

# KEI

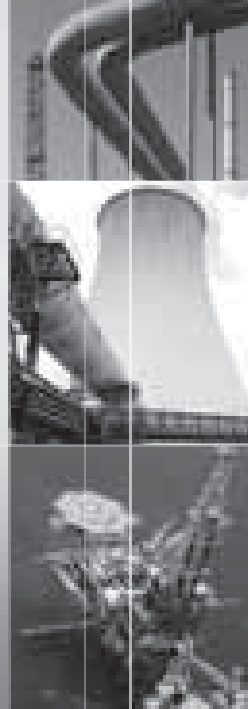
Wires and Cables

The power behind the power™



# 'Power'ful Ambitions

**KEI Industries Limited**  
Annual Report 2011-12



# Contents

Corporate Information	01
'Power'ful Ambitions	02
Extra High Ambitions	04
Branding Our Ambitions	05
Powering Our Ambitions	06
Chairman's Letter	08
Financial Ambitions	15
Director's Report	16
Management Discussion and Analysis	21
Report on Corporate Governance	25
Auditor's Report	38
Financials	41
Notice of Annual General Meeting	70

# Corporate Information

## BOARD OF DIRECTORS

Mr. Anil Gupta, *Chairman-cum-Managing Director*  
Mrs. Archana Gupta, *Director*  
Mr. Pawan Bholusaria, *Director*  
Mr. K.G. Somani, *Director*  
Mr. Vijay Bhushan, *Director*  
Mr. Vikram Bhartia, *Director*  
Mr. Rajeev Gupta, *Executive Director (Finance)*

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kishore Kunal

## AUDITORS

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

## BANKERS

Dena Bank  
Punjab National Bank  
ING Vysya Bank Ltd.  
State Bank of Hyderabad  
Yes Bank Ltd.  
Standard Chartered Bank  
ICICI Bank Ltd.  
HSBC Bank Ltd.  
HDFC Bank Ltd.  
State Bank of Patiala  
IndusInd Bank Ltd.  
State Bank of Bikaner and Jaipur  
Indian Overseas Bank  
Corporation Bank  
Lakshmi Vilas Bank

## SHARE TRANSFER AGENT

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

## 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

## KEY MANAGEMENT PERSONNEL

Mr. S.L. Kakkar, *President*  
Mr. Manoj Kakkar, *Sr. Vice President (Marketing)*  
Mr. Lalit Sharma, *COO*  
Mr. P.K. Aggarwal, *Vice President (Corporate)*  
Mr. K.C. Sharma, *Vice President (Operation)*  
Mr. Manish Mantri, *Vice President (EPC/EHV)*  
Mr. Arvind Shrowty, *Corporate Advisor*  
Mr. A.K. Maity, *Sr. GM (Works)*  
Mr. N.K. Bajaj, *Sr. GM (Marketing Wires & Flexibles)*  
Mr. Chirag Garg, *Sr. GM (EPC)*  
Mr. Mukesh Sethi, *GM (Marketing EHV)*  
Mr. Munishvar Gaur, *GM (Head - North Marketing Cables)*  
Mr. Alok Saha, *GM (Marketing)*  
Mr. Umesh B. Kank, *GM (Marketing)*  
Mr. M.V. Gananath, *GM (Sales & Marketing)*  
Mr. Keshav K. Mitra, *GM (Sales & Marketing)*  
Mr. Deepak Manchanda, *GM (Business Development)*  
Mr. Ajit Dinesh Durve, *GM (International Business)*  
Mr. Naval Singh Yadav, *GM (Technical)*  
Mr. Dilip Barnwal, *GM (Works - Silvassa)*  
Mr. Ajay Mehra, *GM (Works - Bhiwadi)*  
Mr. Adarsh Jain, *GM (Finance)*  
Mr. Anand Kishore, *GM (HR)*  
Mr. Gaurav Sahi, *Head - Corporate Communication*

