

# KEI

## Wires & Cables

The wiring system of a structure was once likened to the nervous system of a human being. That tells you how vital and essential it is. Of course, with such great responsibility, comes the need for great power cables and wires. A task that KEI Industries has consistently handled with such aplomb that it is amongst India's top three wire and cable manufacturers. Its comprehensive product portfolio ranges from housing wires to Extra High Voltage (EHV) cables. Leveraging its in-house cable production, the company has strategically forward-integrated into Engineering, Procurement and Construction (EPC) services for power and transmission projects. Be it in India or overseas, retail or institutional, KEI is a power to be reckoned with.

### Market

As an emerging world power, India has witnessed rapid electrification. With production reaching a phenomenal 1249 billion units in 2018-2019, India is the world's third largest producer and consumer of electricity.

The Indian GDP is predicted to double over the next ten years as is the demand for electricity. The nation has moved on from being power-deficit to power-surplus and expectations have also moved from power availability to power quality.

While the global wire and cable market is growing at a CAGR of 8.39% from 2018 to 2023, analysts forecast that in India it will grow at a CAGR 10.3% through 2023, especially since it is one of the key segments of the power sector and comprises nearly 40% of the electrical industry. This market is currently pegged at ₹49,000 crore but is expected to catapult to ₹100,000 crore in the next five years. This unprecedented growth in the power sector is led by government schemes like Power for All, Ujjwal DISCOM Assurance Yojana (UDAY), Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme, Housing for All, Saubhagya Scheme, Smart City and Make in India.

The Indian Government's investments in the railways, urban infrastructure, roads and renewable energy, along with a robust spurt of electrified households and improved life-styles have caused a major metamorphosis in the power sector. With evacuation and distribution of power being a critical part of generation, the demand for domestic wires and cables sector has escalated.

The trend to replace overhead cables in crowded cities with environment-friendly and aesthetic underground cables is catching on. Global investors are rightly envisaging India as the market with maximum potential for high voltage (HV) and extra high voltage (EHV) cables and are leveraging their investments in the Indian cable market through technical collaborations with domestic manufacturers.

Not surprisingly, the wires and cables industry in India is expected to double in size in the next five years.

### Achievements

In a market that is shaped by constantly evolving demands,

KEI's biggest achievement has been to remain steadfastly consistent by maintaining a strategic manufacturing footprint. KEI has come out in shining colours. Its corporate status has shot up in the prestigious Fortune 500 ranking - #297 in 2019 – a huge leap from #331 in 2018. During KEI's 50 glorious years of industry experience, it has consistently focused on growing a diversified and de-risked business model across segments, products, sectors and geographies to gain operational flexibility. A network of more than 1,600 distribution partners allows KEI to efficiently meet market needs and expand domestic reach. KEI's emergence on the global platform as a powerful player, with products exported to 45 countries, is a testament to its customised solutions and specialty cables offered at a competitive price.

To add muscle to its manufacturing prowess, KEI has set up two additional facilities at Pathredi and Chinchpada. Now with a total of five world-class manufacturing units, KEI is all set to meet the rising demands for its products head on. KEI is one of the few Indian companies with the expertise to manufacture cables to handle 400 kV – a boon that helps manage the boom in

demand created by the government's electrification schemes. KEI has successfully provided EHV and EPC solutions for multiple national-level upgradation of transmission and distribution network schemes in rural and urban areas.

KEI's strict adherence to the most stringent international quality standards has been amply rewarded through stamps of approval via ISO and NABL certifications for Quality Management, Environment Management and for the testing laboratories. Its strong product credentials from utility sector clients have qualified KEI to participate in large tenders with a solid competitive edge. And to keep that edge sharp, KEI has engaged leading consultants to take their productivity and efficiency management to the next level.

The other promise that KEI has unfailingly kept is to deliver on its financial commitments.

With a holistic performance across all business segments, KEI generated ₹4,227 crore in net sales in FY 2018 - 2019 with an outstanding growth of 23% versus 2017-2018. Its retail business has grown by leaps and bounds to ₹1,400 crore in 2019 from ₹978 crore in 2017-2018.

### History

India was introduced to electricity 140 years ago, in 1879. Today the national electric grid in India has an installed capacity of 368.79 GW.

And for the last 50 years, KEI Industries has helped distribute and evacuate power across India. Established as a partnership firm, Krishna Electrical Industries, in 1968, by the late D N Gupta, its prime business was making wiring rubber cables for the Department of Telecommunications' switchboards. In

1992, the firm was converted into a public limited company with the abbreviated name, KEI Industries Limited, and started producing PVC/ XLPE power cables of up to 3.3 kV. With the acquisition of Matchless in 1993, KEI entered the manufacturing of stainless steel wires. Eager to diversify its portfolio, the company installed facilities at Bhiwadi, Silvassa and Chopanki.

