting for 1.7% of the GDP. The Indian rupee is also likely to remain stable with foreign exchange reserves recording an all time high of US\$ 351.86 billion for the week ending May 1, 2015, and also as a result of strengthening of gold reserves. Further, the Current Account Deficit (CAD) reduced to 0.2% of the GDP in the last quarter of FY 2015 –the lowest in a year. Trade deficit was also under control, shrinking to \$10.41 billion in May, 2015.

The index of industrial production (IIP), which includes the level of activities in manufacturing, mining, electricity and construction, grew by at 2.8% in FY15, from a contraction of 0.1% in FY14. More importantly, since April 2014, IIP growth has been negative only once, compared to six times in FY14. This lends credence to the government's view that revival is imminent. Strengthening this viewpoint, industrial activity picked up in April 2015, clocking 4.1% expansion, up from 2.5% in the previous month.

Among the several measures undertaken by the government to provide a renewed thrust to economic growth is its

flagship program – Make in India, a campaign to revive manufacturing in India. Faster clearances for projects in infrastructure and industry, government's clear focus on simplifying procedures for doing business in India, bringing in a stable and predictable tax regime, de-licensing of defence items, allowing auction of coal mines to the private sector, closing allocations in the telecom sector at a fast pace and resolution of structural bottlenecks to facilitate investment are some of the other measures likely to improve business sentiment. The positive steps to implement Goods and Service Tax (GST) in place of several state and central tax laws on indirect taxation are also expected to boost confidence.

While India remains one of the fastest growing major economies in the world, the rate of economic growth in recent years has fallen short of expectations to remain below the country's potential. Nonetheless, given the positive reforms being implemented by the government, its high growth agenda and the various global developments such as sharp decline in crude prices and other major commodities, there is good reason to believe that FY16 will be a promising year for India. The International Monetary Fund (IMF) predicts that India will emerge as the fastest growing economy in the world, with growth expected to rise to 7.5% in FY2016.

INFRASTRUCTURE & POWER SECTOR SCENARIO

Public Private Partnerships (PPPs) have emerged as an important growth driver for the infrastructure sector. Aided by government support, PPs are increasingly gaining prominence. PPPs tend to take lesser time for completion and at the same time, enable the government to leverage its limited public resources besides augmenting the efficiency of service delivery.

The importance accorded to infrastructure growth can be gauged from the measures announced in the Union Budget 2015-16 to fast-track projects.

- Rationalisation of capital gains regime for the sponsors exiting at the time of listing of the units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).
- Targeted increase of ₹ 700 billion in infrastructure in 2015-16, over the previous year.
- Proposal for the establishment of National Investment and Infrastructure Fund (NIIF) with an annual flow of ₹ 20,000 crore.
- Allocation of ₹ 25,000 crore corpus towards the Rural Infrastructure Development Fund (RIDF) for rural infrastructure.
- Tax-free infrastructure bonds for the projects in the rail, road and irrigation sectors.

The government is also revisiting the PPP model lower the risk for the private developers, which will facilitate fast-tracking of projects.

The Power sector has also received a major boost in the Budget proposals, which include extension of 10-year tax holidays on projects encompassing power generation, transmission or distribution; allocation of funds towards Ultra Mega Solar Power Projects and award of projects through a transparent auction system, among others – thereby, improving the attractiveness of the new investment in the power sector.

The Mega Power Policy announced by the Government in February, 2014 is also expected to further augment growth in the sector. Besides approving changes for provisional mega power certified projects, the Policy introduced several key amendments for the sector. Developers are now required to tie-up 65% of installed capacity/net capacity through competitive bidding and 35% of installed capacity/net capacity under regulated tariff, as per specific Host State Policy. The Policy makes it necessary for approval to be taken by the respective regulators under the long-term Power Purchase Agreements (PPA) with Discoms or State-designated agencies. Other amendments relate to extension of completion of date of import of provisional mega projects for tax related purposes and one-time dispensation, limiting to first 15 projects (19,000 MW), located in states having mandatory host state power to tie-up policy of PPAs under regulated tariff.

GENERATION, TRANSMISSION & DISTRIBUTION

Power generation

Despite a multifold increase in installed capacity – from 1,713 MW in 1950 to 2,74,818 MW as on 30th June, 2015 (<http://powermin.nic.in/power-sector-glance-all-india>) – the 12th Five Year Plan (FYP) assessment of capacity addition required to meet the demand shortage by the end of the Plan stands at 88,537 MW. While FY 2012-13 witnessed highest ever annual capacity addition of 20,622.8 MW (against the target of 17,956.3 MW), FY 2013-14 saw an addition of 17,825.1 MW against the target of 18,432.3 MW. FY 2014-15 has seen an addition of 12,510.4 MW*, taking the aggregate capacity addition to 50,958.3 MW during the 12th FYP (Source: *Working Group on Power for 12th Plan, Planning Commission*)

*Upto 15.01.2015

Ultra Mega Power Project initiatives

In order to meet the growing needs of the economy, there is a requirement to double the power generation capacity every ten years for the next three decades at least. This has triggered the need for development of large capacity projects to meet the requirements of the States. The proposed development

of five coal-based supercritical Ultra Mega Power Projects (UMPPs), having a capacity of about 4,000 MW each, is a step in that direction. These projects are proposed under tariff-based competitive bidding route using super critical technology on build, own, operate basis, and are aimed at substantially reducing power shortages in the country. The FY 2015-16 Union Budget laid emphasis on a revived UMPP policy approach through a plug-and-play model.

At present, UMPPs of Sasan (Madhya Pradesh), Mundra (Gujarat), Krishnapatnam (Andhra Pradesh) and Talaiya (Jharkhand) have already been transferred to the identified developers and are at different stages of implementation. The Mundra UMPP (5x800 MW) is commissioned and operational. Three units of the Sasan UMPP (3x660 MW) have just been commissioned. The remaining units (except the last unit of the Talaiya UMPP) are expected to be commissioned and operational during the Twelfth Plan. These large projects are likely to unlock an investment potential of around ₹ 1 trillion.

Some recent initiatives to augment power generation

- Approval of 100% foreign equity in generation, transmission & distribution and trading in the power sector without any upper ceiling on the quantum of investment.
- Fuel Supply Agreements (FSAs) to be signed with the Ministry of Coal/Coal India Limited for a total capacity of 78,000 MW, including tapering linkages; as on May 2015, FSAs have been signed for 162 units, totalling capacity of around 74,000 MW.
(Sources: <http://articles.economictimes.indiatimes.com/2014-10-19/news/551973341fsas-fuel-supply-coal-india> ;
http://articles.economictimes.indiatimes.com/2015-05-15/news/62192174_1_fuel-supply-agreements-fsas-presidential-directive)
- Allocation of new coal blocks to NTPC for its power projects.
(Source: <http://businesstoday.intoday.in/story/coal-mines-allotted-to-central-state-psus/1/217277.html>)
- Approval of pass-through mechanism for the concluded Power Purchase Agreements (PPAs) (14,000 MW-Case I and Case II post 2009 plants) in June 2013.
- Incorporation of PPA condition for coal block allocation at the time of executing mining lease with Independent Power Producers (IPPs) for coal block allocation, so that the benefits of low cost coal can be passed on to the consumers.

- Launch of Deen Dayal Upadhyaya Gram Jyoti Yojana for electricity feeder separation and strengthening sub-transmission and distribution systems in rural areas. (Source: <http://www.energysector.in/power-news/5-government-initiatives-to-improve-power-sector>)
- Additional efforts by the Ministry of Coal to come out with a fresh linkage policy to avert disruption in power generation for the IPPs. (Source: <http://www.newindianexpress.com/states/odisha/Fuel-starved-IPPs-Await-New-Coal-Policy/2015/05/19/article2822386.ece>)
- Passage of the Coal Mines Bill in Lok Sabha in March 2015, which provides for allocation of coal mines that were cancelled by the Honourable Supreme Court in 2014. (Source: <http://www.prsindia.org/theprsblog/?p=3487>)
- Further improvement of the system of Third Party Sampling to monitor coal quality. (Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=114221>)

Expansion in transmission system and capacity

In order to ensure that power reaches the end-consumers, transmission and distribution capacities are also planned for augmentation, commensurate with the addition of generation capacities. The 12th FYP envisages 37,800 MW of inter-regional transmission capacity addition (out of which 20,300 MW has been added in the 12th FYP so far, taking the cumulative capacity to 47,450 MW), along with about 1,09,000 circuit kms. (ckm) of transmission lines (out of which 60,941 ckm has been added in the 12th FYP so far, taking the cumulative capacity to 3,18,422 ckm), 13,000 MW High Voltage Direct Current (HVDC) terminal capacity (no progress in the 12th FYP as on date), AC transformation capacity of 2,70,000 MVA and a quantum jump in 765 kV Transmission systems.

(Source: Working Group on Power for 12th Plan, Planning Commission)

Creation of a National Grid

The need to maintain the stability of the electricity grid cannot be understated. Such stability is necessary to manage transmission more effectively in order to meet the growing demand for power. India has been finally able to fulfill its dream of 'One Nation One Grid', with South India joining the National Grid Connectivity, thus integrating the entire country into one seamless network for delivering power. The integration was achieved through the commissioning of the Raichur-Solapur 765 kilovolt (kV) single-circuit

transmission line by state-owned Power Grid Corporation of India Ltd. With this, the Indian power sector has now the largest operating synchronous grids globally, with about 232 GW of installed power generation capacity.

(Source: Livemint.com, India is now one nation, one grid published on 1st January, 2014)

Distribution

Distribution plays a crucial role in the overall functioning of the power sector. The Government has implemented various schemes aimed at benefiting power consumers. These include

- **Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)** - Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) has now been subsumed under DDUGJY. The programme has been launched with the objectives of facilitating Power Distribution Companies (Discoms) to judiciously roster the supply to agricultural and non-agricultural consumers; strengthening of sub-transmission & distribution infrastructure and metering in rural areas.
- **Integrated Power Development Scheme (IPDS)** - Restructured Accelerated Power Development and Reforms Programme (R-APDRP) now stands subsumed under IPDS initiative. The programme has been launched with the objective of strengthening the sub-transmission and distribution network and metering of distribution/feeders/transformers/consumers in urban areas.

Apart from availability and access, the Government has recognised the need for supplying reliable and quality power by building adequate reserves and redundancies across the value chain to meet unforeseen exigencies. (Source: Government of India's Economic Survey 2014-15)

CHALLENGES AND OUTLOOK

The Government's targets for the Power sector are critically dependent on consistent fuel supply (coal as well as gas), better financial health of the State Electricity Boards (SEBs) and making PPAs of IPPs economically viable. All these factors also affect the capital expenditure program in the Power sector. To manage these concerns, some steps have been initiated for restructuring Discoms' finances, strengthening governance standards, rationalising tariff structure and optimising power procurement cost.

Retail Division

The retail division, comprising household wires as well as LT and HT cables, has witnessed considerable growth in recent years, currently contributing around 27% to the Company's revenues.

A wide distribution network, spread across India and overseas, has continuously driven the division's expansion, enabling KEI to position itself as a specialist cable manufacturer. Backed by the Company's strong brand equity, its dealer network of 900+ has led the aggressive growth plans of KEI, particularly in the Northern and Western regions of India. The Company's dealer-driven expansion plan is based on a pan India approach seeking to create new avenues of collaborative growth with realty developers, building contractors and architects, among others.

With a new retail head infusing fresh energies into the business on the strength of his 20 years of experience, the Company successfully grew the retail segment through the year under review. A strong marketing push, backed by intensive brand promotion and multi-media communication strategy, led to increase in house wire sales during FY15, resulting in revenue growth in this segment by almost 21%.

As the Company continues to scale up the value chain and intensify its presence in this segment, the focus on augmenting relationships with customers is also being enhanced. KEI has expanded its market strategy to encompass TV advertising (promotions have already commenced in FY 2015-16), thereby opening up another large window to strengthen its brand recall.

Exports Division

With operations in more than 47 countries, KEI has a strong exports base, which has witnessed consistent CAGR growth in recent years. Though the division witnessed some slowdown in FY15, the inherent strengths of the business and the overseas opportunity matrix shall continue to drive exponential growth in this segment in the coming years.

Exports declined to ₹ 147 crores in FY15, from ₹ 197 crores in the previous fiscal, mainly on account of delay in execution of several contracts. This was largely attributable to customer-related issues and disturbances in the concerned markets. With these issues having since been resolved, execution of the contracts is back on track post March 31, 2015, and the exports division is consequently set to get a fresh boost.

Cognizant of the immense potential for growth in the overseas markets, KEI continues to strengthen its global presence, with offices set up in Singapore, Nigeria and Kazakhstan, in addition to Dubai/Abu Dhabi. The Company also operates in Australia through agents. KEI's overseas product basket consists of EHV (66kV to 220kV), MV (6.6kV to 33kV) and LV (<6.6kV), with customised solutions at competitive prices a key driver of growth. The Company is continuously reaching out to new clients in these markets through several touch points, including participation in international exhibitions.

Institutional Division

The year marked a big leap in the EHV institutional business for the Company, which has garnered a substantial ₹ 200 crores worth of orders from various customers. The turnover from this business for the year stood at ₹ 59 crores. EPC contracts also added to the revenue kitty, contributing ₹ 298 crores to the Company's turnover.

Outlook

The demand for cables is expected to go up significantly as the Government of India plans to spend \$1trn on infrastructure in the next five years. Growth in this sector is likely to get a boost as a result of major expansion in steel, cement, oil & gas, energy, automobiles, highways, ports, airports, SEZs, housing, IT parks, hotels, shopping malls and BPOs. Retail will consequently be a major biggest beneficiary in the cables industry. Power transmission and distribution are also set for increased thrust, further facilitating growth in the cables industry. The institutional cables segment, in particular, will get a huge fillip as a consequence of growth in both, infrastructure and power segments. As the cables demand rises, the Company will also continue to increase the capacity utilisation at its plants to bring in better operating leverage and improved margins.

QUALITY, ENVIRONMENTAL AND OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM STANDARD

KEI's Management System is accredited with various key certifications, awarded by Det Norske Veritas (DNV), a world leading independent certification body, on the basis of periodical audits.

ISO 9001:2008

ISO 9001 certification endorses the Company's Quality Management System's compliance to the best practices standard. It provides a framework for enhanced customer and product focus, increased process performance and greater effectiveness. The emphasis is on continual improvement and objective measurement. While helping the Company to achieve consistency, improve internal processes and fulfill contractual obligations, the certification lends competitive advantage and increases customer confidence for the Company.

OHSAS 18001:2007

OHSAS 18001:2007 certification proves that the Management System of the Company is built to ensure proactive protection of the health and safety of the workforce. It also underlines the Company's commitment to the health and safety of its employees, reduces overall liability as well as occurrence of ill health and injuries, and provides assurance that legal compliance is effectively managed.

ISO 14001:2004

ISO 14001 certification demonstrates that the Company's Environment Management System has been measured against the best practice standard and is found compliant. It indicates the Company's systematic approach towards minimizing the negative impact of its business on the environment and the community around it. The Company is cognizant of the fact that an effective environment management system can significantly reduce the environmental impact of its business, increase operational efficiency and identify opportunities for cost savings, and hence the Company is committed to continuous strengthening of its Environment Management System.

INTERNAL CONTROLS & SYSTEMS

The Company has in place a robust and streamlined system of internal controls, ensuring regular:

- Authorization, recording and reporting of transactions.
- Recording and safeguarding of assets against unauthorized use or disruption.
- Maintenance of proper accounting records and reliability of financial information.

