

Notice

THE 22ND 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 - 110 033 ON FRIDAY THE 19TH DAY OF SEPTEMBER, 2014 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, 2014 and Balance Sheet as at that date and the 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, 2014.
3. To appoint a Director in place of Smt. Archana Gupta (holding DIN: 00006459), who retires by rotation and being eligible, offers herself 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 the Rules framed thereunder, as amended from time to time, **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 Companies (Audit and Auditors) Rules, 2014 be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of twenty-fifth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), 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 provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **Shri Kishan Gopal Somani** (holding DIN: 00014648), Director of the Company who retires by rotation at this Annual General Meeting, has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013 and being eligible for appointment be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years commencing from 19th September, 2014 to 18th September, 2019.”

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 Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **Shri Vijay Bhushan** (holding DIN: 00002421), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years commencing from 19th September, 2014 to 18th September, 2019.”

7. 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 Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory

modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **Shri Vikram Bhartia** (holding DIN: 00013654), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years commencing from 19th September, 2014 to 18th September, 2019.”

8. 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 Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, **Shri Pawan Kumar Bholusaria** (holding DIN: 00092492), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years commencing from 19th September, 2014 to 18th September, 2019.”

9. 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 73 and section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and are hereby accorded to invite/accept/renew/receive money by way of unsecured/secured deposits, or in any other form, from public and/or members of the Company, in any form or manner, through circular, advertisement or through any other permissible mode, up to permissible limits prescribed under applicable provisions of law and on such terms

and conditions as the Board of Directors or the Committee thereof in its sole discretion deem fit and necessary.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and/or any Committee thereof be and are hereby authorised to do all such acts, deeds, things and matters as the Board or Committee thereof may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for such invitation/acceptance/renewal/receipt as aforesaid.”

10. 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 180(1)(c) of the Companies Act, 2013 and in suppression of all earlier resolutions passed in this regard under the Companies Act, 1956 (earlier in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company and / or any Committee thereof to borrow at its discretion, either from the Company’s Bank(s) or any other Indian or Foreign Bank(s), Financial Institution(s) and / or any other Lending Institutions or Persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers / FIs in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the Company that is to say, reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors shall not exceed the sum of ₹ 1000 Crores (Rupees One Thousand Crores only) at any one time.”

11. 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 180(1)(a) of the Companies Act, 2013 and subject to other approvals, if applicable or required under any statute(s) / rule(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier resolutions passed in this regard under the Companies Act, 1956 (earlier in force), the Board of Directors of the Company and / or Committee thereof be and are hereby authorised and shall be deemed to have always been so authorised to create such mortgages/ charges/ hypothecation and / or other encumbrances, in addition to the existing mortgages, charges, hypothecation and

other encumbrances, if any created by the Company on all or any part of the immovable and /or movable properties, current and / or fixed assets, tangible or intangible assets, book debts and / or claims of the Company wheresoever situate, present and future such charge to rank either pari-passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecation and other encumbrances created / to be created by the Company in favour of Indian or Foreign Bank(s), Financial Institution(s), Foreign Financial Institution(s), and other Lending Institution, and / or to such other Persons, if any, from whom the Company has / or proposed / proposes to borrow money/ sums of moneys by way of Term Loans, Cash Credits, Overdrafts, discounting of bills, inter corporate deposits, commercial papers or such other financial instruments permitted to be used by the appropriate authorities from appended below:

time to time together with interest, cost, charges and other incidental expenses in terms of agreement(s) entered / to be entered into by the Board of Directors / Committee(s) thereof of the Company within the overall borrowing limits fixed pursuant to Section 180(1)(c) of the Companies Act, 2013 i.e. ₹ 1000 Crores (Rupees One Thousand Crores only) at any one time .”

