KEI Industries Limited

Annual Report 2019-20

KEI
Wires and Cables

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

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

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

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

KEI at a Glance

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

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

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

OUR BUSINESS SEGMENTS

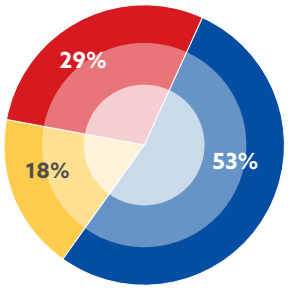
Retail

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

Exports

SEGMENT-WISE REVENUE MIX

Contribution to Revenue* (in %)



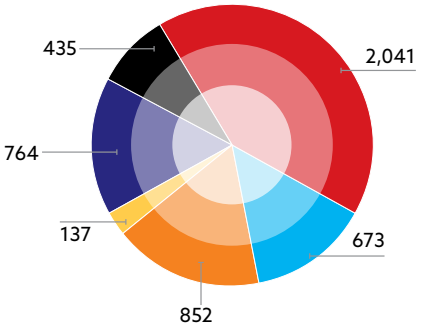
OUR PRODUCT MIX

- Extra-High Voltage Cables (EHV) up to 400kV
- High Tension (HT) & Medium Voltage Cables
- Low Tension (LT) Cables
- Control & Instrumentation Cables
- Speciality Cables
- Submersible Cables
- Rubber Cables
- PVC/Poly Wrapped Winding Wires (WW)
- Flexible & House Wires (HW)
- Stainless Steel (SS) Wires
- EPC Services

PRODUCT-WISE SALES FY 2019-20

Contribution to Revenue* (₹ in Crores)

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



*revenue figures are before Ind AS adjustment

OUR SECTORAL PRESENCE

POWER

OIL REFINERIES

RAILWAYS

AUTOMOBILES

CEMENT

STEEL

FERTILIZERS

TEXTILE

REAL ESTATE

OUR GLOBAL FOOTPRINT

Our Products are exported to more than

45

COUNTRIES

KEI
Wires and Cables
The power behind the power®

A Look at Our Numbers

(Behind them is our story of growth and resilience)