RISKS AND CONCERNS

Cognizant of the importance of controlling and regulating the risks – both expected and unforeseen – faced in the conduct of its business, the Company has developed a detailed risk management strategy encompassing proper and in-depth identification, assessment and prioritization of risks. This is followed by speedy mobilization of resources to minimize, monitor and control the probability of unfortunate and unforeseen events. Listed below are some of the major risks to which the Company is exposed, and the various measures in place to mitigate the same.

| Risk | Issues & Concerns | Mitigation Strategy |
|--|--|--|
| Business Risk | <ul style="list-style-type: none"> • Company's products are used primarily by the power utilities, infrastructure, real estate and industrial segments. • Any slowdown in these sectors can have a major impact on the demand for the Company's products. | <ul style="list-style-type: none"> • Company is continuously diversifying its product and sectoral presence. |
| Competition Risk | <ul style="list-style-type: none"> • Majority of the Company's products are highly competitive in nature and face a strong threat from other players. | <ul style="list-style-type: none"> • Company believes it has developed strong customer relations as a result of its ability to cater to customer needs across a wide range of diversified products, along with a strong commitment to quality, emphasis on customer services, up-gradation in technology and substantial product and distribution resources. • These strengths give the Company the competitive edge needed to effectively manage this risk. |
| Raw Material Price Fluctuation Risk | <ul style="list-style-type: none"> • Excessive volatility in the Company's key raw materials – copper and aluminium – can have severe impact on its profitability. • Although the Company attempts to recover copper and other raw material price changes either through the selling price of products or through hedging, there is no assurance that it can do so successfully or at all in the future. | <ul style="list-style-type: none"> • Company has adopted stringent strategies to tackle such volatility. • To mitigate the risk of increasing raw material prices, the Company incorporates price escalation clauses for large orders, while including a three-month price validity clause for smaller projects. |
| Currency Fluctuations Risk | <ul style="list-style-type: none"> • With exports a key contributor to the Company's revenues, excessive volatility in currency rates can significantly impact profitability. • Company also imports raw material, and extreme currency fluctuations can also adversely affect the costs of the same, causing profitability to be impacted. | <ul style="list-style-type: none"> • The Company constantly monitors currency movements and resorts to forward booking, where deemed appropriate. |
| Human Resource Risk | <ul style="list-style-type: none"> • Quality human resources being critical to its business operations, the Company may not be able to execute its ambitious growth plans in the absence of this vital asset. | <ul style="list-style-type: none"> • Company has a well-planned HR strategy, focused on nurturing and retaining talent. |

HUMAN RESOURCES

People are vital engines of the Company's growth strategy and the Company has a well-planned strategy in place to nurture talent. With a strong focus on the development of its human capital assets, the Company is continually investing in building the same. Its well documented HR strategy has given the Company a strong strategic edge as it strives towards operational excellence. Regular HR initiatives include skill mapping and matching, as well as assessment of training & development programs. Such assessment helps in ensuring proper performance appraisals.

Adequate training, skill development and mentoring programs are designed to bridge gaps, if any. The Company has set for itself clear objectives and goals, which help lend objectivity to performance. During the year, industrial relations continued to be cordial.

DISCLAIMER CLAUSE

Statement in the Management Discussion & Analysis describing the Company's objectives, projections, estimate, expectations are 'forward –looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation and include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax, corporate and other laws and other incidental factor.

Report on Corporate Governance

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 the guidelines on corporate governance stipulated under clause 49 of the Listing Agreements with the Stock Exchanges.

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:

Composition of the Board of Directors:

- (i) The Company has 7 Directors with an Executive Chairman. Of the 7 Directors, 2 are Executive Directors and 5 are Non-Executive Directors, including one Woman Director and 4 Independent Directors. The Composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- (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 companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2015 have been made by all the Directors.
- (iii) The names and categories of the Directors on the Board, and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies are given below. Other Directorships do not include, Directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013. Chairmanship / Membership of Board Committees include only Audit Committee and Stakeholders' Relationship Committee.

Details of Directors as on March 31, 2015 and their attendance at the Board Meetings and Annual General Meeting during the financial year ended March 31, 2015 are given below:

| Name of the Director | Category | No. of Directorships in other Public Limited Companies | No. of the Board Meetings held during the FY 2014-15 | No. of the Board Meetings attended during the FY 2014-15 | Attendance at Last AGM (September) 19, 2014 | No. of Committee positions held in other Public Limited Companies | |
|---|----------------------------|--|--|--|---|---|--------|
| | | | | | | Chairman | Member |
| Mr. Anil Gupta (CMD) (DIN: 00006422) | Non-Independent, Executive | 1 | 6 | 6 | Yes | None | None |
| Mr. Pawan Kumar Bholusaria(DIN: 00092492) | Independent, Non-Executive | 2 | 6 | 6 | Yes | None | 2 |

| Name of the Director | Category | No. of Directorships in other Public Limited Companies | No. of the Board Meetings held during the FY 2014-15 | No. of the Board Meetings attended during the FY 2014-15 | Attendance at Last AGM (September) 19, 2014 | No. of Committee positions held in other Public Limited Companies | |
|------------------------------------|--------------------------------|--|--|--|---|---|--------|
| | | | | | | Chairman | Member |
| Mr. K.G. Somani (DIN: 00014648) | Independent, Non-Executive | 1 | 6 | 3 | No | None | None |
| Mr. Vijay Bhushan (DIN: 00002421) | Independent, Non-Executive | 4 | 6 | 4 | No | 3 | 3 |
| Mr. Vikram Bhartia (DIN: 00013654) | Independent, Non-Executive | None | 6 | 6 | Yes | None | None |
| Mrs. Archana Gupta (DIN: 00006459) | Non-Independent, Non-Executive | 2 | 6 | 6 | No | None | None |
| Mr. Rajeev Gupta (DIN: 00128865) | Non-Independent, Executive | None | 6 | 6 | Yes | None | None |

Mrs. Archana Gupta is spouse of Mr. Anil Gupta. None of the other Directors are related to any other Director on the Board.

Meeting of Board of Directors:

During the FY 2014-15, 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 Act(s), law(s) / rule(s) and regulation(s) during the FY 2014-15.

During the year ended March 31, 2015, 6 (Six) Board Meetings were held and these were on May 15, 2014, August 08, 2014, November 06, 2014, November 24, 2014, December 22, 2014 and February 10, 2015.

The last Annual General Meeting (AGM) of the Company was held on September 19, 2014.

Separate Meeting of Independent Directors:

In terms of Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement, Independent Directors are required to meet at least once in a year, without the attendance of non-independent Directors and members of management to deal with the matters listed out in Schedule IV to the Companies Act, 2013 and clause 49 of the Listing Agreement which inter-alia includes to review the performance of non-independent Directors and the Board, to review the performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the Company, Management and the Board.

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreements entered with the Stock Exchanges.

During the year ended March 31, 2015 one meeting of Independent Directors was held on February 10, 2015.

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 Kumar Bholusaria | Chartered Accountant | 1 | 1 |
| Mr. K.G. Somani | Chartered Accountant | 1 | 1 |
| Mr. Vijay Bhushan | Business | 1 | 0 |

3. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of clause 49 of the Listing Agreements with the Stock Exchanges read with 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 Company.
- Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- Reviewing, with the management the annual financial statements before submission to the Board for approval, for focusing primarily on:
 - ☐ Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ☐ Changes, if any in accounting policies and practices and reasons for the same;
 - ☐ Major accounting entries based on the exercise of judgment by management;
 - ☐ Qualification in draft audit report;
 - ☐ Significant adjustments made in the financial statements arising out of audit finding;
 - ☐ Compliance with accounting standards;
 - ☐ Compliance with listing and other legal requirements concerning financial statements;
 - ☐ Any related party transactions.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspect 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.

During the year ended March 31, 2015, 4 (Four) Audit Committee Meetings were held on May 15, 2014, August 08, 2014, November 06, 2014 and February 10, 2015.

Mr. Pawan Kumar Bholusaria, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 19, 2014.

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 Kumar Bholusaria | Independent Director (Chairman) | Chartered Accountant | 4 | 4 |
| Mr. K.G. 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. Stakeholders Relationship Committee:

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 (or any amendment thereof) and allied rules as may be notified from time to time. The Committee looks into redressing investor's grievances / complaints such as non-receipt of notices, annual reports, dividends, revalidation of Dividend Warrants and share transfers related works. The Committee also approves issue of duplicate share certificates, remat of shares etc. The status of grievances / complaints has also been placed before the Committee on quarterly basis.

During the year ended March 31, 2015, 4 (four) meetings of the Committee were held on May 15, 2014, August 08, 2014, November 06, 2014 and February 10, 2015.

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 | 3 |
| Mr. Vikram Bhartia | Independent Director (Member) | Business | 4 | 4 |
| Mr. Pawan Kumar Bholusaria | Independent Director (Member) | Chartered Accountant | 4 | 3 |

Number of Shareholders complaints received and resolved during the year ended March 31, 2015 are as follows:

| Sr. No. | Nature of Grievances | Received | Status / Pending |
|---------|--|-----------|------------------|
| 1 | Non Receipt of Annual Report / Dividend Warrant / Others | 02 | Resolved |
| 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 |
| | Total | 02 | Resolved |

Number of pending Shareholders complaints and Share Transfer as on March 31, 2015 was Nil.

The Company has designated an E-mail ID cs@kei-ind.com exclusively for the purpose of receiving various queries, complaints etc. of the investors & to take necessary follow up action.

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

5. Nomination and Remuneration Committee:

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.

With the notification of Companies Act, 2013 w.e.f. 1st April, 2014, the role of the Nomination and Remuneration Committee also covers such functions and scope as prescribed under Section 178 of the Companies Act, 2013 read with allied Rules framed there under.

The Nomination and Remuneration Committee have the following powers and functions:

- 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.
- To Formulate criteria for evaluation of Independent Directors and the Board.
- To Carry out evaluation of every Director's performance.
- To Devise a policy on Board diversity.
- 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.
- 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.
- To adopt rules and regulations for implementing the Scheme from time to time.
- To frame suitable policies and procedures to ensure that there is no violation of Securities Laws, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 (as amended from time to time), by the Company and its employees, as applicable.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Nomination and Remuneration Committee shall be deemed to be "Nomination and Remuneration Committee" within the meaning of clause 49 of the Listing Agreement, Schedule V of the Companies Act, 2013 and for all other purposes as may be required under any / all Acts, Rules, Regulations, Circulars etc, for the time being or as amended from time to time.

During the year ended March 31, 2015, 2 (two) meetings were held on May 15, 2014 and August 08, 2014.

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

| Name of the Director | Category | Profession | No. of Meetings held | No. of Meetings attended |
|----------------------------|---------------------------------|----------------------|----------------------|--------------------------|
| Mr. Vikram Bhartia | Independent Director (Chairman) | Business | 2 | 2 |
| Mr. Vijay Bhushan | Independent Director (Member) | Business | 2 | 2 |
| Mr. Pawan Kumar Bholusaria | Independent Director (Member) | Chartered Accountant | 2 | 2 |

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

NOMINATION AND REMUNERATION POLICY

In compliance with Section 178 of the Companies Act, 2013 and on recommendation of the Nomination & Remuneration Committee, Board approved the policy on selection and appointment of Directors, Senior Management and other employees of the Company and their remuneration, positive attributes, Directors' qualifications, Independence of Directors and other related matters.

The terms of appointment/re-appointment, remuneration and removal of all the Directors, (including executive and non-executive Directors), Key Managerial Personnel, Senior Management and other employees of the company are as per the Nomination and Remuneration Policy.

Further, the detailed Nomination & Remuneration Policy is annexed to Directors' Report as **Annexure A** and forms part of this Annual Report and is also available on the website of the Company at www.kei-ind.com under Investor Relations Section.

DIRECTORS REMUNERATION:

a) Details of Remuneration paid to Executive Directors for the Year ended on March 31, 2015:

The aggregate value of salary, perquisites and commission paid for the year ended March 31, 2015 to the Chairman-cum-Managing Director (CMD) and Whole Time Director (WTD) are as follows:

(₹ in Millions)

| Name | Salary | Commission | Co.'s Cont. to P.F | Perquisites | Sitting Fees | Others | Total |
|--------------------------------------|--------|------------|--------------------|-------------|--------------|--------|--------------|
| Mr. Anil Gupta, CMD | 16.20 | 9.15 | 0.02 | 2.55 | NIL | NIL | 27.92 |
| Mr. Rajeev Gupta, ED (Finance) & CFO | 5.83 | NIL | 0.02 | 0.19 | NIL | NIL | 6.04 |
| Total | | | | | | | 33.96 |

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.

b) Details of Sitting Fees / Remuneration paid to Non- Executive Directors for the Year ended on March 31, 2015:

During the financial year 2014-15, the Company has not paid any remuneration to Non-Executive and Independent

Director except sitting fees of ₹ 20,000/- per Board / Committee Meeting as detailed below:

(₹ in Millions)

| Name of the Director | Amount |
|----------------------------|--------|
| Mr. Pawan Kumar Bholusaria | ₹ 0.34 |
| Mr. K.G. Somani | ₹ 0.12 |
| Mr. Vikram Bhartia | ₹ 0.32 |
| Mr. Vijay Bhushan | ₹ 0.18 |
| Mrs. Archana Gupta | ₹ 0.26 |

Service Contract, Severance Fee and Notice Period of the 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.

In the 22nd Annual General Meeting of the Company, Independent Directors were appointed for a term of 5 years in accordance with the provisions of Section 149, 150, 152 read with rules made thereunder and Schedule IV of the Companies Act, 2013 after obtaining declaration from them under Section 149 of the Companies Act, 2013.

Formal letter of appointment to Independent Directors:

Formal letter of appointment was issued to all the Independent Directors by the Company in the manner as provided under the Companies Act, 2013 and the detailed terms and conditions of appointment of Independent Directors and the detailed Familiarisation Programme are disclosed on the website of the Company at www.kei-ind.com under Investor Relations Section.

Performance evaluation of Independent Directors:

The performance evaluation of all the Directors for the financial year 2014-15, 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).

6. 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, 2015 no committee meeting was held.

The composition of the Committee is as under:

| Name of the Director | Category | Profession |
|----------------------------|---------------------------------|----------------------|
| Mr. Pawan Kumar Bholusaria | Independent Director (Chairman) | Chartered Accountant |
| Mr. Vijay Bhushan | Independent Director (Member) | Business |
| Mr. Anil Gupta | CMD (Member) | Business |

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

7. Finance Committee:

In addition to the mandatory / non mandatory Board Committee specified under clause 49 of the Listing Agreement, your 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 Corporates or from any other person up to an amount not exceeding ₹ 400 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 ₹ 400 crores;
- creation of security by way of hypothecation / mortgage on the assets of the Company for the borrowing;
- to provide any loan / deposits / guarantee / investment for an amount not exceeding ₹ 20 crores at any time. As per provisions of Section 186 of the Companies Act, 2013, the Board can make investment up to 60% of the paid-up capital & free reserves or 100% of the free reserves, whichever is more and investment more than this can be made by the Board with the approval of shareholders;
- execution and signing of various documents in respect of above;
- Any other financial matter relating to the Company viz. sales tax, income tax, excise, custom, RBI, Foreign Exchange etc.

During the year ended March 31, 2015, 7 (Seven) meetings were held on June 12, 2014, September 24, 2014, October 16, 2014, December 22, 2014, January 22, 2015, March 12, 2015 and March 26, 2015.

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 | CMD (Chairman) | Business | 7 | 7 |
| Mrs. Archana Gupta | Non-Executive Director (Member) | Business | 7 | 7 |
| Mr. Rajeev Gupta | ED (Finance) & CFO (Member) | Chartered Accountant | 7 | 7 |

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

8. Corporate Social Responsibility (CSR) Committee:

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

- Formulating and recommending to Board, a CSR policy, which shall indicate the activities to be undertaken by the Company as specified in schedule VII;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time;
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

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

During the year ended March 31, 2015, 2 (two) meetings were held on August 08, 2014 and February 10, 2015.

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 Kumar Bholusaria | Independent Director (Chairman) | Chartered Accountant | 2 | 2 |
| Mr. Anil Gupta | CMD (Member) | Business | 2 | 2 |
| Mr. Rajeev Gupta | E D (Finance) & CFO (Member) | Chartered Accountant | 2 | 2 |

Mr. Kishore Kunal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee. The Annual Report on Corporate Social Responsibility (CSR) activities is annexed to Directors' Report detailing the CSR projects undertaken by the Company as **Annexure D** and forms part of this Annual Report. Further, the Corporate Social Responsibility Policy has also been uploaded on the Company's website and is available at www.kei-ind.com under Investor Relations Section.