12. 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 188 and other applicable provisions of the Companies Act, 2013, if any, consent of the Company be and is hereby accorded for entering into related party transactions by the Company with effect from 1st April, 2014 upto the maximum per annum amounts as

(₹ in Crores)

MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) W.E.F 1ST APRIL 2014				
	Transactions defined u/s 188(1) of Companies Act, 2013			
	Sale, purchase or supply of any goods, materials	Selling or otherwise disposing of, or buying, property of any kind	Leasing of property of any kind	Availing or rendering of any services; appointment of any agent for purchase or sale of goods, materials, services or property
NAME OF RELATED PARTIES :-				
COMPANIES:				
M/s Projection Financial & Management Consultants Pvt. Ltd- one of the promoter companies (shareholding interest of promoters and directors u/s 102 of the Companies Act, 2013: 100%)	On actual basis (if any). Exempted, being in the ordinary course of business and on arm's length basis.	-	0.50	-
M/s Dhan Versha Agency Pvt. Ltd -one of the promoter companies (shareholding interest of promoters and directors u/s 102 of the Companies Act, 2013: 100%)		-	0.50	-
M/s Ashwathama Constructions Pvt. Ltd – (shareholding interest of relatives of promoters and directors u/s 102 of the Companies Act, 2013: 100%)		-	0.20	-
DIRECTORS / KMPS / RELATIVES OF DIRECTORS AND KMPS / OTHER FIRMS AND COMPANIES IN WHICH DIRECTORS HAVE SOME INTEREST AS PER THE PROVISIONS OF SECTION 2(76) OF THE COMPANIES ACT, 2013	On actual basis, (if any) Exempted being in the ordinary course of business and on arm's length basis.			
Smt. Archana Gupta		-	0.24	-
Shri Sunil Gupta		-	1.80	-
Smt. Varsha Gupta		-	0.24	-

“RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors and/ or any Committee thereof be and are hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things, as may be necessary in its absolute discretion and deem necessary, proper desirable and to finalise any documents and writings related thereto.”

13. 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 Sections 196,197,198,203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re- enactments) thereof for the time being in force) and subject to other approvals as may be necessary, the members of the Company hereby accord its approval for varying the terms and conditions of remuneration being paid to Shri Anil Gupta, Chairman-cum-Managing Director of the Company on the terms & conditions set out here below and with further discretion to the Board / Committee to alter from time to time said terms & conditions in such manner as it may deem fit in the best interest of the Company and agreed to with Shri Anil Gupta:

1. Period	from 1 st October, 2014 to 30 th June 2016
2. Remuneration	
a. Salary	₹ 15,00,000/- basic salary per month w.e.f. 1 st October 2014 up to maximum basic salary of ₹ 25,00,000/-per month
b. Perquisites	Perquisites shall be restricted to an amount equal to not exceeding ₹ 2,50,000/-per month w.e.f. 1 st October 2014 up to maximum of ₹ 3,50,000/-per month.
c. Commission	Up to 5% of the Net Profit less remuneration payable under point no. (a) & (b) above, calculated as per the provisions of Section 197 of the Companies Act, 2013.

For this purpose perquisites are classified into three categories A, B and C:

Category – A

- i) **Housing:** The expenditure by the Company on hiring furnished / unfurnished accommodation for him will be subject to the following ceilings:
 - a) ₹ 1,50,000/- per month w.e.f. 1st October 2014 up to maximum of ₹ 2,50,000/-per month
The expenditure incurred by the company on gas, electricity, water and furnishings evaluated as per Income Tax Rules, 1962.
- ii) **Medical Reimbursement:** Expenses incurred for himself and his family as per rules of the Company.
- iii) **Club Fees:** Fees of clubs to a maximum of two clubs. This will not include admission and life membership fees.

Category – B

- i) The company’s contribution for him to provident fund, superannuation fund or 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.
- ii) Gratuity & leave entitlement: As per Company’s policy.

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 remuneration 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 of Directors of the Company and/or any Committees thereof be and are hereby authorised to alter or vary any or all of the terms, conditions and/ or to increase the remuneration of Shri Anil 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 matters connected herewith or incidental hereto.”