Its relentless quest for superior tech know-how led KEI to collaborate with the reputed Swiss Company, Brugg Kabel AG, in 2010 – to set foot in the domain of manufacturing EHV cables of up to 66kV, 220kV and 400 kV. With its diversified cable



offerings, KEI is all geared to serve mega power plants, transmission companies, IT parks, residential townships, metro rail projects and metro cities.

## Product

Behind KEI's phenomenal growth rate lies its phenomenal product offering - one of India's widest range of cables. The company has pioneered innovations in high-performance cables and wires. Its vast portfolio, apart from EHV (extra heavy voltage) cables up to 400 kV, MV (medium voltage) and HT (heavy tension) cables, also includes control and instrumentation cables, rubber cables, thermocouple cables, zero halogen cables, braided cables, single and multi-core flexible cables, house wire and stainless steel wires.

What gives KEI an upper hand is its quick response rate to customer demands across a wide spectrum of sectors such as power, defence, solar energy, offshore oil refineries, shipping, mining,



welding, railways, automobiles, telephones, cement, steel, fertilisers, textiles and real estate. KEI derives its strength from a full-fledged team of experienced professionals, in-house execution capabilities and the ability to manufacture its own EHV, HV and LT cables. It has gained an enviable track record of providing superior, cost-effective EPC solutions for railway and rural electrification, metro and smart city projects – both in India and overseas. KEI has actively participated in HV and EHV underground cabling projects from 33kV to 400kV as well as AIS and GIS substations on a turnkey basis up to 400kV.

## Recent Developments

With an eye on growing its revenues and profitability in the retail sector, KEI has judiciously augmented production by enhancing its housing wire capacity. Growing awareness about electrical safety has driven a shift towards branded cables and wires. The stabilisation of GST has narrowed down the price differential between branded and unbranded products, thus benefitting the organised sector.

KEI's strategic focus on retail is also buoyed by several sector-favourable initiatives by the Indian Government. With the thrust on reviving the real estate market, driving urbanisation and the upgradation of infrastructure in power transmission and distribution, the opportunities thrown up are too good to miss. To capitalise on this, KEI has completed the expansion of its LT

and HT facilities at Pathredi to increase manufacturing capacities. A new unit at Chinchpada will take on the additional requirement for housing wires. All plants will be operating at optimal utilisation on the back of these market dynamics.

KEI's progression into EPC services was propelled by its keen intent to be present across the value chain – from manufacturing and supplying cables to executing EPC contracts. Powered by its domain expertise, KEI is executing complex projects for some of the biggest names in the industry. Leveraging its

in-house production of EHV, HT and LT cables has enabled the company to extend considerable cost efficiencies in these projects.

KEI has notched up an impressive performance in the overseas market by delivering customised solutions to meet niche demands across multiple industries. The company's revenue gained such an impetus with the execution of a large order from Africa, that a new KEI office has been set up in that continent.

## Promotion

When a commodity becomes a brand, it needs to develop and maintain a persona that consumers can recall, relate to and engage with. To drive awareness and cut-through in an ad space cluttered with FMCG brands, over the last six years, KEI's ad spend has increased ten-fold, to ensure top-of-the-mind recall, brand saliency and connect.



Since cricket is a religion by itself in India and worshipped by the masses, KEI has piggy-backed onto the popular IPL series to reach millions of viewers. It continued its partnership with the Rajasthan Royals team to promote KEI's safety message - Har Tension Sahein, Chalti Rahein. Brand visibility was loud and clear across logos sported on the team's jersey, the stadiums and other match paraphernalia. Brand engagement was further boosted with an innovative Selfie Booth.

By co-sponsoring the India-West Indies tour in 2019, KEI not only achieved heightened brand visibility, but also engaged with a global



audience as part of its strategy to explore new international markets.

Content is king today and rules across digital media. Mindful of this, KEI actively engages in online marketing and uses social media effectively to connect with its target audience. BTL activities ensure the brands presence at leading exhibitions and through sponsorships of marquee industry events.

## Brand Values

At the core of KEI's strategic focus on production quality, its diverse portfolio and competitive pricing, is the value that the company places on its customer and supplier relationships. To meet their unique demands with special solutions, superior products, timely delivery and prompt after-sales service, KEI does not compromise on any level. Every effort is taken to satisfy customers and to build long-lasting partnerships with them. After all, they are the power behind KEI's power.

## Things you didn't know about KEI

- \* EHV, HT, LT and control & instrumentation cables constitute a major portion of the total sales of the company
- \* KEI has provided Engineering and Construction (EPC) solutions for over a decade
- \* To focus on the B2C segment, KEI launched a sustained effort to strengthen its distribution and retail network in India
- \* KEI employs 5,000 people
- \* KEI is present in almost every significant city, with 42 branch offices
- \* Its tech partner, Brugg Kabel AG, is over 115 years old

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