9. General Body Meetings:

(I) Annual General Meeting (AGM) Details:

The last three Annual General Meetings were held as per details below:

| Year | Day | Date | Time | No. of Special Resolution passed at AGM | Venue |
|------|----------|--------------------|-----------|---|---|
| 2012 | Thursday | September 13, 2012 | 10.30 A.M | 1 | Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003 |
| 2013 | Friday | June 21, 2013 | 10.30 A.M | 3 | Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003 |
| 2014 | Friday | September 19, 2014 | 10.00 A.M | 10 | Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003 |

(II) Postal Ballot:

No Special resolution was put through Postal Ballot in the last Annual General Meeting. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through Postal Ballot.

10. Disclosures:

(a) Related Party Transaction:

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 Companies Act, 2013, clause 49 of the Listing Agreement and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and clause 49 of Listing Agreement.

Members may refer to Disclosures of transactions with related parties i.e. Promoters, Directors, Relatives, Associate or Management made in the Balance Sheet in Note No. 29.

Pursuant to clause 49 of the Listing Agreement, Company framed the Policy on materiality of Related Party Transactions and is available on the website of the Company at www.kei-ind.com under Investor Relations Section.

(b) Compliance with Regulations:

The Company has fully complied 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.

(c) Vigil Mechanism/ Whistle Blower Policy:

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 and clause 49 of the Listing Agreement of the Stock Exchange for its directors and employees to report the genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

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

The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company and is available at www.kei-ind.com under Investor Relations Section.

(d) Accounting Standards:

In preparation of the Financial Statements, the Company has followed the Accounting Standards as laid down by the Companies Act, 2013 and the significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

(e) Proceeds from the public issue, rights issue, preferential issues etc.

During the year, your Company has not raised any proceeds / funds from public issue and rights issue. However, the Company had allotted 35,00,000 (Thirty Five Lakhs) equity shares to promoters' group on preferential basis upon conversion of share warrants and proceeds of the same was used as per objects of the Issue.

(f) Subsidiary:

The Company does not have any holding or subsidiary Company.

In order to adhere the requirement of clause 49 of the Listing Agreement, the Company has adopted a Policy for determining 'material' subsidiaries of the Company. The policy is disclosed on the website of the Company at www.kei-ind.com under Investor Relations Section.

(g) Risk Management:

The audit committee regularly reviews the risk management strategy of the Company to ensure the effectiveness of risk management policies and procedures.

(h) CEO / CFO Certificate:

The Chairman-cum-Managing Director and Executive Director (Finance) & CFO of the Company have furnished the annual certification on the financial reporting and internal controls to the Board in terms of clause 49 (IX) of the Listing Agreement.

The Chairman-cum-Managing Director and Executive Director (Finance) & CFO of the Company also give quarterly certification on the financial results while placing the financial results before the Board in terms of clause 41 of the Listing Agreement.

The annual certificate given by the Chairman-cum-Managing Director and Executive Director (Finance) & CFO is annexed and forms part of Annual Report.

(i) Code of Conduct:

In compliance with clause 49(II) (E) of the Listing Agreement, the Company has framed and adopted a Code of Conduct. This code is applicable to all Directors and Members of Senior Management of the Company. The Code of Conduct is available on the Company's website www.kei-ind.com. All the Directors and Members of Senior Management have affirmed compliance to the Code of Conduct as on March 31, 2015. A declaration to this effect, signed by Chairman-cum Managing Director is annexed and forms part of Annual Report.

(j) Auditors' Certificate on Corporate Governance:

The Statutory Auditors of the Company have furnished the certificate to Board of Directors of the Company regarding compliance on the conditions of corporate governance in compliance with clause 49 of the Listing Agreement. A declaration to this effect signed by the Statutory Auditor is annexed and forms part of Annual Report.

(k) Number of Shares held by Non-executive Directors:

| Name of the Director | Category | No. of Shares held |
|----------------------------|------------------------------------|--------------------|
| Mrs. Archana Gupta | Non-executive Director | 837,315 |
| Mr. Pawan Kumar Bholusaria | Non-executive Independent Director | 7,500 |
| Mr. K.G. Somani | Non-executive Independent Director | 1,000 |
| Mr. Vikram Bhartia | Non-executive Independent Director | 10,000 |
| Mr. Vijay Bhushan | Non-executive Independent Director | Nil |

(l) Secretarial Audit:

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Baldev Singh Kashtwal, practicing Company Secretary (Membership No. FCS – 3616 & CP No. 3169), partner of M/s RSM & Co., Company Secretaries, carried out secretarial audit for the financial year 2014-15 to check compliance of various legislation including Companies Act and other corporate and economic laws applicable to the Company. The Secretarial Auditor has expressed his opinion in his report that there exist adequate systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Secretarial Audit Report in Form MR-3 is annexed to Directors Report and forms part of this Annual Report.

(m) Codes of Fair Disclosure and Conduct for Prohibition of Insider Trading:

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practices and Procedures for Fair disclosure of unpublished price sensitive information and Code of Conduct to regulate, monitor and report insider trading in equity shares of the Company by its employees and connected person.

The Executive Director (Finance) & CFO of the Company has been designated as Chief Investor Relations Officer.

This Code is also available on the Company's website www.kei-ind.com under Investor Relations Section.

(n) Management's Discussion and Analysis Report forms a part of the Annual Report.

11. MEANS OF COMMUNICATION:

a) Quarterly Results / Shareholding Pattern / Notice(s):

The quarterly, half-yearly, annual Financial Results and Notices of Board Meeting(s), Annual General Meeting(s) and other notices of the Company are published in the leading newspaper. The financial results and notices are also displayed on the Company's website www.kei-ind.com. Simultaneously, Financial Results, Shareholding Pattern and Notices of the Company are also available at www.bseindia.com and www.nseindia.com.

b) News Release & Presentation(s):

All official news and price sensitive information are sent to the Stock Exchanges through e-mails, fax and hard copy as per the requirement of the Listing Agreement with the Stock Exchanges.

c) Annual Report:

Annual Report for the financial year 2014-15 containing, inter alia, Statement of Profit & Loss, Balance Sheet, Cash Flow Statement, Directors Report, Auditor's Report and other important information is circulated to the shareholders at their registered address and e-mail address registered with the Registrar and Transfer Agent and respective Depositories. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report of the Company is also available on the website of the Company www.kei-ind.com under Investor Relations Section.

d) **Corporate Filing and Dissemination System (CFDS):**

In compliance with clause 52 of the Listing Agreement with the Stock Exchanges the shareholding pattern, corporate governance report, financial results, notices, disclosures, documents, certificates and other data etc are filed electronically at NSE's NEAPS portal and similarly with BSE through BSE Online portal. Company is regularly filing all the requisite disclosures through NEAPS <https://www.connect2nse.com/LISTING/login> and BSE listing centre <http://listing.bseindia.com> as provided by NSE & BSE respectively.

e) **Up-dation of website:**

In compliance with clause 54 of the Listing Agreement with Stock Exchanges, the website of the Company www.kei-ind.com is regularly being updated with the basic information about the Company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of Agreements entered into with the media companies and/or their associates, etc. The Company's website www.kei-ind.com contains a separate dedicated section "Investor Relations" where information related to shareholders is available.

f) **SEBI Complaint Redress System (SCORES):**

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Report (ATR) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

12. General Shareholders Information:

(a) **23rd Annual General Meeting- Day, Date, Time and Venue:**

| Day | Date | Time | Venue |
|-----------|--------------------|-----------|---|
| Wednesday | September 16, 2015 | 10.00 A.M | Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road New Delhi-110 003 |

(b) **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 The Companies Act, 2013 has allowed the Companies to send official documents / communications to their shareholders electronically as a 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, Directors' Report, Auditor's Report, etc, to the email address provided by you with your depositories.

We request you to update your email 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 / info@masserv.com quoting your DP / Client ID or Folio No. or by sending letter to the Company or Mas Services Ltd (RTA).

(c) **Unpaid / Unclaimed Dividend:**

Pursuant to the circular issued by Ministry of Corporate Affairs with respect to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 vide G.S.R. 342 (E) dated May 10, 2012, your Company has uploaded on its website www.kei-ind.com.. as well as on the Ministry's website the information regarding Unpaid / Unclaimed Dividend amount lying with the Company related to Financial year 2007-08 and onwards. The Company has transferred the unpaid / unclaimed dividend amount for the financial year 2006-07 to Investor Education and Protection Fund (IEPF).

Shareholders who have not received the dividend for the Financial year 2007-08 and onwards may write and send their request to the MAS SERVICES LTD. (Registrar and Transfer Agent), T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Ph:- 26387281/82/83, Fax:- 26387384, email:- info@masserv.com or directly to the Company at D-90, Okhla Industrial Area, Phase-I, New Delhi-110 020,

email:- cs@kei-ind.com and Phone: 011-26818840 quoting their folio number / DPID and Client ID, year for which the dividend is unpaid / unclaimed and their current address respectively.

Status of Unpaid / Unclaimed Dividend:

| Dividend for the Financial Year | Dividend Declaration Date (AGM) | Due Date of Transfer to Investor Education & Protection Fund (IEPF) |
|---------------------------------|---------------------------------|---|
| 2007-08 | 28.08.2008 | 04.10.2015 |
| 2008-09 | 20.07.2009 | 26.08.2016 |
| 2009-10 | 28.08.2010 | 04.10.2017 |
| 2010-11 | 15.09.2011 | 22.10.2018 |
| 2011-12 | 13.09.2012 | 20.10.2019 |
| 2012-13 | 21.06.2013 | 28.07.2020 |
| 2013-14 | 19.09.2014 | 26.10.2021 |

(d) Financial Calendar:

Financial Year

1st April, 2015 to 31st March, 2016

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

June, 2015

1st / 2nd week of August, 2015

September, 2015

1st / 2nd week of November, 2015

December, 2015

1st / 2nd week of February, 2016

March, 2016

3rd / 4th week of May, 2016

(e) Date of Book closure: (Both days inclusive)

September 10, 2015 to September 16, 2015.

(f) Dividend payment date:

Dividend payment on or after September 21, 2015 but within the statutory time limit of 30 days, subject to Shareholders' approval.

(g) Registered Office

: D-90, Okhla Industrial Area,
Phase-I, New Delhi- 110 20 (India).

(h) Corporate Identification Number (CIN)

: L74899DL1992PLC051527

(i) Listing on Stock Exchanges

: BSE Ltd.
: National Stock Exchange of India Ltd.
: The Calcutta Stock Exchange Ltd.
: The Luxembourg Stock Exchange*

Note:

*Global Depository Receipts (GDRs) are listed at Luxembourg Stock Exchange.

(j) Payment of Listing Fees:

Annual Listing fees for the financial year 2015-16 has been paid in time by the Company to Stock Exchanges viz. BSE, NSE & CSE.

(k) Stock Code:

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

Note: Global Depository Receipts (GDRs) are listed outside India at Luxembourg Stock Exchange.

The ISIN Code of GDRs is US4824682045.

(l) Stock Market Data:

| Month | BSE Ltd. (BSE) | | National Stock Exchange of India Ltd. (NSE) | |
|-----------------|-------------------|---------|--|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2014 | 22.98 | 12.18 | 22.95 | 12.05 |
| May, 2014 | 30.90 | 17.60 | 31.25 | 17.55 |
| June, 2014 | 32.10 | 23.40 | 31.50 | 23.40 |
| July, 2014 | 36.75 | 26.65 | 36.75 | 26.70 |
| August, 2014 | 35.00 | 29.05 | 35.00 | 29.05 |
| September, 2014 | 39.80 | 30.10 | 39.80 | 30.05 |
| October, 2014 | 35.45 | 30.00 | 35.40 | 29.15 |
| November, 2014 | 50.25 | 34.25 | 50.20 | 34.20 |
| December, 2014 | 50.05 | 40.15 | 51.00 | 40.20 |
| January, 2015 | 59.25 | 45.00 | 59.25 | 47.95 |
| February, 2015 | 61.50 | 54.45 | 61.70 | 54.50 |
| March, 2015 | 71.90 | 56.30 | 72.00 | 55.65 |

(m) Registrar and Share Transfer Agents:

MAS SERVICES LTD., T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020,
Ph:- 26387281/82/83, Fax:- 26387384, email:- info@masserv.com, website : www.masserv.com

(n) 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 M/s MAS Services Ltd., Registrar and Share Transfer Agent. The Shares 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 Security Depository Limited (NSDL) and Central Depository Services (India) Ltd within 7 days.

(o) Dematerialization of Shares:

The shares of the Company are permitted for trading on dematerialized form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. 76,858,229 equity shares of ₹ 2/- each forming 99.51 % of the share capital of the Company stands dematerialized as on March 31, 2015. Security Code No. with NSDL and CDSL is- ISIN-INE 878B01027.

(p) Shareholding Pattern as on March 31, 2015:

| Category | No. of shareholders | No. of Shares (face value of ₹ 2/- each) | No. of shares in demat form | % of shareholding |
|---|------------------------|--|-----------------------------------|----------------------|
| Promoters | 8 | 38148466 | 38148466 | 49.39 |
| Bodies Corporate | 356 | 16356634 | 16326134 | 21.18 |
| NRI/OCBs/Clearing Members/Trust | 335 | 1595808 | 1543308 | 2.07 |
| Bank/ Financial Institutions/ Mutual Funds/ FIIs | 3 | 98673 | 98673 | 0.13 |
| Indian Public | 21622 | 21037857 | 20741648 | 27.23 |
| Total | 22324 | 77237438 | 76858229 | 100.00 |

Note: 222 Shareholders are Common in Demat & Physical.

(q) **Distribution Schedule of Shareholding as on March 31, 2015:**

| No. of Shareholders | % to Total | Shareholding of Nominal Value of ₹ | No. of Shares | Amount in ₹ | % of Total |
|---------------------|------------|------------------------------------|---------------|-------------|------------|
| 17687 | 79.228 | 0001 TO 1000 | 3054568 | 6109136 | 3.955 |
| 2179 | 9.761 | 1001 TO 2000 | 1853577 | 3707154 | 2.399 |
| 999 | 4.475 | 2001 TO 4000 | 1586416 | 3172832 | 2.054 |
| 448 | 2.007 | 4001 TO 6000 | 1165302 | 2330604 | 1.509 |
| 196 | 0.878 | 6001 TO 8000 | 713639 | 1427278 | 0.924 |
| 194 | 0.869 | 8001 TO 10000 | 933542 | 1867084 | 1.209 |
| 306 | 1.371 | 10001 TO 20000 | 2291460 | 4582920 | 2.967 |
| 315 | 1.411 | 20001 AND ABOVE | 65638934 | 131277868 | 84.983 |
| 22324 | 100.00 | TOTAL | 77237438 | 154474876 | 100.00 |

*Note: 222 Shareholders are common in Demat & Physical.

(r) **Liquidity of Shares:**

The equity shares of the Company are listed at three Stock Exchanges and thus are liquid security. As on March 31, 2015, 77237438 equity shares of face value of ₹ 2/- each are listed at The National Stock Exchange of India Ltd (NSE), BSE Limited and The Calcutta Stock Exchange Limited.

(s) **Outstanding GDRs / ADRs / Warrants / Convertible Instruments:**

The Company had issued & allotted Global Depository Receipts (GDRs) on September 16, 2005. As on March 31, 2015, Nil GDR is outstanding for conversion.

There are no Foreign Currency Convertible Bonds (FCCBs), pending / outstanding for conversion as on March 31, 2015.

(t) **Plant Locations:**

- 1) SP-919, 920 & 922, RIICO Industrial Area, Phase-III, Bhiwadi, Distt. Alwar (Raj.)-301 019.
- 2) 99/2/7 Madhuban Industrial Estate, Village Rakholi, Silvassa(D&H)-396 240.
- 3) Plot No. A- 280-284, RIICO Industrial Area, Chopanki, Distt. Alwar (Raj.)-301 019

(u) **Address for Correspondence:**

The shareholders may address their communication/ suggestion/ grievances/ queries to our Share Transfer Agent: MAS SERVICES LTD. (Unit- KEI Industries Limited), T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Ph:- 26387281/82/83, Fax:- 26387384, email:- info@masserv.com, website : www.masserv.com.