14. 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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Article of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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

15. 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S. Chander & Associates., Cost Accountants, the Cost Auditors 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 2014-15, be paid the remuneration of ₹ 2,00,000/- plus service tax, if applicable 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 are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT 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. 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.
3. Members or their respective proxies are requested to:

- i. bring copies of Annual Report sent to the Members 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.
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
5. Members may also note that the Notice of AGM and Annual Report is available on the website of the Company at www.kei-ind.com in the Investor Relations section.
6. The Register of Members and Share Transfer Books will remain close from September 13, 2014 to September 19, 2014 (both days inclusive).
7. Dividend, if declared at the AGM will be paid to those Members whose names appear on the Company's Register of Members on September 19, 2014. 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 12, 2014, as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
8. Un-claimed / unpaid dividend for the Financial Year ended on 31.03.2006 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. 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. Pursuant to the requirements of the Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the AGM is given in the Annexure to the Notice.
10. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the special businesses specified above 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 any working days during normal business hours up to the date of the AGM.
12. Members who have not regeistered their e-mail address so far are requested to register their e-mail address for receiving all communicaton 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.
 13. Ministry of Corporate Affairs (MCA) took a 'Green Initiative in Corporate Governance' in 2011 by allowing the Companies to service the documents to its Members through electronic mode. Accordingly, the Company sends all communication including the Notice along with 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.
 14. Members desiring any information on the accounts at the AGM are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
 15. 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.
 16. Pursuant to the Clause 35B of the Listing Agreement and the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the company is pleased to provide the facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of Central Depository Securities Limited ("CDSL") 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.
 17. The voting period begins on 13th September, 2014 (at 09.00 A.M) and ends on 15th September, 2014 (at 06.00 P.M). 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 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Place: New Delhi
Dated: August 8, 2014

By Order of Board of Directors
For KEI INDUSTRIES LIMITED

(Kishore Kunal)
Company Secretary

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 TO 8

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, the Independent Directors shall hold office for a term up to five consecutive years on the Board of a company and are not liable to retire by rotation.

Shri Kishan Gopal Somani, Shri Vijay Bhushan, Shri Vikram Bhartia and Shri Pawan Kumar Bholusaria have given declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment/ re-appointment of Shri Kishan Gopal Somani, Shri Vijay Bhushan, Shri Vikram Bhartia and Shri Pawan Kumar Bholusaria as an Independent Directors was placed before the Nomination & Remuneration Committee, which recommended their appointment or re-appointment as under:

- a. Shri Kishan Gopal Somani, Director of the Company who retires by rotation at the Annual General Meeting, re-appointed as an Independent Director for a consecutive term of 5(Five) years from 19th September, 2014 to 18th September, 2019.
- b. Shri Vijay Bhushan as an Independent Director for a consecutive term of 5(Five) years from 19th September, 2014 to 18th September, 2019.
- c. Shri Vikram Bhartia as an Independent Director for a consecutive term of 5(Five) years from 19th September, 2014 to 18th September, 2019.
- d. Shri Pawan Kumar Bholusaria as an Independent Director for a consecutive term of 5(Five) years from 19th September, 2014 to 18th September, 2019.

In the opinion of the Board Shri Kishan Gopal Somani, Shri Vijay Bhushan, Shri Vikram Bhartia and Shri Pawan Kumar Bholusaria fulfill the conditions specified in the Act and the Rules made there under for appointment as an Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment or re-appointment of Shri Kishan Gopal Somani, Shri Vijay Bhushan, Shri Vikram Bhartia and Shri Pawan Kumar Bholusaria as Independent Directors are now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working days of the Company.

The Directors recommend the resolutions set out in Item Nos. 5 to 8 of the accompanying notice for the approvals by the shareholders of the Company.

Except Shri Kishan Gopal Somani, Shri Vijay Bhushan, Shri Vikram Bhartia and Shri Pawan Kumar Bholusaria (for their respective appointment / re-appointment) no other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item No. 5 to 8 in the Notice.

ITEM NO. 9

The members are hereby apprised that the Company had been accepting deposits from its shareholders, employees, their relatives and other sections of public as permissible under the provisions of Companies Act, 1956 read with the corresponding Companies(Acceptance of Deposit) Rules, 1975, earlier in force.

However, with the commencement of Companies Act, 2013 ('the 2013 Act'), deposits are now governed by the new law and approval of shareholders is required by way of Special Resolution for inviting/ accepting/ renewing deposits.

