



KEI Industries Limited

Regd. Office: D-90, Okhla Industrial Area, Phase – 1 New Delhi – 110020. CIN: L74899DL1992PLC051527. Tel.: +91-11-26818840, 26818642, 26815558, 26815559. Fax: +91-11-26811959, 26817225. Email: info@kei-ind.com Website: www.kei-ind.com

KEI/BSE/2016-17

Date: 20.12.2016

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.

Sub: Clarification sought

(Ref Announcement No. 101365055)

Dear Sir / Madam,

This is in response to the clarification sought with reference to our recent announcement submitted to the exchange dated December 19, 2016 titled "Disclosure of Information- Signing of Technical Collaboration Agreement for manufacturing of 400kv Cables".

On the basis of the above, we submit the following clarification:

1. **Share Exchange Ratio/JV Ratio:** Not Applicable, as it is a Technical Collaboration.
2. **Scope of Business operation of agreement/JV:** As per know-how License agreement signed by the Company with Brugg Kabel AG, Switzerland, Company is entitled to use Technology in form of know-how with respect to Extra High Voltage (EHV) Cables above 220kV and up to 400kV for the limited purpose of manufacturing, assembling, marketing and selling the Licensed Product for a period of five years.
3. **Details of consideration paid/received in agreement/JV:**

As per know-how License agreement, Company is required to pay an Annual Lump sum Fee in EURO's (excluding VAT) for a term of five year: 1st year until 5th year EURO 80'000 per year, payable in four quarterly installments on the last calendar day of each of February, May, August and November.

The Company shall, in addition, pay an annual Fee as a Royalty in EURO in the amount calculated on the net sales prices Ex works (i.e. invoice price less costs of packing and transportation) of the Licensed Products sold by the Company (excluding VAT) as follows:
400kV 3.00% (three per cent)

However, a minimum annual Royalty Fee of EURO 60'000.00 is payable by the Company to Brugg Kabel after 2 (two) years of signing the Agreement.

As per Trademark License agreement, Company is required to pay an Annual Lump sum Fee in EURO's (excluding VAT) for a term of five year: 1st year until 5th year EURO 20'000 per year, payable in four quarterly installments on the last calendar day of each of February, May, August and November.

Works-II : Bhiwadi : SP-920, RIICO Industrial Area, Phase-III, Bhiwadi, Dist. Alwar-301019 (Rajasthan) Tel : 01493-220106, 221731 Fax : 01493-221732.
Works-III : Silvassa : 99/2/7, Madhuban Istrial Estate, Rakholi, Silvassa UT of D &N.H-396240. Tel/Fax : 0091-260-2644404, 2630944,2645896
Branch : Chennai : 27/F-1, first floor, Chakrapani Street, West Mambalam, Chennai-600 033 Tel : 044-24803363 Fax : 044-24803404.
Offices : Mumbai : 101/102, Vastu Shilp, Vastu Enclave, Andheri Pump House, Andheri(East), Mumbai-400093. Tel: 0091-22-2823963/28375642, Fax: 28258277
Kolkata : P-47 & 48, Nilachal Complex Phase-II, Narendra Pur (Opp. Mandir Gate) Kolkata-700 013 Telfax : 033-24773299

For KEI INDUSTRIES LTD.


Kishore Kunal
GM Corporate & Company Secretary



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4. **Significant terms and conditions of agreement/JV in brief:** As specified above.
5. **Whether acquisition would fall within related party transactions and whether the promoter/promoter group/group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at arm's length?**- Not Applicable
6. **Size of the entity(ies):** As per Annual Financial statement, Brugg Kabel's Net sales was CHF 157.071 Million for the year 2015.

This is for your information and update.

Thanking you,

Yours truly,

For KEI INDUSTRIES LIMITED



Kishore Kunal

GM Corporate & Company Secretary

(KISHORE KUNAL)

GM (Corporate) & Company Secretary

CC: BSE & CSE

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