₹ 4,884 Crores

Net Sales in FY 2019-20

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

130%

Growth in EHV cable sale

on a year-on-year basis

₹ 513 Crores

EBITDA for FY 2019-20

as compared to ₹ 449 Crores in the previous year

16%

Growth in Net Sales

on a year-on-year basis

69%

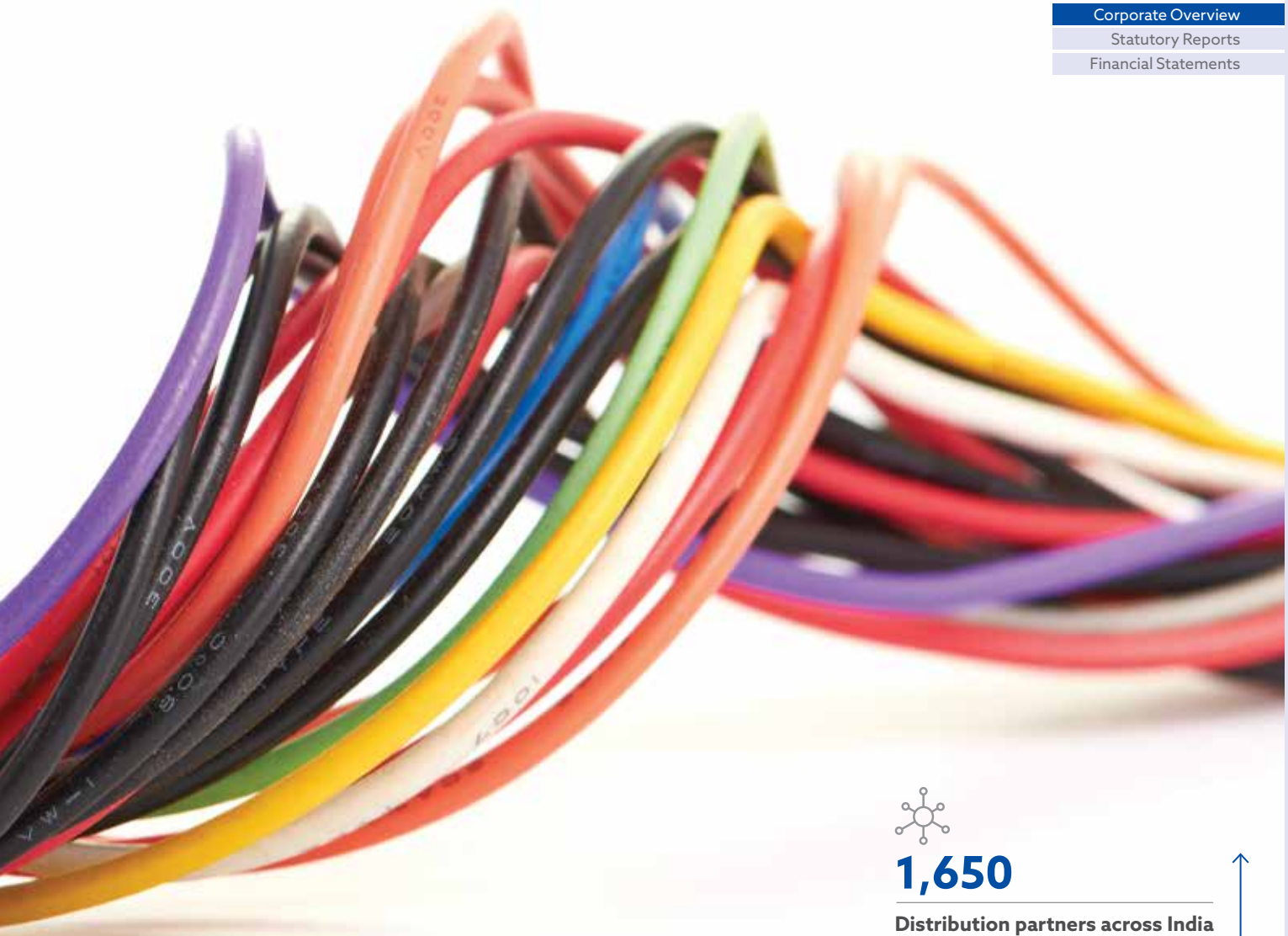
Growth in exports

on a year-on-year basis

14%

EBITDA growth

on a year-on-year basis



1,650

Distribution partners across India

₹ 255 Crores

Profit after tax for FY 2019-20

as compared to ₹182 Crores in the previous year

₹ 148 Crores

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

₹ 3,207 Crores

Strong Order Book

(as on May 31, 2020)

40%

PAT growth

on a year-on-year basis

₹ 500 Crores

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

2,400+

Employees

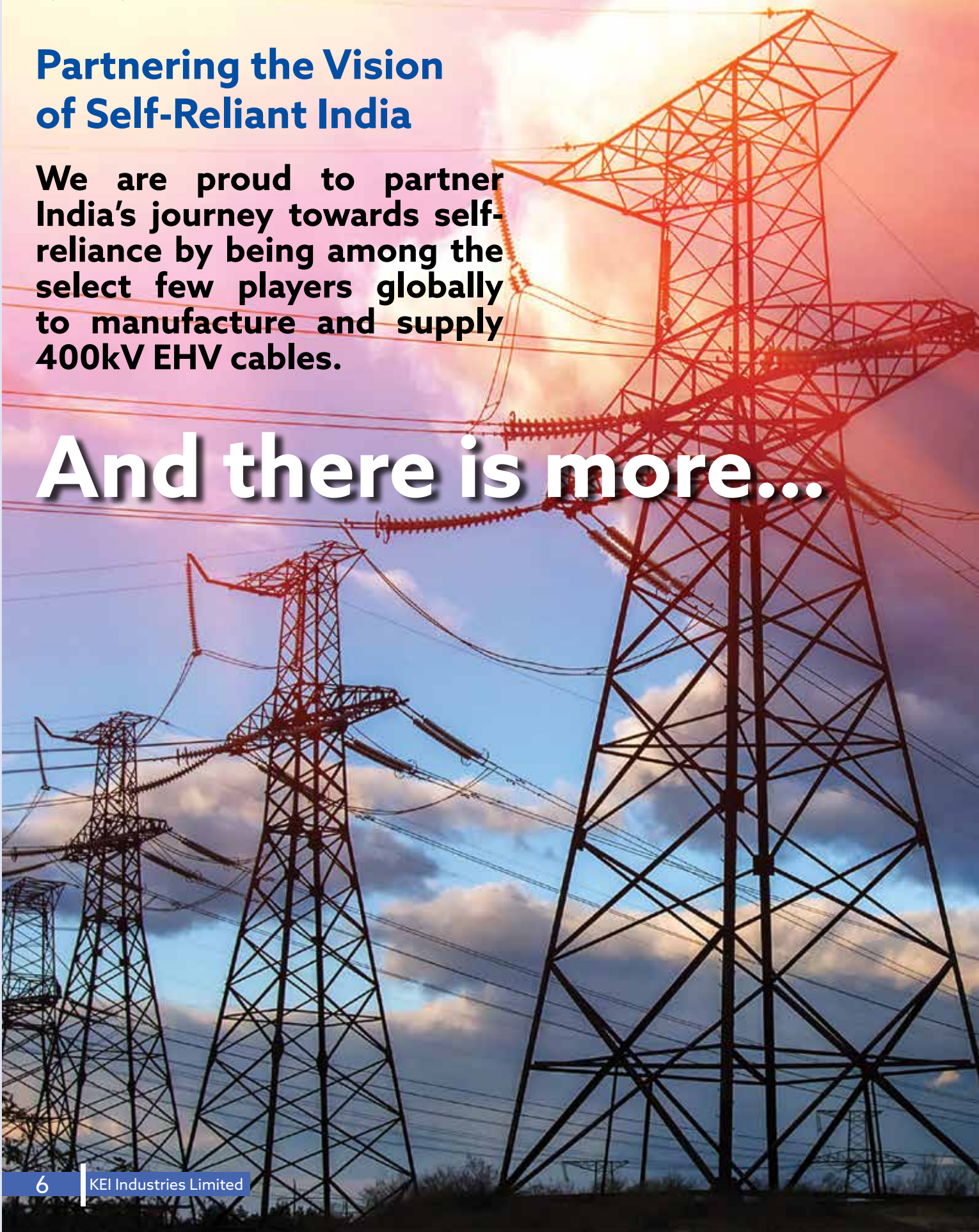
(as on May 31, 2020)