## WORKS OFFICE

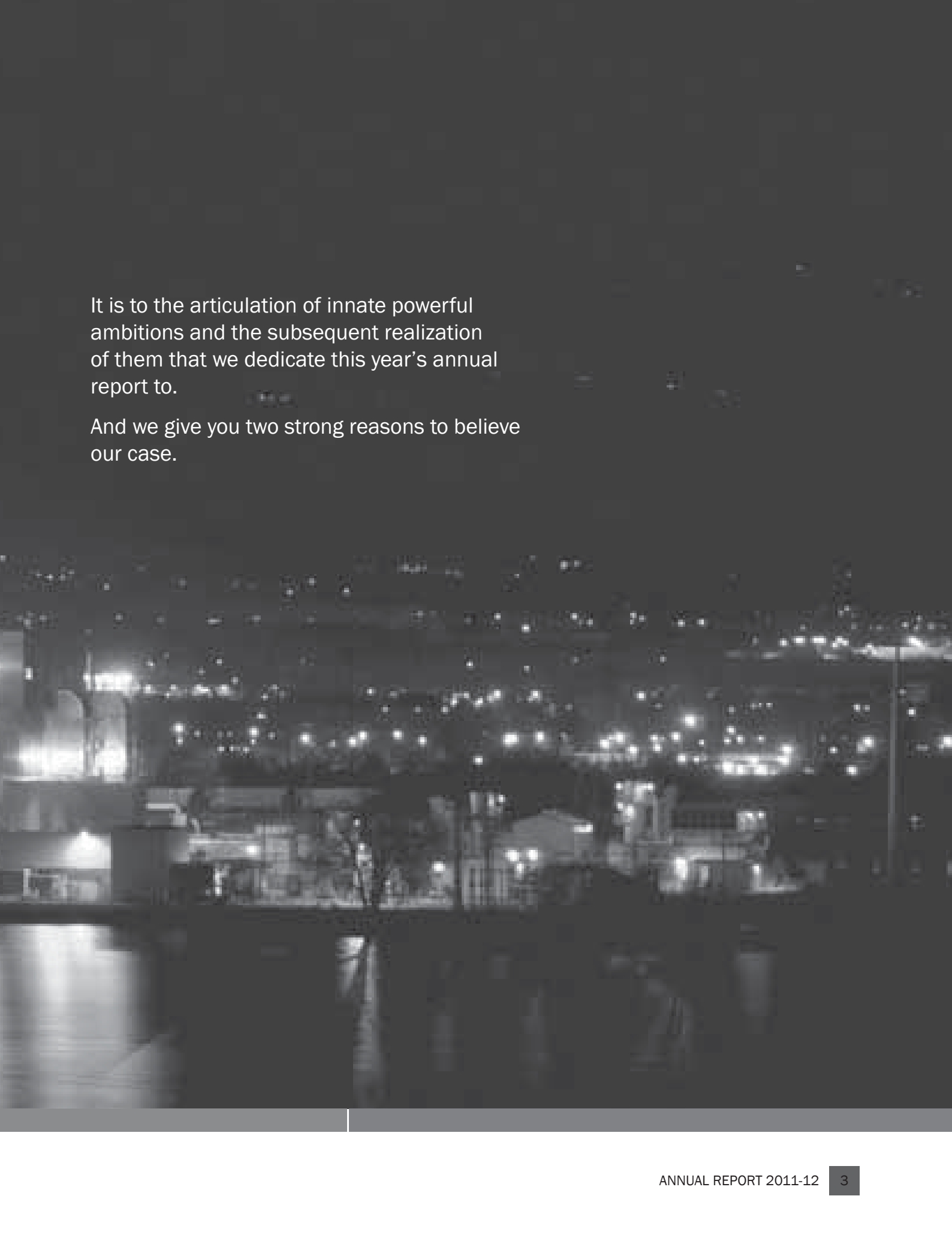
- SP-919-920, 922 RIICO Industrial Area, Phase-III, Bhiwadi, Dist. Alwar (Rajasthan) - 301 019
- 99/2/7 Madhuban Industrial Estate, Village Rakholi, Silvassa (D&H) - 396 240
- Plot No. A- 280-284, RIICO Industrial Area, Chopanki, Dist. Alwar (Rajasthan) - 301 019



# ‘Power’ful Ambitions

At KEI Industries Limited, ambition is not defined and measured just by the successful achievement of stated quantitative goals.

But more importantly, it is the actualization of our inherent strengths which allows us to think beyond the conventional, implement beyond the expected and deliver beyond the seemingly possible to stand tall, differentiated & well-positioned in our industry.



It is to the articulation of innate powerful  
ambitions and the subsequent realization  
of them that we dedicate this year's annual  
report to.

And we give you two strong reasons to believe  
our case.

# 1 Extra High Ambitions

Years of presence in the cable industry has helped us put together a strong product pipeline, service diverse industries and build strong manufacturing capacities and R&D wherewithal.

However, despite an enviable ranking amongst the top five cable manufacturers in the country, there was a collective voice to break out from this comfort zone and strengthen further our portfolio, proposition and positioning.

Result: Foray into the Extra High Voltage cables segment in 2009-10 through a technical collaboration with Bruggs, allowing us to meet the necessary pre-qualifications to operate in this space.

Our decision stands vindicated. Our extra high ambitions paid off.

In the first 12 months of operations in the EHV segment, KEI bagged multiple high value, high margin projects from State Electricity Boards, reported significant revenues from this segment and successfully transitioned to the top three cable manufacturers' league rankings.



# 2

## Branding Our Ambitions

One of the Company's key offerings comprises its house wires for the retail segment. Given its excellent product offering combined with a strong quality edge, KEI house wires reported encouraging off take over the years.

However, the Company's ambition was beyond just clocking attractive numbers. It was about creating a brand that endorsed its cables' specialist positioning and created a platform of trust and credibility amongst its target segments.

And that is exactly what it embarked on doing.

From aggressive advertising across print, electronic and outdoor mediums to undertaking incisive below the line activities and point of purchase activations to strengthening its dealer-distribution network & relationships to deepening market penetration, the Company implemented a holistic 360 degree brand building campaign.