The members may kindly note that under the provisions of the 2013 Act, any company inviting/ accepting/ renewing deposits is required to obtain Credit Rating from a recognized credit rating agency. Your Company will be obtaining credit rating for its Fixed Deposit programme from CARE and will do all other formalities including deposit insurance as required under the provisions of the 2013 Act.

The Board of Directors of your Company has approved the proposal for inviting/ accepting/ renewing deposits in its meeting held on 8th August, 2014 and recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except to the extent of their Depositholding and/ or their shareholding in the Company, if any.

ITEM NO. 10 & 11

The members may kindly be informed that in the AGM held on 15/06/2006 and Extra-ordinary General Meetings held on 23/11/2006 respectively, the shareholders had authorized the Board of Directors:

- to borrow monies up to ₹ 1000 crores under Section 293(1)(d) of the Companies Act, 1956, and
- to secure the same by suitable mortgage/ charge on all or any of the moveable and/ or immovable properties, regarded as disposal of the Company's undertakings under Section 293 (1)(a) of the Companies Act, 1956

However, as per the corresponding provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 which were notified on 12th September, 2013 and based on the clarification thereof issued by MCA vide General Circular no. 04/2014 dated 25th March, 2014, the resolution(s) passed u/s 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and/ or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of Section 180 of the new Act, for a period of 1 year from the date of notification of Section 180 of the new Act.

Further, the provisions of the Companies 1956 Act required consent of the shareholders as an ordinary resolution for both borrowing and creation of security; however, the provisions of the 2013 Act stipulate consent of members by way of a Special Resolution.

Hence, in order to remain compliant with the relevant provisions on borrowings and creation of security under the new Act, consent of the members is hereby requested by way of proposed Special Resolution(s) set out in Item Nos. 10 and 11.

The Board of Directors of your Company has approved these matters in their meeting held on 8th August, 2014 and recommends the resolutions as set out in the accompanying Notice for the approval of members of the Company as Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolutions except to the extent of their shareholding in the Company, if any.

ITEM NO. 12

The provisions of Section 188(1) of the 2013 Act that govern the following Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in case the

paid-up share capital of a Company is ₹ 10 crores or more, the prior approval of shareholders by way of a Special Resolution:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company

Further, third proviso to section 188(1) provides that nothing shall apply to any transaction entered into by the company in its ordinary course of business other than transactions which are not on arm's length basis. The provisions of section 188(3) also provide that any contract or arrangement entered into u/s 188(1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In the light of provisions of the 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the 2013 Act) for the financial year 2014-15 and beyond.

All prescribed disclosures as required to be given under the provisions of the 2013 Act and the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the proposed resolution set out in Item no. 12 and as described below for kind perusal of the members:

- (a) Name of the related party and nature of relationship: As provided in resolution in Item no. 12 (table) above.
- (b) Nature, duration of the contract and particulars of the contract or arrangement: Company has taken on lease / rent premises owned by M/s Projection Financial & Management Consultants Pvt. Ltd (for branch office in Kolkata), M/s Dhan Versha Agency Pvt. Ltd (for residence of CMD), M/s Ashwathama Constructions Pvt. Ltd (for guest house), Smt. Archana Gupta (for branch office in Mumbai), Smt. Varsha Gupta (for branch office in Mumbai) and Shri Sunil Gupta (for Registered / Head office in New Delhi) for its business purposes. Monthly rent is being paid to the

concerned owner of property by the Company. In certain cases security deposit has also been provided as per market practice.

- (c) Material terms of the contract or arrangement including the value, if any: As referred in point (b) above.
- (d) Any advance paid or received for the contract or arrangement, if any: Nil, only Security deposit provided.
- (e) Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract:
All proposed transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis.
- (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors: All factors have been considered.
- (g) Any other information relevant or important for the Board to take a decision on the proposed transaction: Nil.

Members are hereby informed that pursuant to second proviso of section 188(1) of the 2013 Act, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this item in their meeting held on 8th August, 2014 and recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

Except Promoters and Directors of the Company and their relatives, no other Director is concerned or interested in the resolution.