13. Compliance Officer:

The Board had designated Mr. Kishore Kunal, Company Secretary as Compliance Officer.

Address: D-90, Okhla Industrial Area, Phase-I, New Delhi-110 020.

E-mail: cs@kei-ind.com

Phone: 011-26818840, Fax: 011-26811959

14. Non-Mandatory Requirements:

(I) **Non-executive Chairman:**

The Company does not have non-executive chairman and no expenses are being incurred & reimbursed in this regard.

(II) **Shareholder's Rights:**

The quarterly and half yearly results are not being sent to the personal address of shareholders as the quarterly performance and financial results of the Company are published in the Newspaper having wide circulation in India. The quarterly/ half-yearly/ annual financial results are also posted on the website of the Company www.kei-ind.com. Also, financial results and shareholding pattern of the Company are available at www.bseindia.com & www.nseindia.com.

(III) **Audit qualifications:**

The Financial Statements of the Company are Unqualified.

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

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

DECLARATION BY THE CHAIRMAN & CEO UNDER CLAUSE 49 (II E) OF THE LISTING AGREEMENT

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, 2015.

Place: New Delhi
Date: May 28, 2015

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

CERTIFICATION BY CEO & CFO

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:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - (ii) 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies, of which we are aware, in the design or operation of the internal controls, if any and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place : New Delhi
Date : May 28, 2015

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

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

AUDITOR'S CERTIFICATE

TO THE MEMBERS OF KEI INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by **KEI INDUSTRIES LIMITED** for the year ended March 31, 2015 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month with the Company.

We further state that such compliance 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.

For **JAGDISH CHAND & CO.**
Firm Reg. No. 000129N
Chartered Accountants

Place : New Delhi
Dated : August 6, 2015

(**PRAVEEN KUMAR JAIN**)
Partner
M.No.085629

Independent Auditors' Report

TO THE MEMBERS OF KEI INDUSTRIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **KEI Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative

pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representation received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i The Company has disclosed the impact of pending litigations as at 31st March, 2015 on its financial position in its financial statements – Refer Note No. 34.1 & 34.4;
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2015
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31st March, 2015

For JAGDISH CHAND & CO.
Firm Registration Number: 000129N
Chartered Accountants

(PRAVEEN KUMAR JAIN)

Place of Signature: New Delhi

Partner

Date: 28th May, 2015

Membership No. 085629

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of KEI Industries Limited on the financial statements as of and for the year ended 31st March, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) There is one party covered in the register maintained under Section 189 of the Act, to which Company has given deposit as per contractual obligations. Since it is a security deposit no principal amount was due and no interest was charged. (Refer Note 13.1)
- (b) In respect of the aforesaid deposit, there is no overdue amount.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the

purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

- 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 there under 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. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section(1) of Section 148 of

the Act, and are of the opinion that, prime 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 generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities, We are informed there are no undisputed statutory dues as of March 31, 2015 outstanding for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with appropriate authorities on account of any dispute other than those mentioned below :-

| Name of the Statute | Nature of the Due | Amount (₹ in Millions) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|--|---------------------------|------------------------------------|---|
| Income Tax Act | Income Tax | 0.87 | 2011-12 | Commissioner (Appeals) |
| | Income Tax | 8.65 | 2007-08 | Appeal to be filed before Supreme Court |
| Sales/ Entry Tax Act | Central Sales Tax | 0.72 | 1999-2000 | Tax Board |
| | Central Sales Tax | 0.43 | 2011-12 and 2012-13 | Additional Commissioner of Commercial Tax |
| | Value Added Tax | 1.84 | 2011-12 | Additional Commissioner of Commercial Tax |
| | West Bengal Tax on Entry of Goods into Local Areas Act, 2012 | 1.30 | 2013-14 | Hon'ble High Court |
| | Madhya Pradesh on Entry of Goods into Local Areas Act, 1976 | 0.56 | 2011-12 | Additional Commissioner of Commercial Tax |

| Name of the Statute | Nature of the Due | Amount (₹ in Millions) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|-------------------|---------------------------|--------------------------------------|--------------------------------|
| Central Excise Duty | Excise Duty | 64.77 | Various years for 2005-06 to 2011-12 | CESTAT |
| Customs Act | Custom Duty | 395.72 | Various years for 2005-06 to 2009-10 | Commissioner (Appeals) |
| Finance Act | Service Tax | 7.51 | 2005-06 & 2006-07 | Commissioner (Adjudication) |
| | Service Tax | 1.30 | 2008-09 | CESTAT |

- (c) The amounts required to be transferred to the Investor Education and Protection Fund have been transferred within the stipulated time in accordance with the provisions of the Act, and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. 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 dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xii. 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 on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For JAGDISH CHAND & CO.
Firm Registration Number: 000129N
Chartered Accountants

(PRAVEEN KUMAR JAIN)

Place of Signature: New Delhi

Partner

Date: 28th May, 2015

Membership No. 085629

BALANCE SHEET AS AT 31ST MARCH, 2015

| Note No. | As at 31 st March, 2015 (₹ in Millions) | As at 31 st March, 2014 (₹ in Millions) |
|---|--|--|
| EQUITY AND LIABILITIES | | |
| Shareholder's Funds | | |
| Share Capital 2 | 154.47 | 147.47 |
| Reserves and Surplus 3 | 2,884.03 | 2,539.10 |
| Money Received Against Share Warrants | – | 44.25 |
| | 3,038.50 | 2,730.82 |
| Non-Current Liabilities | | |
| Long Term Borrowings 4 | 1,208.95 | 1,165.56 |
| Deferred Tax Liability (Net) 5 | 235.36 | 160.35 |
| Long Term Provisions 6 | 31.97 | 23.46 |
| | 1,476.28 | 1,349.37 |
| Current Liabilities | | |
| Short Term Borrowings 7 | 2,549.20 | 3,269.53 |
| Trade Payables 8 | 4,809.92 | 3,872.38 |
| Other Current Liabilities 9 | 1,453.46 | 1,166.55 |
| Short Term Provisions 10 | 90.01 | 46.51 |
| | 8,902.59 | 8,354.97 |
| TOTAL | 13,417.37 | 12,435.16 |
| ASSETS | | |
| Non-Current Assets | | |
| Fixed Assets 11 | | |
| Tangible assets 11.1 | 2,971.19 | 3,133.01 |
| Intangible assets 11.2 | 9.64 | 7.76 |
| Capital Work -in- Progress 11.3 | 43.89 | 2.39 |
| | 3,024.72 | 3,143.16 |
| Non- Current Investments 12 | 31.36 | 30.92 |
| Long Term Loans and Advances 13 | 48.59 | 33.99 |
| Current Assets | | |
| Inventories 14 | 4,403.17 | 4,031.38 |
| Trade Receivables 15 | 4,798.41 | 4,286.25 |
| Cash and Bank Balances 16 | 46.87 | 45.57 |
| Short Term Loans and Advances 17 | 665.05 | 605.47 |
| Other Current Assets 18 | 399.20 | 258.42 |
| | 10,312.70 | 9,227.09 |
| TOTAL | 13,417.37 | 12,435.16 |
| Significant Accounting Policies And Notes on Financial Statements 1 to 35 | | |

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**

Firm Registration No. 000129N

Chartered Accountants

(PRAVEEN KUMAR JAIN)

Partner

M.No. 085629

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

Place of Signing: New Delhi

Date: 28th May, 2015**(KISHORE KUNAL)**

Company Secretary

M.No. A18495

Place of Signing: New Delhi

Date: 28th May, 2015**(ADARSH JAIN)**

General Manager (Finance)

M.No. 502048

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

| Particulars | Note No. | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|---|----------|---|-----------|---|-----------|
| Revenue from Operations(Gross) | 19 | 21,709.22 | | 17,534.73 | |
| Less: Excise Duty | | 1,399.70 | 20,309.52 | 1,345.64 | 16,189.09 |
| Other Income | 20 | | 23.83 | | 12.77 |
| Total Revenue | | | 20,333.35 | | 16,201.86 |
| Expenses | | | | | |
| Cost of Materials Consumed | 21 | | 15,133.32 | | 12,482.10 |
| Purchases of Stock in Trade | 22 | | 30.96 | | 17.95 |
| (Increase) / Decrease in Finished goods, Work-in-progress and Stock-in-trade | 23 | | (394.73) | | (419.48) |
| Employee Benefits Expense | 24 | | 620.65 | | 515.85 |
| Finance Costs | 25 | | 1,203.98 | | 1,115.30 |
| Depreciation and Amortisation Expense | | | | | |
| — Tangible Assets | | 242.40 | | 207.25 | |
| — Intangible Assets | | 3.45 | 245.85 | 2.49 | 209.74 |
| Other Expenses | 26 | | 2,990.61 | | 2,062.23 |
| Total Expenses | | | 19,830.64 | | 15,983.69 |
| Profit Before Exceptional Items and Tax | | | 502.71 | | 218.17 |
| Exceptional Item- Keyman Insurance on Maturity | | | 26.09 | | - |
| Profit Before Tax | | | 528.80 | | 218.17 |
| Tax Expense | | | | | |
| — Current tax | | 111.33 | | 46.00 | |
| — Deferred tax | | 75.01 | | 54.71 | |
| — Short/(Excess) Provision-Earlier Years | | (0.04) | 186.30 | 1.45 | 102.16 |
| Profit for the Year | | | 342.50 | | 116.01 |
| Earnings per Equity Share: | 27 | | | | |
| Equity shares of face value ₹ 2/- each | | | | | |
| — Basic | | | 4.46 | | 1.59 |
| — Diluted | | | 4.43 | | 1.54 |
| Significant Accounting Policies And Notes on Financial Statements | 1 to 35 | | | | |

As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**

Firm Registration No. 000129N

Chartered Accountants

(PRAVEEN KUMAR JAIN)

Partner

M.No. 085629

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

Place of Signing: New Delhi

Date: 28th May, 2015

(KISHORE KUNAL)

Company Secretary

M.No. A18495

Place of Signing: New Delhi

Date: 28th May, 2015

(ADARSH JAIN)

General Manager (Finance)

M.No. 502048

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | Year Ended 31 st March, 2015 (₹ in Millions) | Year Ended 31 st March, 2014 (₹ in Millions) |
|--|---|---|
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and Extraordinary items | 528.80 | 218.16 |
| Adjustments for : | | |
| Depreciation | 245.85 | 209.73 |
| Dividend received | (0.03) | (0.39) |
| (Profit)/Loss on Investment | (0.77) | (0.10) |
| Financial Charges | 1,203.98 | 1,115.31 |
| Provision for leave encashment/ Gratuity | 14.04 | 8.30 |
| FCMITDA Written Off / (Back) | 30.32 | 42.42 |
| Fixed Assets written off | 0.67 | 5.09 |
| Loss on sale of Assets | 1.51 | 2.08 |
| Operating Profit Before Working Capital Changes | 2,024.37 | 1,600.61 |
| Adjustments for : | | |
| Trade & Other Receivables | (710.39) | (322.09) |
| Inventories | (371.79) | (449.85) |
| Trade & Other Payables | 1,128.98 | 60.68 |
| Cash Generated from operations | 2,071.17 | 889.35 |
| Direct Taxes paid | (92.43) | (54.59) |
| Cash flow before Extra ordinary items | 1,978.74 | 834.75 |
| Extraordinary Items | — | — |
| Net Cash from operating activities | 1,978.74 | 834.75 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets and other capital expenditure | (167.97) | (220.14) |
| Sale of Fixed Assets | 1.37 | 0.97 |
| Sale of Investments | 0.77 | 0.00 |
| Purchase of Investments | (0.44) | 0.00 |
| Dividend Received | 0.03 | 0.39 |
| Net Cash from investing activities | (166.24) | (218.78) |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd...)

| | Year Ended 31 st March, 2015 (₹ in Millions) | Year Ended 31 st March, 2014 (₹ in Millions) |
|--|---|---|
| (C) CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| Long term borrowings (Banks) | (336.98) | (111.01) |
| Long term borrowings (others) | 484.65 | 0.00 |
| Finance lease liabilities (Net) | 9.51 | 4.04 |
| Inter corporate & other deposits (Net of repayments) | (44.09) | 11.69 |
| Working capital facilities from banks | (706.99) | 407.14 |
| Issue of Equity Share Capital | 4.75 | 49.00 |
| Money Received Against Share Warrants | – | 44.25 |
| Financial Charges | (1,203.98) | (1,115.31) |
| Dividend paid | (15.45) | (14.05) |
| Tax on Dividend | (2.62) | (2.39) |
| Net Cash from Financing Activities | (1,811.20) | (726.63) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C) | 1.30 | (110.65) |
| Cash & Cash Equivalents as at 1st April (Opening Balance) | 45.57 | 156.22 |
| Cash & Cash Equivalents as at 31st March (Closing Balance) | 46.87 | 45.57 |

Cash and Bank Balance includes ₹ 19.48 millions (Previous year ₹ 25.62 millions) held under lien/custody with banks/ others and balance in unclaimed dividend account ₹ 1.21 millions (previous year ₹ 1.29 millions)

Note: Figures in brackets represent cash outflow
As per our Separate Report of even date attached

For **JAGDISH CHAND & CO.**
Firm Registration No. 000129N
Chartered Accountants

(PRAVEEN KUMAR JAIN)
Partner
M.No. 085629

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

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

Place of Signing: New Delhi
Date: 28th May, 2015

(KISHORE KUNAL)
Company Secretary
M.No. A18495

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

Place of Signing: New Delhi
Date: 28th May, 2015

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation:

- i. In compliance with the accounting standards referred to in Section 133 and other relevant provisions of the Companies Act, 2013 to the extent applicable, the company follows the accrual system of accounting in general and the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP).
- ii. The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognized prospectively when revised.
- iii. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

(b) Fixed assets, intangible assets and capital work-in -progress:

- i. Fixed assets are stated at cost or valuation less accumulated depreciation and impairment loss. The cost includes inward freight and other directly attributable expenses.
- ii. In respect of qualifying assets, all direct expenses relating to the projects up to commencement of production, including interest on borrowed loan are capitalised. Financing Cost incurred on general borrowing used for projects is capitalised at weighted average cost. Amount of such borrowing is determined after setting off amount of internal accruals.
- iii. Cost of any software purchased initially along with the computer hardware is being capitalised along with cost of hardware. Any subsequent acquisition/up-gradation of software is being capitalised as an asset.

(c) Depreciation and amortisation:

- i. Cost of capitalized software is amortised over a period of five years from date of its acquisition. Leasehold Improvements are amortised over period of lease or estimated useful life whichever is shorter.
- ii. Depreciation on Fixed Assets is calculated on Straight line Method in accordance with the provisions of Schedule II of the Companies Act, 2013 keeping 5% of cost as residual value. The useful life of fixed assets as defined in Part C of schedule II of the companies Act, 2013 has been taken for all tangible assets other than Plant & Machineries, whose useful life is estimated 20 years based on internal assessment by the management and independent technical evaluation carried out by external valuer. Addition / deletion in the cost of the fixed assets due to exchange fluctuation in long term foreign currency monetary items arising due to difference in exchange rate vis a vis initial recording and reporting date are depreciated over the balance life of the assets.
- iii. No write off is being made in respect of leasehold land, as the lease is a long lease.
- iv. Fixed Assets costing upto ₹ 5000/- each are fully depreciated in the year of its acquisition.

(d) Investments:

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such decline is other than temporary in the opinion of the management.

(e) Inventories:

- i. Finished Goods, Project Materials are valued at lower of cost or net realisable value.
- ii. Raw Materials are valued at cost or net realisable value whichever is lower.
- iii. Stock in Process is valued at lower of cost or net realisable value.
- iv. Stores, Spares and Consumables and Packing Materials are valued at cost.
- v. Scrap is valued at estimated realisable value.
- vi. Cost of Raw Materials is determined on First In First Out (FIFO) basis. Cost of Packing Materials, Stores & Spares are determined on weighted average basis. Work in Process includes raw material costs

and allocated production overheads. Cost of finished goods is determined by taking derived material costs and other overheads.