Result: KEI was awarded the Consumer Superbrand Status in the Business-to-Consumer category in 2011-12.



# Powering Our Ambitions



## THE POWER BEHIND THE POWER

KEI Industries Limited is India's leading Power Cables and Wires Manufacturer.

## PRODUCT PORTFOLIO

From Low Tension (LT), High Tension (HT), Extra High Voltage (EHV) to Specialty cables comprising Control cables, Instrumentation Cables, Thermacouple Extension / Compensating, Rubber cables, elastomeric cables, Single/ Multicore Flexible Wires, Submersible cables, Braided cables, Zero Halogen cables, Winding Wires, House Wires, Stainless Steel Wires. The Company offers one of the widest product ranges in the Industry.



## PRESENCE

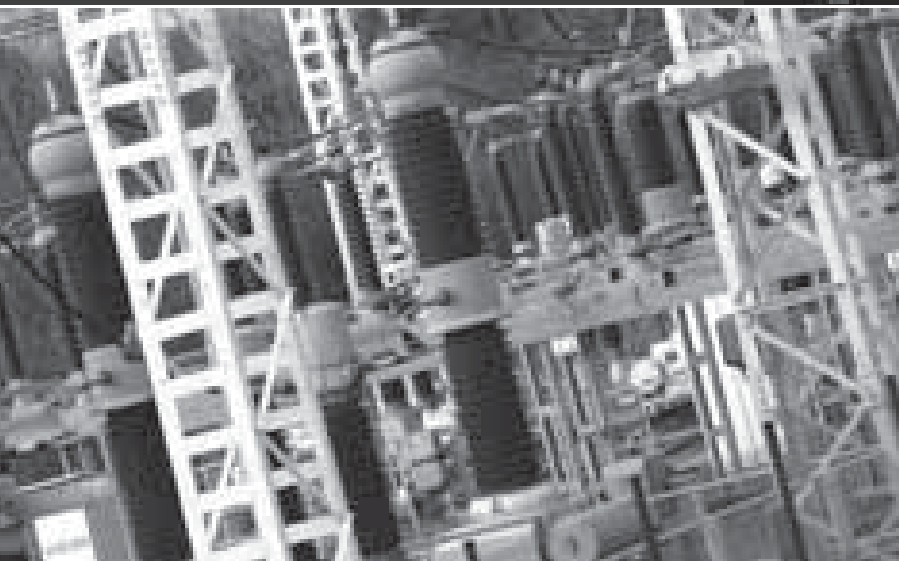
Enjoying a principal player industry positioning, the Company services the discerning cabling requirements of customers across diverse industries namely Power, Oil & Gas, Marine, Refineries, Railways, Automobiles, Cement, Steel, Fertilizers, Textile, Real estate and Material handling.

Along with a pan India presence, the Company exports its products to more than 40 countries with a strong presence in the Middle East, Africa and other non CIS countries.



## PRODUCTION

The Company's international standard multi-product plants are located at Bhiwadi (Rajasthan), Silvassa (D&NH) and Chopanki (Rajasthan). The Company's HT & EHV installed capacities stand at 5,600 kms, House Wires and Winding Wires at 2,70,000 kms and Power cable, Control cable, Instrumentation cable and Rubber cable at 67,000 kms.



## PROWESS

To strengthen its technological and competitive edge, the Company has collaborated with BRUGG Kabels, a 100 +years old Swiss Company for the manufacture of EHV cables. This makes KEI amongst the few cable manufacturers with the technological know-how and capability to produce EHV cables.

Another distinction to its credit is the fact that KEI is the only Company in India having the DNV Class approval for marine cables as per NEK 606 and IEC 60092-350.

## PROPELLING UP THE VALUE CHAIN

Drawing on its experience in the cables industry, the Company has transitioned up the value chain with its integrated one-stop turnkey solutions offering. The Company has set up its Engineering, Procurement and Construction division driven by experienced professionals in this field and which offer a range of services namely integrated design, engineering, material procurement, field services, construction and project management services.





## Chairman's Letter

“THE PINNACLE OF OUR PERFORMANCE IN THE HOUSE WIRES SPACE WAS THE RECEIPT OF THE PRESTIGIOUS CONSUMER SUPERBRAND STATUS WHICH TRULY TESTIFIES OUR PRODUCT QUALITY, MARKET REACH AND BRAND ACCEPTANCE.”

### *Dear Stakeholders,*

While the operating economic and market environment of the past 12 months continued to pose challenges and threaten growth & momentum, I am delighted to report that the year 2011-12 has been a good one for KEI Industries – a year marked by significant corporate progress, new milestones and one which saw us return to growth and profitability at the operating level.

I am indeed delighted to report stellar performance of your Company which indicated the significant strategic initiatives management had begun and would continue to take to catapult KEI into a more competitive, proactive, differentiated and profitable Company.

Before I share the important highlights that dotted the KEI calendar for the last 12 months, I would like to take you through the very difficult economic environment that panned out in 2012 and how, moving against the tide, we sailed through.