KEI
Wires and Cables
The power behind the power®

Partnering the Vision of Self-Reliant India

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

And there is more...



IN-HOUSE MANUFACTURING

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

CUMULATIVE CAPACITY OVER THE LAST TWO YEARS

Product Category	Unit of Measurement	Capacity as on March 31, 2019	Capacity as on March 31, 2020
☑ EHV Cables	Kms	900	**900**
☑ HT Cables	Kms	11,100	**11,100**
☑ LT Power and other Cables	Kms	97,600	**113,100**
☑ Wires	Kms	817,000	**1,117,000**
☑ Stainless Steel Wires	MT	6,000	**6,600**

BACKWARD INTEGRATION

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

R&D CAPABILITIES

Our superior research and development capabilities empower us to deliver innovative, high-quality products. Our R&D facility, which is located at Bhiwadi, Rajasthan, is accredited with the National Accreditation Board for Testing & Calibration Laboratories (NABL) under the ISO 17025:2005 standard, and employs expert R&D engineers, designers, and technicians. Our wide range of offerings coupled with our unwavering focus on design, technology, and quality help us to attract marquee corporate and institutional customers.

WORLD-CLASS QUALITY AND SAFETY

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

Our products are tested as per international standards by: KEMA (The Netherlands), FGH (Germany), TUV (Rheinland), SGS, IRS, ABS, CEIL, BRE (UK), LLOYDS REGISTER, BVQI, DNV, KVERNER POWERGAS, CPRI, ERDA, IDEMI, EIL, PDIL and MECON. Our manufacturing facilities conform with the ISO 14001:2015 certification for environment management system, the OHSAS 18001: 2007 certification for occupational health and safety management and the ISO 9001:2015 certification for quality management system. We have been consistently awarded the Superbrand status in India, reinforcing the respect and recognition earned by us.

Powering Resilience Through Our Strengths

LARGE AND DIVERSIFIED PRODUCT PORTFOLIO

Since our incorporation, we have significantly expanded our product portfolio, which now comprises cables and wires not only for industrial and commercial use but also for domestic consumption. Our dedicated efforts towards boosting our product portfolio and our ability to meet customer requirements contribute significantly to our industry-leading position.

STRONG PREQUALIFICATION CREDENTIALS

We supply our products to various governmental agencies, based on a pre-qualification process and grant of approval by these governmental agencies. Pre-qualification requirements include past experience of supply to such entities, ability to meet specific technical requirements, financial strength, and price competitiveness of our product offerings.

WIDE CUSTOMER BASE

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

ESTABLISHED RELATIONSHIPS WITH INSTITUTIONAL CUSTOMERS

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

Since our incorporation, we have significantly expanded our product portfolio, which now comprises cables and wires not only for industrial and commercial use but also for domestic consumption.