(f) Revenue Recognition:

- i. Sales are accounted for on dispatch of goods from factory to the customers. Sales are net of return and include excise duty wherever directly chargeable from customers, but exclude Sales tax/VAT.
- ii. Turnkey Projects
 - In the case of lump-sum Turnkey Contracts, as proportion of actual direct costs of the work to latest estimated total direct cost of the work. Project income is net of VAT/Service tax.
- iii. No income has been taken into account on jobs for which:
 - The terms have been agreed to at lump-sum turnkey contracts and physical progress is less than 25%.
 - Where physical progress is less than 25%, the cost of such jobs is carried forward as work-in-progress at actual direct cost.
- iv. Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.

(g) Excise Duty:

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in factory premises. CENVAT credit is accounted on accrual basis on purchases of materials.

(h) Employee Benefits:

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to fund maintained by LIC/Reliance Life Insurance Company Limited and administered through a separate irrevocable trust set up by the company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- ii. Liability in respect of leave encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.
- iii. Contributions with respect to Provident Fund, is recognized as an expense in the Profit and Loss Account of the year in which the related service is rendered.
- iv. In respect of employees stock options, the excess of intrinsic value on the date of grant over the exercise price is recognized as deferred compensation cost amortized over vesting period.

(i) Foreign Currency Transactions:

- i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.
- ii. Foreign currency transactions remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
 - in so far as they relate to the acquisition of a depreciable capital assets are adjusted in cost of assets.
 - other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and are amortised over period of foreign currency monetary item or upto 31st March, 2020, whichever is earlier.

(j) Miscellaneous Expenditure:

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

(k) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(l) Impairment of Fixed Assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

(m) Contingent Liabilities:

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

(n) Provision for Contractual Obligations:

The provision for estimated liabilities on account of guarantees & warranties etc. in respect of lump-sum turnkey contracts awarded to the company are being made on the basis of assessment of risk and consequential probable liabilities on each such job made by the management.

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015**2 Share Capital:**

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|---|--|--------|--|--------|
| <u>Authorised</u> | | | | |
| 11,00,00,000 (Previous year 11,00,00,000) | | | | |
| Equity Shares of ₹ 2/- each | | 220.00 | | 220.00 |
| 3,00,00,000 (Previous year 3,00,00,000) Preference Shares of ₹ 100/- each | | 30.00 | | 30.00 |
| Total | | 250.00 | | 250.00 |
| <u>Issued, Subscribed & paid-up</u> | | | | |
| 7,72,37,438 (Previous year 7,37,37,438) | | | | |
| Equity Shares of ₹ 2/- each fully paid | | 154.47 | | 147.47 |
| Total | | 154.47 | | 147.47 |

2.1 Rights, preferences and restrictions attached to shares:

Equity Shares: The company has issued one class of equity shares having face value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.2 Reconciliation of Number of Equity Shares:

| Particulars | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|---|---------------------------------------|-----------------|---------------------------------------|-----------------|
| | Nos. | (₹ in Millions) | Nos. | (₹ in Millions) |
| Balance as at the beginning of the year | 73,737,438 | 147.47 | 70,237,438 | 140.47 |
| Add: Issued during the Year | 3,500,000 | 7.00 | 3,500,000 | 7.00 |
| Balance as at the end of the year | 77,237,438 | 154.47 | 73,737,438 | 147.47 |

3,500,000 (Previous Year 3,500,000) equity shares were issued on preferential basis to following party as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of ₹ 14 per share (including securities premium of ₹ 12/-) .

| Name of Shareholder | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2014 |
|---|--|--|
| | Nos. | Nos. |
| M/s Projection Financial & Management Consultants Private Limited | 3,500,000 | 3,500,000 |
| | 3,500,000 | 3,500,000 |

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

| Name of Shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--|---------------------------------------|--------|---------------------------------------|--------|
| | Nos. | %age | Nos. | %age |
| Mr. Anil Gupta | 15,580,776 | 20.17% | 15,580,776 | 21.13% |
| M/s Anil Gupta HUF beneficiary | | | | |
| Mr. Anil Gupta | 4,650,375 | 6.02% | 4,650,375 | 6.31% |
| M/s Projection Financial and Management Consultants Pvt. Ltd | 7,900,000 | 10.23% | 4,400,000 | 5.97% |

2.4 During previous year the Company had allotted 35,00,000 (three and half million) Share Warrants on preferential basis to Promoter / Promoter Group. The Warrant Holder had option of subscribing one equity share of face value of ₹ 2/- each per Warrant at a price of ₹ 14/- per equity share any time up to 10.01.2015. During the year Warrant Holder has exercised option to convert share Warrants into equity shares.

3 Reserves & Surplus:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|---|--|-----------------|--|-----------------|
| <u>Capital Reserve</u> | | | | |
| Balance as at the beginning of the year | | 28.00 | | 28.00 |
| <u>Securities Premium Account</u> | | | | |
| Balance as at the beginning of the year | 684.06 | | 642.06 | |
| Add: On allotment of Equity Shares | 42.00 | 726.06 | 42.00 | 684.06 |
| <u>General Reserve</u> | | | | |
| Balance as at the beginning of the year | 41.37 | | 41.37 | |
| Less: Adjustment due to depreciation on Fixed Assets whose useful life already exhausted as on 1st April, 2014 (Refer Note 3.1) | 20.27 | 21.10 | – | 41.37 |
| <u>Surplus</u> | | | | |
| Balance as at the beginning of the year | 1,823.24 | | 1,725.30 | |
| Add: Net Profit for the year | 342.50 | | 116.01 | |
| Less: Appropriations | | | | |
| – Proposed Dividend on Equity Shares [Dividend per share ₹ 0.40 (Previous Year ₹ 0.20)] | 30.89 | | 15.45 | |
| – Dividend Distribution Tax on Proposed Dividend | 6.29 | 2,128.56 | 2.62 | 1,823.24 |
| Foreign Currency Monetary Item Translation Difference Account (FCMITDA) | | | | |
| Balance as at the beginning of the year | (37.57) | | (21.51) | |
| Add: Additions during the Year | (12.44) | | (58.48) | |
| Less: Written off during the Year (Refer Note 3.2) | (30.32) | (19.69) | (42.42) | (37.57) |
| Total | | 2,884.03 | | 2,539.10 |

3.1 Written Down Value of Assets whose useful life is already exhausted as on 1st April, 2014, amounting to ₹ 20.27 millions has been recognised in the opening balance of General Reserve.

3.2 Are amortised over period of foreign currency monetary item or upto 31st March, 2020, whichever is earlier.

4 Long-Term Borrowings:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|---|--|-----------------|--|-----------------|
| Secured | | | | |
| Term Loans | | | | |
| – From Banks | 618.75 | | 860.24 | |
| – Foreign Currency Loans from Banks | 117.68 | | 263.77 | |
| – From Others (Non-Banking Financial Company) | 454.65 | 1,191.08 | – | 1,124.01 |
| Finance Lease Obligations | | 13.17 | | 6.10 |
| Unsecured | | | | |
| Loans and Advances from Related Parties | | | | |
| – Deposits from Related Parties | | 3.50 | | 7.35 |
| Deposits from Others | | | | |
| – Public Deposits | | 1.20 | | 28.10 |
| Total | | 1,208.95 | | 1,165.56 |

4.1 Nature of Security:

- Term Loans from Banks and Non- Banking Financial Company (NBFC) are Secured by a first pari passu charge over Land & Building, Plant & Machinery and other movable fixed assets located at the Company's Plants at Plot No. A-280-284, Chopanki, SP-919, Bhiwadi and 99/2/7, Madhuban Industrial Estate, Silvassa. Further, they are secured by personal guarantee of Shri Anil Gupta, Chairman-cum-Managing Director of the Company.

4.2 Finance Lease Obligations are secured against leased assets.

4.3 Maturity Profile and rate of interest of Secured Term Loans are as set out below: (₹ in Millions)

| Rate of Interest | Maturity Profile | | | |
|-------------------|------------------|---------------|---------------|---------------|
| | 1-2 Years | 2-3 Years | 3-4 Years | 4-5 Years |
| USD LIBOR+300 BPS | 117.68 | - | - | - |
| 13.25% | 105.00 | 126.25 | 130.00 | 124.65 |
| 13.50% | 25.00 | 25.00 | 25.00 | 12.50 |
| 13.75% | 62.50 | 62.50 | - | - |
| 14.00% | 100.00 | 100.00 | 100.00 | 75.00 |
| Total | 410.18 | 313.75 | 255.00 | 212.15 |

4.4 Unsecured Deposits are repayable within 3 years from the date of acceptance.

5 Deferred Tax Liability (Net):

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|--|--|----------|--|----------|
| Deferred Tax Liabilities | | | | |
| Arising on account of timing difference in | | | | |
| – Depreciation | | 391.95 | | 375.04 |
| Deferred Tax Assets | | | | |
| Arising on account of timing difference in | | | | |
| – Unabsorbed Depreciation | (131.19) | | (195.61) | |
| – Expenses & Others | (25.40) | (156.59) | (19.08) | (214.69) |
| Total | | 235.36 | | 160.35 |

6 Long Term Provisions: (₹ in Millions)

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|-------------------------------------|--|-------|--|-------|
| Employee benefits (Refer Note 24.1) | | | | |
| – Provision for Leave Encashment | | 31.97 | | 23.46 |
| Total | | 31.97 | | 23.46 |

7 Short Term Borrowings:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|---|--|----------|--|----------|
| Secured | | | | |
| Working Capital Loans from Banks | | 2,543.70 | | 3,250.69 |
| Loans and Advances from Related Parties | | | | |
| – Deposits | – | | 0.65 | |
| – Inter Corporate Deposits | – | – | 6.30 | 6.95 |
| Deposits from Others | | | | |
| – Inter Corporate Deposits | 5.50 | | 5.50 | |
| – Public Deposits | – | 5.50 | 6.39 | 11.89 |
| Total | | 2,549.20 | | 3,269.53 |

7.1 Working Capital facilities from banks are secured by 1st pari-passu charge by way of hypothecation on the entire current assets including raw material, stock in process, finished goods, consumable stores & spares and receivables of the Company, 1st pari-passu charge on present and future fixed assets at SP-920 & SP-922, RIICO Industrial Area Phase III, Bhiwadi, Distt. Alwar (Rajasthan) and movable fixed assets at D-90, Okhla Industrial Area, Phase I, New Delhi, 2nd pari-passu charge by equitable mortgage of property of the Land and Building at 99/2/7, Madhuban Industrial Estate, Village Rakholi, Silvassa (D & N H), Plot No. A 280-284, Chopanki and SP-919, RIICO Industrial Area Phase III, Bhiwadi, Distt. Alwar (Rajasthan) both present and future. Further, they are secured by personal guarantee of Shri. Anil Gupta, Chairman-cum-Managing Director of the Company.

8 Trade Payables:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|-------------|--|----------|--|----------|
| Acceptances | | 2,604.12 | | 2,602.82 |
| Others | | 2,205.80 | | 1,269.56 |
| | | 4,809.92 | | 3,872.38 |

8.1 In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In absence of information about registration of the enterprises under the above Act, the required information could not be furnished.

9 Other Current Liabilities:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|--|--|-----------------|--|-----------------|
| Current Maturities of Long-Term Debt | | | | |
| – From Banks | 574.99 | | 482.50 | |
| – Foreign Currency Loans from Banks | 156.90 | | 186.36 | |
| – From Others (Non-Banking Financial Company) (Refer Note 4.1) | 30.00 | 761.89 | – | 668.86 |
| Current Maturities of Finance Lease Obligations (Refer Note 4.2) | | 4.98 | | 2.54 |
| Interest on Borrowings | | | | |
| – Accrued but not due | 0.39 | | 0.01 | |
| – Accrued and due | 15.76 | 16.15 | 13.58 | 13.59 |
| Unearned Revenue | | 209.24 | | 24.21 |
| Unpaid Dividend (Refer Note 9.1) | | 1.21 | | 1.29 |
| Security Deposits Received | | 15.00 | | 12.87 |
| Employee Benefits Payable | | 51.71 | | 38.77 |
| Sundry Creditors -Capital Goods | | 10.43 | | 17.03 |
| Advance from Customers / Payable to Customers | | 224.78 | | 260.66 |
| Statutory Dues Payable | | 157.01 | | 126.73 |
| Other Payables | | 1.06 | | – |
| Total | | 1,453.46 | | 1,166.55 |

9.1 No amount is due for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to Fund.

10 Short Term Provisions:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|---|--|--------------|--|--------------|
| Employee benefits (Refer Note 24.1) | | | | |
| – Provision for Leave Encashment | 4.23 | | 3.52 | |
| – Provision for Gratuity | 25.10 | 29.33 | 20.28 | 23.80 |
| Others | | | | |
| – Proposed Dividend on Equity Shares | 30.89 | | 15.45 | |
| – Dividend Distribution Tax on Proposed Dividend | 6.29 | | 2.62 | |
| – Provision for Wealth Tax | 0.15 | | 0.17 | |
| – Provision for Income Tax | 23.35 | 60.68 | 4.47 | 22.71 |
| [Net of Advance Tax ₹ 89.55 millions (Previous Year ₹ 42.42 millions)] | | | | |
| Total | | 90.01 | | 46.51 |

11 FIXED ASSETS:
11.1 Tangible Assets:

(₹ in Millions)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION & AMORTIZATION | | | | | NET BLOCK | |
|-----------------------------------|---------------------|---------------|--------------|---------------------|-----------------------------|-----------------------------------|-----------------|-----------------|---------------------|---------------------|---------------------|
| | As At 01.04.2014 | Additions | Deductions | As At 31.03.2015 | As At 01.04.2014 | Transfer to General Reserve | For the Year | Dedu- ctions | As At 31.03.2015 | As At 31.03.2015 | As At 31.03.2014 |
| Own Assets: | | | | | | | | | | | |
| Land | | | | | | | | | | | |
| – Free Hold | 3.66 | - | - | 3.66 | - | - | - | - | - | 3.66 | 3.66 |
| – Lease Hold | 156.80 | - | - | 156.80 | - | - | - | - | - | 156.80 | 156.80 |
| Building | 1,062.39 | 0.99 | - | 1,063.38 | 194.42 | 0.90 | 30.62 | - | 225.94 | 837.44 | 867.97 |
| Plant & Equipment | 2,843.12 | 54.19 | - | 2,897.31 | 905.71 | 2.31 | 165.32 | - | 1,073.34 | 1,823.97 | 1,937.41 |
| Furniture & Fixtures | 98.95 | 4.59 | 0.05 | 103.49 | 34.41 | 10.10 | 15.50 | 0.05 | 59.96 | 43.53 | 64.54 |
| Leasehold Building Improvement | 73.56 | 17.51 | 0.67 | 90.40 | 27.81 | - | 11.04 | 0.37 | 38.48 | 51.92 | 45.75 |
| Vehicles | 39.47 | 0.98 | 7.31 | 33.14 | 18.80 | 0.27 | 5.07 | 4.43 | 19.71 | 13.43 | 20.68 |
| Office Equipment | 14.27 | 2.37 | 0.01 | 16.63 | 3.42 | 3.30 | 3.69 | 0.01 | 10.40 | 6.23 | 10.85 |
| Computers | 29.34 | 6.26 | 7.35 | 28.25 | 13.61 | 3.39 | 8.47 | 6.98 | 18.49 | 9.76 | 15.73 |
| Assets taken on Finance Lease | - | - | - | - | - | - | - | - | - | - | - |
| Hire Purchase | - | - | - | - | - | - | - | - | - | - | - |
| – Vehicles | 10.19 | 17.52 | - | 27.71 | 0.57 | - | 2.69 | - | 3.26 | 24.45 | 9.62 |
| TOTAL : | 4,331.75 | 104.41 | 15.39 | 4,420.77 | 1,198.75 | 20.27 | 242.40 | 11.84 | 1,449.58 | 2,971.19 | 3,133.01 |
| PREVIOUS YEAR | 4,103.24 | 265.82 | 37.31 | 4,331.75 | 1,020.66 | - | 207.25 | 29.17 | 1,198.74 | 3,133.01 | 3,082.58 |

11.2 Intangible Assets:

(₹ in Millions)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION & AMORTIZATION | | | | | NET BLOCK | |
|------------------------------|---------------------|-------------|------------|---------------------|-----------------------------|-----------------------------------|-----------------|-----------------|---------------------|---------------------|---------------------|
| | As At 01.04.2014 | Additions | Deductions | As At 31.03.2015 | As At 01.04.2014 | Transfer to General Reserve | For the Year | Dedu- ctions | As At 31.03.2015 | As At 31.03.2015 | As At 31.03.2014 |
| Own Assets (Acquired) | | | | | | | | | | | |
| – Software | 25.17 | 5.33 | - | 30.50 | 17.41 | - | 3.45 | - | 20.86 | 9.64 | 7.76 |
| TOTAL : | 25.17 | 5.33 | - | 30.50 | 17.41 | - | 3.45 | - | 20.86 | 9.64 | 7.76 |
| PREVIOUS YEAR | 21.05 | 4.12 | - | 25.17 | 14.93 | - | 2.49 | - | 17.42 | 7.75 | 6.12 |

11.3 Capital Work In Progress:

(₹ in Millions)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--------------|---------------------------------------|---------------------------------------|
| Building | 9.27 | 1.15 |
| Machinery | 32.35 | 1.22 |
| Furniture | 2.09 | – |
| Other | 0.18 | 0.02 |
| Total | 43.89 | 2.39 |

11.4 Carrying value of Assets acquired under hire purchase as on 31.03.2014 exclude the amount related to hire purchase agreement settled during the current year.