ITEM NO. 13

Pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII to the Companies Act, 1956, the Company had at its last Annual General Meeting held on 21st June, 2013 approved the re-appointment and payment of remuneration to Shri Anil Gupta, Chairman-cum-Managing Director (CMD), for a period of 3(three) years with effect from 1st July, 2013 to 30th June, 2016.

He is B.Com and has about 32 years of experience in managing the KEI group of companies, as a partner of erstwhile Krishna Electrical Industries thereafter as Chairman-cum-Managing Director of M/S KEI INDUSTRIES LIMITED which has successfully executed implementation of SS Wire manufacturing project at

Bhiwadi, setting up of new / expansion project of EHV / HT / LT Cables at Bhiwadi & Chopanki in Rajasthan and Silvassa. Under his leadership, the Company has ventured into manufacturing of Extra High Voltage (EHV) cables ranging from 66kV to 220kV at its manufacturing facilities located at Bhiwadi & Chopanki, district, Alwar, Rajasthan in Foreign Technical Collaboration Agreement with Brugg Kabel A.G, Switzerland.

He looks after the policies of marketing, production, quality control and product development. As CMD of the Company he is responsible for motivating the team of professionals to implement management policies.

The Nomination & Remuneration Committee and the Board of Directors at their respective meeting held on 8th August, 2014 have varied the terms governing payment of remuneration to Shri Anil Gupta which will result in revision of remuneration payable to him with effect from **1st October, 2014 till June 30, 2016** on the terms and conditions set out in the resolution under Item No.13.

Your Board recommends the passing of Resolution as set out in the accompanying Notice as a Special Resolution with respect to revision in the terms and conditions of appointment of Shri Anil Gupta, Chairman-cum-Managing Director of the Company.

Except Shri Anil Gupta and Smt. Archana Gupta, no other Director and Key Managerial Personnel of the Company and their relatives, is concerned or interested in the Resolution.

ITEM NO. 14

The existing AOA are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the new Companies Act, 2013.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. However, substantive sections of the Act which deal with the general working of companies stands notified.

With the coming into force of the new Act, several regulations of the existing AOA of the Company requires alteration, addition or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;

- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be Capitalized;
- (d) new provisions relating to appointment of Chief Executive Officer and Chief Financial Officer, in addition to Manager and Company Secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AOA which are already part of statute in the Act have not been reproduced in the new draft AOA as they would only lead to duplication – their non-inclusion makes the new AOA crisp, concise and clear and aids ease of reading and understanding.

According to Section 203(1) of the Companies Act, 2013 every listed company and every other public company having a paid-up share capital of ₹ 10 crores or more shall have whole-time key managerial personnel,-

- 1) Managing Director, or CEO or Manager and in their absence WTD;
- 2) Company Secretary
- 3) CFO

Provided that an individual shall not be appointed or re-appointed as the chairperson of the Company, as well as Managing Director or CEO at the same time after the commencement of Companies Act, 2013 unless the Article of Such company provide otherwise or the Company does not carry multiple business.

Therefore the Article of Association of the Company required to be amended by inserting new clause regarding holding of both position by the Chairman of the Company as MD and Chairman.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 14 of the Notice except Shri Anil Gupta and Smt. Archana Gupta (being relative of Shri Anil Gupta) only to the extent of amendment in Articles of Association related to his appointment as MD / KMP and Chairman of the Company.

The Board of Directors of your Company has approved this item in the Board Meeting held on 8th August, 2014 and commends the Special Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

ITEM NO. 15

M/s. S. Chander & Associates., Cost Accountants, were appointed as Cost Auditors 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 2014-15 at a remuneration of ₹ 2,00,000/-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 Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as approved by the Board is required to be ratified subsequently by the

members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No.15 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors/Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 15 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 15 of the Notice for approval by the members.

Place: New Delhi

Dated: August 8, 2014

By Order of Board of Directors

For KEI INDUSTRIES LIMITED

(Kishore Kunal)
Company Secretary

CIN : # L74899DL1992PLC051527

Regd. Office: D-90, Okhla Industrial Area,

Phase-I, New Delhi-110020