11.5 During the current year, depreciation has been provided on fixed assets as per the useful life specified in Part C of Schedule II of the Companies Act, 2013 and as per assessment of useful life by the management and independent technical evaluation carried out by external valuer. In case of existing assets, depreciation has been provided based on remaining useful life of the assets. Assets whose useful life is already exhausted as on 1st April, 2014, amounting to ₹ 20.27 millions has been recognised in the opening balance of General Reserve. Had there been no change in useful life of the assets, depreciation expense for the year would have been lower by ₹ 23.34 millions.

12 Non Current Investments:

(Long Term Investments)

| Particulars | As at 31 st March, 2015 (₹ in Millions) | As at 31 st March, 2014 (₹ in Millions) |
|--|--|--|
| Other Investments (Valued at Cost unless stated otherwise) | | |
| Quoted | | |
| Equity Shares | | |
| – State Bank of India | 0.04 | 0.04 |
| 670 (Previous Year 67) Equity Shares of ₹ 1/- each (Previous year ₹ 10/- each) fully paid. | | |
| – PNB Gilts Limited | 0.18 | 0.18 |
| 8,000(Previous Year 8,000) Equity Shares of ₹ 10/- each fully paid | | |
| – Punjab National Bank | 0.07 | 0.07 |
| 11,000 (Previous Year 2,200) equity shares of ₹ 2/- each (Previous year ₹ 10/- each) fully paid | | |
| – Dena Bank | 0.07 | 0.07 |
| 2,595 (Previous Year 2,595) Equity Shares of ₹ 10/- each fully paid | | |
| – ICICI Bank Limited | 0.47 | 0.47 |
| 4,500 (Previous Year 900) of ₹ 2/- each (Previous year ₹ 10/- each) fully paid | | |
| – YES Bank Limited | 0.01 | 0.01 |
| 254 (Previous Year 254) Equity Shares of ₹ 10/- each fully paid | | |
| – Jaypee Infratech Limited | 0.51 | 0.51 |
| 5,000 (Previous Year 5,000)Equity Shares of ₹ 10/- each fully paid | | |
| – Technofab Engineering Limited | 27.27 | 27.27 |
| 1,04,228 (Previous Year 1,04,228) Equity Shares of ₹ 10/- each fully paid | | |
| | 28.62 | 28.62 |

Non Current Investments (Continued from previous page):
(Long Term Investments)

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|--|--|--------------|--|--------------|
| Unquoted | | | | |
| Mutual Funds | | | | |
| – UTI-Opportunities Fund-Growth 11,770.711 (Previous Year 11,770.711) Units of ₹ 10/- each fully paid | 0.30 | | 0.30 | |
| – PNB Principle Mutual Fund- Growth 3,940.759 (Previous Year Nil) Units of ₹ 10/- each fully paid | 0.24 | | – | |
| – L192D SBI PSU Fund-Regular Plan-Dividend 212,944.872 (Previous Year 212,944.872) Units of ₹ 10/- each fully paid | 2.00 | | 2.00 | |
| – SBI Dual Advantage Fund- Growth 20,000.00 (Previous Year Nil) Units of ₹ 10/- each fully paid | 0.20 | | – | |
| | | 2.74 | | 2.30 |
| Equity Shares of Associate Company | | | | |
| – KEI International Limited NIL (Previous Year 76,558) Equity Shares of ₹ 10/- each fully paid (Bonus Shares) | | – | | – |
| Total | | 31.36 | | 30.92 |
| Quoted Investments | | | | |
| – Aggregate of Book Value | | 28.62 | | 28.62 |
| – Aggregate of Market Value | | 21.23 | | 11.69 |
| Unquoted Investments | | | | |
| – Aggregate of Book Value | | 2.74 | | 2.30 |

- 12.1 During the year company has formed a Joint Venture under 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 Accounting Standard - 27 on “Financial Reporting of Interests in Joint Ventures”. The JV is in form of a Association of Persons (AOP) and the company is having 100% share in Profit / Loss of AOP. Company has not invested any amount as capital in AOP.

13 Long Term Loans And Advances:
(Unsecured, Considered Good)

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|---|--|--------------|--|--------------|
| Capital Advances | | 17.37 | | 0.64 |
| Security Deposits: | | | | |
| Related Parties | | | | |
| — Projection Financial & Management Consultants Private Limited (Refer Note 13.1) | 2.40 | | – | – |
| Others | 26.27 | 28.67 | 32.62 | 32.62 |
| Loans & Advances to workers & staff | | 2.55 | | 0.73 |
| Total | | 48.59 | | 33.99 |

13.1 Disclosure pursuant to clause 32 of the Listing Agreement with Stock Exchanges is given below:

a) Loans and Advances in the nature of Loans given to Related Parties: (₹ in Millions)

| Name | As at 31 March, 2015 | Maximum Balance 2014-15 | As at 31 March, 2014 | Maximum Balance 2013-14 |
|---|-------------------------|-------------------------------|-------------------------|-------------------------------|
| Projection Financial & Management Consultants Private Limited | 2.40* | 2.40 | - | - |

* Security deposit for premises taken on rent by the company.

b) Investments by the Loanee in the shares of the company ₹ 114.20 millions (Previous Year ₹ 109.45 millions).

14 Inventories:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | As at 31 st March, 2014 (₹ in Millions) |
|--|--|--|
| Raw Materials [Includes In Transit ₹ 161.29 millions (Previous Year ₹ 115.57 millions)] | 703.76 | 648.81 |
| Project Materials [Includes In Transit ₹ 1.46 millions (Previous Year ₹ 1.29 millions)] | 3.91 | 108.14 |
| Work -in- Progress | 2,437.91 | 2,167.39 |
| Finished Goods | 1,121.78 | 1,003.06 |
| Stock in Trade | 12.50 | 7.32 |
| Stores & Spares [Includes in Transit ₹ 1.66 millions (Previous Year ₹ 2.61 millions)] | 46.13 | 43.74 |
| Packing Materials | 63.21 | 39.27 |
| Scrap | 13.97 | 13.65 |
| Total | 4,403.17 | 4,031.38 |

15 Trade Receivables (Current):
(Unsecured, Considered good)

| Particulars | As at 31 st March, 2015 (₹ in Millions) | As at 31 st March, 2014 (₹ in Millions) |
|---|--|--|
| Outstanding for a period exceeding six months from the date due for payment | 424.85 | 391.60 |
| Others (Refer Note 15.1) | 4,373.56 | 3,894.65 |
| Total | 4,798.41 | 4,286.25 |

15.1 Due from Joint Venture of M/s KEI Industries Ltd New Delhi & M/s Brugg Kabel AG Switzerland (JV) as on 31.03.2015 is ₹ 65.57 millions.

16 Cash and Bank Balances:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|---|--|--------------|--|--------------|
| Cash on hand | | 4.09 | | 6.35 |
| Balances with Banks | | | | |
| – Current Accounts | 12.12 | | 8.92 | |
| – Fixed Deposits | 30.66 | 42.78 | 30.30 | 39.22 |
| (Refer Note 16.1) | | | | |
| Total | | 46.87 | | 45.57 |
| Balance with Bank in Unpaid Dividend Accounts | | 1.21 | | 1.29 |
| Fixed Deposit with more than twelve months maturity | | 14.43 | | 13.15 |

16.1 Fixed Deposits with Banks ₹ 19.48 millions (Previous Year ₹ 25.62 millions) are under lien/custody with Banks /Others.

17 Short Term Loans & Advances:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|--------------------------------------|--|---------------|--|---------------|
| Balance with Excise Authorities | | 103.09 | | 140.68 |
| Others | | | | |
| – Advances to Suppliers | 128.00 | | 121.77 | |
| – Advances Recoverable | 14.69 | | 9.92 | |
| – Prepaid Expenses | 69.25 | | 42.59 | |
| – Earnest Money Deposits | 33.49 | | 34.52 | |
| – Security Deposits | 2.25 | | 4.62 | |
| – Loans to Workers & Staff | 2.83 | | 3.44 | |
| – Claims Recoverable from Government | 311.45 | 561.96 | 247.93 | 464.79 |
| Total | | 665.05 | | 605.47 |

18 Other Current Assets:
(Unsecured, Considered good)

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|--|--|---------------|--|---------------|
| Project Work in Progress | | 153.12 | | 21.87 |
| Unbilled Revenue | | 242.38 | | 229.91 |
| Interest Accrued | | 3.70 | | 3.92 |
| Unamortised Premium on Forward Contracts | | – | | 2.72 |
| Total | | 399.20 | | 258.42 |

18.1 Jobs with lump-sum price, where the physical progress of work is less than 25 per cent, the direct costs incurred thereon amounting to ₹ 153.12 millions (Previous Year ₹ 21.87 millions) have been carried forward as Project Work In Progress.

19 Revenue From Operations (Gross):

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|---|---|------------------|---|------------------|
| Sale of Products | | | | |
| – Manufactured Goods | 18,578.94 | | 16,661.94 | |
| – Traded Goods | 26.43 | 18,605.37 | 15.44 | 16,677.38 |
| Income from Turnkey Projects (Refer note 19.3) | | 2,983.62 | | 675.54 |
| Job Work | | 0.29 | | 0.48 |
| Other operating Revenues | | | | |
| – Export Benefits | 19.88 | | 38.63 | |
| – Scrap | 100.06 | 119.94 | 142.70 | 181.33 |
| Total | | 21,709.22 | | 17,534.73 |

19.1 Details of Sales (Manufactured Goods):

| Class of Goods | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|--------------------------------------|---|------------------|---|------------------|
| Cables | | 14,079.82 | | 12,718.20 |
| Stainless Steel Wires | | 1,133.31 | | 1,003.06 |
| Winding Wire, Flexible & House Wires | | 3,365.81 | | 2,940.68 |
| Total | | 18,578.94 | | 16,661.94 |

19.2 Details of Sales (Traded Goods):

| Class of Goods | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|----------------|---|--------------|---|--------------|
| Miscellaneous | | 26.43 | | 15.44 |
| Total | | 26.43 | | 15.44 |

19.3 Income from Turnkey Projects:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|---|---|-----------------|---|---------------|
| Income from Turnkey Projects | | 2,852.37 | | 659.76 |
| Increase / (Decrease) in Work-in-progress : | | | | |
| – Closing Work In Progress | 153.12 | | 21.87 | |
| – Less: Opening Work in Progress | 21.87 | 131.25 | 6.09 | 15.78 |
| Total | | 2,983.62 | | 675.54 |

20 Other Income:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|-------------------------------------|---|--------------|---|--------------|
| Dividend from long term investments | | 0.03 | | 0.39 |
| Interest Income | | 4.97 | | 5.31 |
| Profit on Long Term Investments | | 0.77 | | 0.10 |
| Liabilities written back | | 2.92 | | 6.89 |
| Miscellaneous Income | | 2.71 | | 0.08 |
| Exchange Fluctuation (Net) | | 12.43 | | - |
| Total | | 23.83 | | 12.77 |

21 Cost of Materials Consumed:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|----------------------------------|---|------------------|---|------------------|
| Raw Materials Consumed | | | | |
| Opening Stock | 533.24 | | 503.81 | |
| Add : Purchases | 14,044.52 | | 12,086.87 | |
| Less : Closing Stock | 542.47 | | 533.24 | |
| Less : Captive use | 1.80 | 14,033.49 | 2.00 | 12,055.44 |
| Turnkey Project Materials | | | | |
| Opening Stock | 106.85 | | 127.11 | |
| Add : Purchases | 995.43 | | 406.40 | |
| Less: Closing Stock | 2.45 | 1,099.83 | 106.85 | 426.66 |
| | | 15,133.32 | | 12,482.10 |

21.1 Particulars of Raw Materials consumed:

| Class of Goods | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|---|---|------------------|---|------------------|
| Copper | | 6,874.24 | | 5,887.32 |
| PolyVinyl Chloride & Di-Octyl Phthalate | | 2,443.30 | | 1,968.74 |
| Galvanized / Stainless Steel Wires / Strips | | 980.08 | | 902.96 |
| Aluminium Wire Rod | | 2,786.19 | | 2,332.05 |
| Stainless Steel Rod | | 732.45 | | 682.96 |
| Others | | 219.03 | | 283.41 |
| Total | | 14,035.29 | | 12,057.44 |
| Less : Captive use | | 1.80 | | 2.00 |
| Total | | 14,033.49 | | 12,055.44 |

21.2 Turnkey Project Materials:

| Class of Goods | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|-----------------------|---|-----------------|---|---------------|
| Various Project Items | | 1,099.83 | | 426.66 |
| | | 1,099.83 | | 426.66 |

22 Purchase of Trading Goods:

| Class of Goods | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|----------------|---|-------|---|-------|
| Miscellaneous | | 30.96 | | 17.95 |
| | | 30.96 | | 17.95 |

23 Increase / Decrease in Inventory of Finished Goods, Work in Progress and Stock in trade:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|-----------------------------|---|----------|---|----------|
| Opening Stock | | | | |
| – Finished Goods | 1,003.06 | | 1,151.11 | |
| – Stock in Trade | 7.32 | | 3.65 | |
| – Work in Progress | 2,167.40 | | 1,604.04 | |
| – Scrap | 13.65 | 3,191.43 | 13.15 | 2,771.95 |
| Less : Closing Stock | | | | |
| – Finished Goods | 1,121.78 | | 1,003.06 | |
| – Stock in Trade | 12.50 | | 7.32 | |
| – Work in Progress | 2,437.91 | | 2,167.40 | |
| – Scrap | 13.97 | 3,586.16 | 13.65 | 3,191.43 |
| | | (394.73) | | (419.48) |

24 Employee Benefits Expense:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|---|---|--------|---|--------|
| Salaries, Wages & Other Benefits | 571.75 | | 477.14 | |
| Contribution to Provident & Other Funds | 27.63 | | 19.45 | |
| Welfare Expenses | 21.27 | 620.65 | 19.26 | 515.85 |
| | | 620.65 | | 515.85 |

24.1 Disclosures under Accounting Standard 15 “Employee Benefits”:

Defined Contribution Plan

Amount recognized as an expense in defined contribution plans:

(₹ in Millions)

| Particulars | Expense recognised in 2014-15 | | Expense recognised in 2013-14 | |
|---|----------------------------------|-------|----------------------------------|-------|
| Contributory Provident Fund & Employees Pension Scheme 1995 | | 16.23 | | 10.44 |

Defined Benefit Plans

The company is having following Defined Benefit Plans:

- Gratuity (Partly Funded)
- Leave Encashment (Unfunded)

| Particulars | Gratuity (Partly Funded) 2014-15 | Leave Encashment (Unfunded) 2014-15 | Gratuity (Partly Funded) 2013-14 | Leave Encashment (Unfunded) 2013-14 |
|--|---|--|---|--|
| a) Actuarial Assumptions | | | | |
| Discount rate | 8.00% | 8.00% | 8.00% | 8.00% |
| Expected rate of return on assets | 9.25% | – | 9.25% | – |
| Expected rate of future salary increase | 6.00% | 6.00% | 6.00% | 6.00% |
| b) Reconciliation of opening and closing balances of Defined Benefit obligation | | | | |
| Present value of obligations as at beginning of year | 59.39 | 26.98 | 49.88 | 24.76 |
| Interest cost | 4.78 | 2.46 | 3.99 | 1.98 |
| Current Service Cost | 6.71 | 6.10 | 5.68 | 4.42 |
| Benefits paid | (1.57) | (2.99) | (2.28) | (2.81) |
| Actuarial (gain)/loss on Obligations | 3.51 | 3.66 | 2.11 | (1.37) |
| Present value of obligations as at end of year | 72.82 | 36.21 | 59.38 | 26.98 |
| c) Reconciliation of opening and closing balances of fair value of plan assets | | | | |
| Fair value of plan assets as on beginning of year | 40.69 | – | 37.33 | – |
| Expected return on plan assets | 4.14 | – | 3.24 | – |
| Contributions | 6.06 | – | 2.40 | – |
| Benefits paid | (1.57) | – | (2.28) | – |
| Actuarial Gain/(Loss) on Plan assets | – | – | – | – |
| Fair value of plan assets at the end of year | 49.32 | – | 40.69 | – |
| d) Fair value of plan assets | | | | |
| Fair value of plan assets at beginning of year | 40.69 | – | 37.33 | – |
| Actual return on plan assets | 4.14 | – | 3.24 | – |
| Contributions | 6.06 | – | 2.40 | – |
| Benefits paid | (1.57) | – | (2.28) | – |
| Fair value of plan assets at the end of year | 49.32 | – | 40.69 | – |
| Funded status | (23.50) | (36.21) | (18.69) | (26.98) |
| Excess of Actual over estimated return on plan | – | – | – | – |
| e) Actuarial Gain/Loss recognized | | | | |
| Actuarial gain/(Loss) for the year – Obligation | (3.51) | (3.66) | (2.11) | 1.37 |
| Actuarial (gain)/Loss for the year – plan assets | – | – | – | – |
| Total (gain)/Loss for the year | 3.51 | 3.66 | 2.11 | (1.37) |
| Actuarial (gain)/Loss recognized in the year | 3.51 | 3.66 | 2.11 | (1.37) |
| f) The amounts recognized in the balance sheet | | | | |
| Present value of obligations as at the end of year | 72.82 | 36.21 | 59.38 | 26.98 |
| Fair value of plan assets as at the end of the year | 49.32 | – | 40.69 | – |
| Funded status | (23.50) | (36.21) | (18.69) | (26.98) |
| Net (Asset)/liability recognized in balance sheet | (23.50) | 36.21 | (18.69) | 26.98 |
| g) Expenses Recognized in statement of Profit & Loss | | | | |
| Current Service Cost | 6.71 | 6.10 | 5.68 | 4.42 |
| Interest cost | 4.78 | 2.46 | 3.99 | 1.98 |
| Expected return on plan assets | (4.14) | – | (3.24) | – |
| Net Actuarial (gain)/Loss recognized in the year | 3.51 | 3.66 | 2.11 | (1.37) |
| Expenses recognized in statement of Profit & Loss | 10.86 | 12.22 | 8.54 | 5.03 |

25 Finance Costs:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|--------------------------|---|-----------------|---|-----------------|
| Interest Expense | | | | |
| – Interest On Income Tax | 2.36 | | 1.48 | |
| – Interest (Others) | 987.40 | 989.76 | 943.74 | 945.22 |
| Other Borrowing Costs | | 214.22 | | 170.08 |
| Total | | 1,203.98 | | 1,115.30 |

26 Other Expenses:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|--|---|-----------------|---|-----------------|
| Stores, Spares & Consumables | | 62.44 | | 56.25 |
| Packing Expenses | | 512.62 | | 460.77 |
| Excise Duty (Refer Note 26.1) | | 193.56 | | (37.25) |
| Job Work Charges | | 295.84 | | 253.63 |
| Sub Contractor's Expenses | | 419.06 | | 65.11 |
| Power, Fuel & Lighting | | 324.39 | | 301.04 |
| Repairs & Maintenance | | | | |
| – Plant & Machinery | 79.73 | | 66.87 | |
| – Building | 7.23 | | 4.26 | |
| – Others | 12.66 | 99.62 | 11.00 | 82.13 |
| Freight, Handling and Octroi (Net) [Net of recovery ₹ 128.67 millions (Previous Year ₹ 116.67 millions)] | | 255.77 | | 198.00 |
| Rebate, Discount, Commission on Sales | | 243.64 | | 143.94 |
| Bad Debts Written off | | 55.92 | | 6.84 |
| Rates & Taxes [Includes Wealth Tax ₹ 0.15 million (Previous Year ₹ 0.17 million)] | | 25.75 | | 67.71 |
| Rent | | 39.01 | | 28.57 |
| Insurance (Net) (Refer Note 26.2) | | 24.53 | | 22.67 |
| [Net of recovery ₹ 0.89 millions (Previous Year ₹ 0.42 million)] | | | | |
| Travelling & Conveyance | | 73.35 | | 65.16 |
| Advertisement & Publicity | | 12.29 | | 36.97 |
| Auditor's Remuneration (Refer Note 26.3) | | 4.73 | | 3.58 |
| Loss on sales of Assets (Net) | | 1.51 | | 2.08 |
| Fixed Assets Written off | | 0.67 | | 5.09 |
| Communication Expenses | | 20.08 | | 17.88 |
| Donations | | 0.38 | | 1.66 |
| Director's Meeting Fee | | 1.22 | | 0.49 |
| Professional & Consultancy Charges | | 43.69 | | 38.79 |
| Miscellaneous Expenses | | 248.08 | | 180.62 |
| Exchange Fluctuation (Net) | | – | | 18.08 |
| Corporate Social Responsibility Expenditure (Refer Note 26.4) | | 2.14 | | – |
| FCMITDA written off | | 30.32 | | 42.42 |
| Total | | 2,990.61 | | 2,062.23 |

26.1 Represents excise duty borne by the company and difference between excise duty on opening stock and closing stock of finished goods.

26.2 Insurance premium of NIL (Previous year ₹ 2.09 millions) on Keyman Insurance Policy has been charged to Profit & Loss Account. Maturity value of such policy has been accounted for on receipt basis during the year as an exceptional item.

26.3 Auditor's Remuneration*:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|--------------------|---|------|---|------|
| Audit Fee | | 3.00 | | 2.50 |
| Limited Review Fee | | 0.60 | | 0.35 |
| Tax Audit | | 0.60 | | 0.40 |
| Certification | | 0.53 | | 0.33 |
| | | 4.73 | | 3.58 |

* Excludes service tax

26.4 Gross amount required to be spent on Corporate Social Responsibility by the company during the year ₹ 6.82 millions.

26.5 Value of Imports on CIF basis:

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|------------------------------|---|----------|---|--------|
| Raw Materials purchases | | 1,151.32 | | 946.36 |
| Packing Materials | | 5.01 | | 17.59 |
| Project Materials | | 4.50 | | 4.36 |
| Traded Goods | | 6.32 | | 1.18 |
| Stores, Spares & Consumables | | 8.26 | | 4.74 |
| Capital Goods | | 6.73 | | 34.37 |

26.6 Expenditure in Foreign Currency (on Accrual Basis):

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|---|---|-------|---|--------|
| Manufacturing Selling & Other Expenses | | | | |
| Rebate, Discount, Commission on Sales | 16.16 | | 48.79 | |
| Rent | 1.32 | | 1.16 | |
| Travelling & Conveyance | 3.21 | | 4.35 | |
| Communication Expenses | 0.50 | | 0.68 | |
| Miscellaneous Expenses | 41.23 | 62.42 | 57.31 | 112.29 |
| Employee Benefits Expense | | | | |
| Salaries, Wages & Other Benefits | 14.71 | | 15.70 | |
| Welfare Expenses | 0.09 | 14.80 | 0.13 | 15.83 |
| Financial Charges | | | | |
| Interest (Others) | 23.42 | | 45.12 | |
| Others Borrowing Costs | 4.65 | 28.07 | 2.12 | 47.24 |

26.7 Value of Imported and Indigenous materials consumed:

| Class of Goods | Percentage | | (₹ in Millions) | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Year Ended 31.03.2015 | Year Ended 31.03.2014 | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
| Materials | | | | |
| – Indigenous | 92.67 | 92.36 | 14,024.03 | 11,528.02 |
| – Imported | 7.33 | 7.64 | 1,109.29 | 954.08 |
| Total | 100.00 | 100.00 | 15,133.32 | 12,482.10 |
| Stores, Spares & Consumables | | | | |
| – Indigenous | 86.77 | 90.75 | 54.18 | 51.05 |
| – Imported | 13.23 | 9.25 | 8.26 | 5.20 |
| Total | 100.00 | 100.00 | 62.44 | 56.25 |

Value of Imported and Indigenous materials consumed (Continue from previous page):

| Class of Goods | Percentage | | (₹ in Millions) | |
|--------------------------|--|--|--|--|
| | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2014 | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2014 |
| Packing Materials | | | | |
| – Indigenous | 90.88 | 95.82 | 465.87 | 441.51 |
| – Imported | 9.12 | 4.18 | 46.75 | 19.26 |
| Total | 100.00 | 100.00 | 512.62 | 460.77 |

26.8 Remittance in foreign currency on account of dividends

| Particulars | Year Ended 31 st March, 2015 | | Year Ended 31 st March, 2014 | |
|---|--|-----------|--|-----------|
| The year to which dividend relates | | 2013-14 | | 2012-13 |
| Amounts of dividend remitted (₹ in Millions) | | 0.24 | | 0.25 |
| Number of Non-Resident Shareholders/OCBs/FILs | | 256 | | 318 |
| Number of Equity Shares | | 1,222,778 | | 1,272,301 |

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders for the year 2013-14 & 2012-13 are as above.

26.9 Earnings in Foreign Exchange (on Accrual Basis):

| Particulars | Year Ended 31 st March, 2015 (₹ in Millions) | | Year Ended 31 st March, 2014 (₹ in Millions) | |
|-----------------|---|----------|---|----------|
| Sales (Exports) | | 1,474.34 | | 1,975.35 |

27 Earnings Per Share ('EPS') pursuant to Accounting Standard-20 ('AS-20') has been calculated as follows:

| Particulars | Year Ended 31 st March, 2015 | | Year Ended 31 st March, 2014 | |
|--|--|------------|--|------------|
| Profit after taxation (₹ in Millions) | | 342.50 | | 116.01 |
| Number of Equity shares at the beginning of the year | | 73,737,438 | | 70,237,438 |
| Add: Weighted average number of equity shares issued during the year | | 3,078,082 | | 2,531,507 |
| Weighted average number of Equity shares for Basic EPS | | 76,815,520 | | 72,768,945 |
| Add: Adjustment for Warrant outstanding upto 31.03.2014 | | – | | 2,531,507 |
| Add: Adjustment for Warrant outstanding upto 15.05.2014 | | 421,918 | | – |
| Weighted average number of equity shares for Diluted EPS | | 77,237,438 | | 75,300,452 |
| Basic Earnings Per Share (₹) | | 4.46 | | 1.59 |
| Diluted Earnings Per Share (₹) | | 4.43 | | 1.54 |
| Face Value Per Equity Share (₹) | | 2.00 | | 2.00 |

- 28 In terms of provision of AS -7 on “Construction Contracts” for Lump Sum Turnkey Projects for contract in progress as on 31.03.2015
- i) The aggregate amount of cost incurred and recognised profit upto 31.03.2015 ₹ 4,351.89 millions (Previous year ₹ 2,792.47 millions)
 - ii) The amount of advances received ₹ 144.71 millions (Previous year ₹ 141.94 millions)
 - iii) The amount of retention ₹ 444.58 millions (Previous year ₹ 215.00 millions)
 - iv) Gross amount due to customers ₹ 145.94 millions (Previous year ₹ 24.21 millions)
 - v) Gross amount due from customers ₹ 332.20 millions (Previous year ₹ 251.78 millions)
- 29 Related party Disclosures as required by Accounting Standard (AS-18):
- a) **Name of Related Parties:**
 - i) **Jointly controlled entity:**
Joint Venture of M/s KEI Industries Ltd., New Delhi & Brugg Kabel A.G. Switzerland (w.e.f 24/06/2014)
 - ii) **Associate of The company:**
KEI International Limited (up to 20/06/2014)
 - iii) **Other related parties in the group where common control exists:**
Anil Gupta (HUF)
Projection Financial & Management Consultants Pvt. Ltd.
Shubh Laxmi Motels and Inns Pvt. Ltd.
Soubhagya Agency Pvt. Ltd.
Dhan Versha Agency Pvt. Ltd.
KEI Cables Pvt. Ltd.
KEI Power Ltd.
 - iv) **Key Managerial Personnel:**
Shri Anil Gupta, Chairman-cum-Managing Director
Shri Rajeev Gupta, Executive Director Finance
Shri Kishore Kunal, Company Secretary (w.e.f. 01/10/2014)
 - v) **Relatives of Key Managerial Personnel with whom transaction have taken place:**
Shri Sunil Gupta
Smt. Archana Gupta (Director)
Smt. Varsha Gupta
Smt. Sumitra Devi Gupta
Smt. Shashi Gupta
Smt. Vimla Devi
Smt. Veena Agarwal
 - vi) **Enterprises over which person mentioned in (v) above are able to exercise significant control and transactions have taken place:**
Sunil Gupta (HUF)
Ashwathama Constructions Pvt. Ltd.

b) Details of transactions relating to parties referred to in items (i), (ii), (iii), (iv), (v) and (vi):

(₹ in Millions)

| Particulars | Year | (i) | (ii) | (iii) | (iv) | (v) | (vi) | Total |
|--|-----------|-------|------|-------|-------|-------|-------|-------|
| Interest expense on deposits | 2014-2015 | - | - | 0.64 | - | 0.13 | 0.03 | 0.80 |
| | 2013-2014 | - | - | 1.10 | - | 0.30 | 0.11 | 1.51 |
| Deposits received during the year | 2014-2015 | - | - | 3.50 | - | - | - | 3.50 |
| | 2013-2014 | - | - | 58.50 | - | - | - | 58.50 |
| Deposits paid during the year | 2014-2015 | - | - | 10.70 | - | 2.60 | 1.00 | 14.30 |
| | 2013-2014 | - | - | 47.80 | - | 1.00 | - | 48.80 |
| Credit balance outstanding as at the year end | 2014-2015 | - | - | 3.50 | - | - | - | 3.50 |
| | 2013-2014 | - | - | 10.70 | - | 2.60 | 1.00 | 14.30 |
| Rent paid for use of assets | 2014-2015 | - | - | 3.72 | - | 11.94 | 0.56 | 16.22 |
| | 2013-2014 | - | - | 0.66 | - | 11.66 | 0.84 | 13.16 |
| Security Deposit Given | 2014-2015 | - | - | 2.40 | - | - | - | 2.40 |
| | 2013-2014 | - | - | - | - | - | - | - |
| Managerial remuneration | 2014-2015 | - | - | - | 33.96 | - | - | 33.96 |
| | 2013-2014 | - | - | - | 20.13 | - | - | 20.13 |
| Employee Benefit Expenses | 2014-2015 | - | - | - | 0.07 | - | - | 0.07 |
| | 2013-2014 | - | - | - | - | - | - | - |
| Expenses payable | 2014-2015 | - | - | - | 6.59 | - | - | 6.59 |
| | 2013-2014 | - | - | - | 0.85 | - | - | 0.85 |
| Director's meeting fees | 2014-2015 | - | - | - | - | 0.26 | - | 0.26 |
| | 2013-2014 | - | - | - | - | 0.09 | - | 0.09 |
| Dividend Paid | 2014-2015 | - | - | 4.35 | 3.12 | 0.18 | 0.00* | 7.65 |
| | 2013-2014 | - | - | 2.95 | 3.12 | 0.17 | - | 6.24 |
| Equity Share Allotment | 2014-2015 | - | - | 7.00 | - | - | - | 7.00 |
| | 2013-2014 | - | - | 7.00 | - | - | - | 7.00 |
| Security Premium on share allotment | 2014-2015 | - | - | 42.00 | - | - | - | 42.00 |
| | 2013-2014 | - | - | 42.00 | - | - | - | 42.00 |
| Money received against share warrants | 2014-2015 | - | - | 4.75 | - | - | - | 4.75 |
| | 2013-2014 | - | - | 44.25 | - | - | - | 44.25 |
| Sales | 2014-2015 | 82.40 | - | - | - | - | - | 82.40 |
| | 2013-2014 | - | - | - | - | - | - | - |
| Reimbursement of expenses | 2014-2015 | 8.59 | - | - | - | - | - | 8.59 |
| | 2013-2014 | - | - | - | - | - | - | - |
| Advance Given | 2014-2015 | 69.12 | - | - | - | - | - | 69.12 |
| | 2013-2014 | - | - | - | - | - | - | - |
| Maximum balance of advance given during the Year | 2014-2015 | 48.76 | - | - | 0.28 | - | - | 49.04 |
| | 2013-2014 | - | - | - | - | - | - | - |
| Debtors Outstanding | 2014-2015 | 65.57 | - | - | - | - | - | 65.57 |
| | 2013-2014 | - | - | - | - | - | - | - |

* ₹ 20

c) Non Financial Transactions:

- (i) Shri Anil Gupta has given personal guarantee to banks for company's borrowings.
- (ii) The remuneration does not include Gratuity and Provision for leave encashment under Accounting Standard-15 (Revised), mediclaim and personal accident insurance premium, since same is not available for individual employees.
- (iii) The company has given Bank guarantees of ₹ 189.96 millions on behalf of Joint Venture of M/s KEI Industries Ltd., New Delhi & Brugg Kabel A.G. Switzerland.

30 Future lease obligation by way of lease rental:

(₹ in Millions)

| Due | Total Minimum lease payments outstanding | | Future Interest on outstanding | | Present value of minimum lease payments | |
|---|--|--------------|--------------------------------|-------------|---|-------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Within one year | 6.66 | 3.34 | 1.69 | 0.80 | 4.97 | 2.54 |
| Later than one year and not later than five years | 15.11 | 7.23 | 1.94 | 1.13 | 13.17 | 6.10 |
| More than Five years | NIL | NIL | NIL | NIL | NIL | NIL |
| Total: | 21.77 | 10.57 | 3.63 | 1.93 | 18.14 | 8.64 |

30.1 Operating Leases-Other than non-cancellable:

The Company has entered into lease transactions during the current financial year mainly for leasing of factory/ office/residential premises/Computers and company leased accommodations for its employees for periods up to 10 years. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit & Loss amount to ₹ 38.05 millions (Previous year ₹ 28.34 millions) for the leases which commenced on or after April 1, 2001.

Segment information pursuant to Accounting Standard (AS-17) "Segment Reporting"
31. (a) Information about Primary Business Segments (In Rupees):

(₹ in Millions)

| Particulars | Cables | | Stainless Steel Wire | | Turnkey Projects | | Unallocated | | Inter Segment Elimination | | Total | |
|---|------------------|------------------|----------------------|---------------|------------------|---------------|-------------------|-------------------|---------------------------|-----------------|------------------|------------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| Revenue (Gross) | | | | | | | | | | | | |
| External | 17,143.30 | 15,592.05 | 1,140.61 | 1,014.30 | 3,566.50 | 947.04 | (4.63) | - | (124.13) | (18.66) | 21,721.65 | 17,534.73 |
| Less: Excise Duty | 1,311.35 | 1,268.71 | 88.35 | 76.93 | - | - | - | - | - | - | 1,399.70 | 1,345.64 |
| Inter-Segment Revenue | 1,277.89 | 241.46 | - | - | - | - | - | - | (1,277.89) | (241.46) | - | - |
| Total Revenue (Net) | 17,109.84 | 14,564.80 | 1,052.26 | 937.37 | 3,566.50 | 947.04 | (4.63) | - | (1,402.03) | (260.12) | 20,321.95 | 16,189.09 |
| Result | | | | | | | | | | | | |
| Segment Result | 1,978.40 | 1,761.27 | 36.71 | 54.66 | 410.60 | 40.27 | - | - | (124.13) | (18.66) | 2,301.58 | 1,837.54 |
| Unallocated Expenditure net of unallocated income | | | | | | | (573.80) | (509.77) | | | (573.80) | (509.77) |
| Interest Expenses | | | | | | | (1,203.98) | (1,115.31) | | | (1,203.98) | (1,115.31) |
| Interest Income | | | | | | | 4.97 | 5.32 | | | 4.97 | 5.32 |
| Dividend Income | | | | | | | 0.03 | 0.39 | | | 0.03 | 0.39 |
| Profit Before Taxation | 1,978.40 | 1,761.27 | 36.71 | 54.66 | 410.60 | 40.27 | (1,772.78) | (1,619.37) | (124.13) | (18.66) | 528.80 | 218.17 |
| Taxation | | | | | | | | | | | 186.30 | 1.45 |
| Net Profit | | | | | | | | | | | 342.50 | 216.72 |
| Other Information | | | | | | | | | | | | |
| Segment Assets | 11,084.89 | 10,597.17 | 458.85 | 473.69 | 1,642.56 | 1,146.54 | 231.07 | 217.76 | | | 13,417.37 | 12,435.16 |
| Segment Liabilities | 4,294.94 | 3,700.68 | 220.15 | 290.22 | 912.21 | 319.26 | 2,970.25 | 3,538.38 | | | 8,397.55 | 7,848.54 |
| Capital Expenditure | 101.97 | 165.65 | 4.29 | 9.71 | 2.81 | 0.31 | 43.51 | 7.16 | | | 152.58 | 182.83 |
| Depreciation | 200.67 | 180.56 | 7.52 | 7.18 | 1.15 | 0.75 | 36.51 | 21.24 | | | 245.85 | 209.73 |
| FCMITDA Written off | | | | | | | 30.32 | 42.42 | | | 30.32 | 42.42 |

31. (b) Information about Secondary Business Segment: (₹ in Millions)

| Revenue by Geographical Market | India | | Outside India | | Total | |
|-----------------------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|
| | 2014-15 | 2013-14 | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
| External Revenue (Gross) | 20,247.31 | 15,559.38 | 1,474.34 | 1,975.35 | 21,721.65 | 17,534.73 |
| Less: Excise Duty | 1,399.70 | 1,345.64 | – | – | 1,399.70 | 1,345.64 |
| Inter Segment | – | – | – | – | – | – |
| Total Revenue (Net) | 18,847.61 | 14,213.75 | 1,474.34 | 1,975.35 | 20,321.95 | 16,189.09 |
| Carrying Amount of Segment Assets | 13,392.47 | 12,431.93 | 24.90 | 3.23 | 13,417.37 | 12,435.16 |
| Additions to Fixed Assets | 152.58 | 182.83 | – | – | 152.58 | 182.83 |

31. (c) Notes :

(i) The Company is organised into business segments, namely:

- Cables comprising of EHV, HT & LT Power Cables , Control and Instrumentation Cables, Winding Wires & Flexible and House Wires.
- Stainless Steel Wire comprising of Stainless Steel Wires.
- Turnkey projects etc.

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

ii) Segment Revenue in each of the above domestic business segments primarily includes sales, job work income and export incentives in the respective segments.

(₹ in Millions)

| Segment Revenue comprising of (₹ in Millions) | 2014-15 | 2013-14 |
|---|------------------|------------------|
| Sales | 18,705.43 | 16,820.08 |
| Project Income | 2,983.62 | 675.54 |
| Job Work | 0.29 | 0.48 |
| Export Incentives | 19.88 | 38.63 |
| Exchange Fluctuation | 12.43 | – |
| Total | 21,721.65 | 17,534.73 |

iii) The Segment Revenue in the geographical segments considered for disclosure are as follows:

- a) Revenue within India includes sales to customers located within India and earnings in India.
 - b) Revenue outside India includes sales to customers located outside India and earnings outside India.
- iv) Segment Revenue , Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

32 Derivative contracts entered into by the company and outstanding:

For Hedging Currency and Interest Rate Related Risks:

Nominal amounts of derivative contracts entered into by the Company and outstanding as at 31st March, 2015 is NIL (Previous Year ₹ 339.79 millions). Category wise break up is given below:

| Particulars | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|--|--|---|--|--------|
| Interest Rate Swap and Option Deal (net) | | – | | 35.72 |
| Forward Contracts(net) | | – | | 304.07 |

33 (i) Amount payable in foreign currency: (₹ in Millions)

| Particulars | As at 31 st March, 2015 | | | As at 31 st March, 2014 | | |
|---------------------------------------|------------------------------------|----------------------------|------------------|------------------------------------|----------------------------|------------------|
| | (₹ in Millions) | Amount in Foreign Currency | Foreign Currency | (₹ in Millions) | Amount in Foreign Currency | Foreign Currency |
| Imports of Goods & Advance Received | 159.51 | 2.54 | USD | 31.52 | 0.52 | USD |
| | 1.28 | 0.02 | EURO | 33.59 | 0.41 | EURO |
| | 5.01 | 0.05 | GBP | - | - | GBP |
| | - | - | JPY | 0.22 | 0.38 | JPY |
| | 5.90 | 0.09 | CHF | 0.03 | 0.00* | CHF |
| | 0.91 | 0.02 | SGD | 1.50 | 0.03 | SGD |
| Working Capital Loan (Buyer's Credit) | 198.76 | 3.17 | USD | 20.12 | 0.33 | USD |
| Term Loan | 274.58 | 4.38 | USD | 450.13 | 7.60 | USD |
| Royalty/Know How/Licence Fees | 4.93 | 0.07 | EURO | 16.63 | 0.20 | EURO |
| Expenses Payable | 8.57 | 0.14 | USD | 15.50 | 0.26 | USD |
| | - | - | EURO | 0.11 | 0.00** | EURO |
| | - | - | GBP | 6.61 | 0.07 | GBP |
| | 0.65 | 0.01 | SGD | 0.73 | 0.02 | SGD |
| | 0.96 | 0.05 | AED | 1.77 | 0.11 | AED |

*450 CHF

**1289 EURO

(ii) Amount receivable in foreign currency : (₹ in Millions)

| Particulars | As at 31 st March, 2015 | | | As at 31 st March, 2014 | | |
|---------------------------------|------------------------------------|----------------------------|------------------|------------------------------------|----------------------------|------------------|
| | (₹ in Millions) | Amount in Foreign Currency | Foreign Currency | (₹ in Millions) | Amount in Foreign Currency | Foreign Currency |
| Exports of Goods & Advance Paid | 297.30 | 4.79 | USD | 324.01 | 5.43 | USD |
| | 28.76 | 0.43 | EURO | 24.90 | 0.30 | EURO |
| | - | - | GBP | 6.99 | 0.07 | GBP |
| | 11.47 | 0.25 | SGD | 21.14 | 0.45 | SGD |
| | 133.78 | 2.84 | AUD | - | - | AUD |
| | 0.94 | 0.01 | CHF | - | - | CHF |
| | 0.93 | 1.76 | JPY | - | - | JPY |
| Balance With Banks | 1.76 | 0.03 | USD | 0.06 | 0.00* | USD |
| | 2.19 | 0.05 | SGD | 0.43 | 0.00** | SGD |
| | 1.43 | 0.08 | AED | 1.07 | 0.07 | AED |

*951 USD

**9201 SGD

34 Contingent Liabilities & Commitments:

| Particulars | | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|-------------|---|---|----------|---|--------|
| 34.1 | Contingent Liabilities | | | | |
| | Claims Against the Company not acknowledged as Debt | | 0.22 | | 0.02 |
| 34.2 | Guarantees | | | | |
| | Financial Bank Guarantees outstanding | | 1,316.34 | | 817.31 |

Contingent Liabilities & Commitments (Continue from previous page):

| Particulars | | As at 31 st March, 2015 (₹ in Millions) | | As at 31 st March, 2014 (₹ in Millions) | |
|-------------|---|--|----------|--|--------|
| 34.3 | Other money for which company is contingently liable | | | | |
| | a) Unutilised Letter of Credits | 149.51 | | 174.78 | |
| | b) Outstanding Bills discounted | 1,233.93 | | 375.29 | |
| | c) Prorata share of company in channel finance given by banks to others | 349.16 | 1,732.60 | 297.74 | 847.81 |
| 34.4 | Duties & Taxes | | | | |
| | a) Sales Tax / Entry Tax demands under appeal | 5.63 | | 30.68 | |
| | b) Income tax Matters: | | | | |
| | - Demand due to Additions / disallowances during Assessments | 9.52 | | 0.49 | |
| | - Appellate decision in favour of company but department has filed appeal against decision of Appellate Authorities | - | | 8.65 | |
| | c) Excise / Service tax demands under appeal | 76.87 | | 88.51 | |
| | d) Labour Cess Demands under appeal | 13.13 | | 10.43 | |
| | e) Custom Duty demand under Appeal (Refer Note 34.5) | 395.72 | 500.87 | - | 138.76 |

34.5 Custom duty demand including penalty for alleged non-fulfillment of export obligations of the company. Company has fulfilled all export obligations and demand has arisen due to non-issuance of Export Obligation Discharge Certificate (EODC) by Directorate General Of foreign Trade (DGFT). Company is following up with DGFT for issuance of EODC and has already obtained EODC for some cases. Company is also contesting demand before appellate authority and is confident that no liability will crystallize in this case.

34.6 Commitments:

Estimated amount of contracts remaining to be executed on Capital Account

26.45

9.17

35 Previous Year's figures have been regrouped / rearranged wherever necessary.

As per our Separate Report of even date attached

For JAGDISH CHAND & CO.

Firm Registration No. 000129N

Chartered Accountants

(PRAVEEN KUMAR JAIN)

Partner

M.No. 085629

(ANIL GUPTA)

Chairman-cum-Managing Director

DIN: 00006422

(RAJEEV GUPTA)

Executive Director (Finance) & CFO

DIN: 00128865

Place of Signing: New Delhi

Date: 28th May, 2015

(KISHORE KUNAL)

Company Secretary

M.No. A18495

(ADARSH JAIN)

General Manager (Finance)

M.No. 502048

Place of Signing: New Delhi

Date: 28th May, 2015

NOTES

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KEI INDUSTRIES LIMITED

CIN: L74899DL1992PLC051527

CORPORATE & REGISTERED OFFICE

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

Ph: +91-11-26818840/8642 | Fax: +91-11-26811959/7225 | Email: info@kei-ind.com | Website: www.kei-ind.com



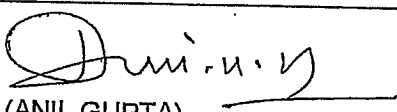
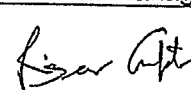
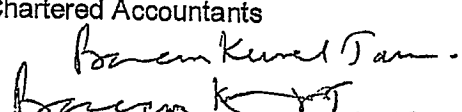
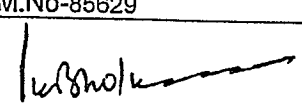
KEI/NSE/2015-16

Date: 20/08/2015

The National Stock Exchange of India Ltd
Listing Division,
Exchange Plaza, Plot No. C/1,
G Block, Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

| | | |
|----|--|---|
| 1. | Name of the Company | KEI INDUSTRIES LIMITED |
| 2. | Annual Financial Statements for the year ended | 31 st March, 2015 |
| 3. | Type of Audit Observation | Unqualified |
| 4. | Frequency of Observation | NIL |
| 5. | To be signed by : | |
| | • CEO/Managing Director |  (ANIL GUPTA) Chairman-cum-Managing Director |
| | • CFO |  (RAJEEV GUPTA) Executive Director (Finance) & CFO |
| | • Auditor of the Company | For JAGDISH CHAND & CO., Firm's Regn. No.: 000129N Chartered Accountants  (PRAVEEN KUMAR JAIN) Partner M.No-85629 |
| | • Audit Committee Chairman |  (PAWAN KUMAR BHOLUSARIA) |

CC: BSE and CSE